THIS CIRCULAR TO SHAREHOLDERS OF BSL CORPORATION BERHAD ("BSLCORP" OR THE "COMPANY") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad 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.

BSL CORPORATION BERHAD
(Registration No. 200401012615 (651118-K))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO:-

(I) **PROPOSED SHARE SPLIT INVOLVING A SUBDIVISION OF EVERY 1 EXISTING ORDINARY SHARE IN BSLCORP ("BSLCORP SHARES" OR THE "SHARES") HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER INTO 2 SHARES ("SUBDIVIDED SHARES") ("PROPOSED SHARE SPLIT");**

(II) **PROPOSED PRIVATE PLACEMENT OF UP TO 58,800,000 NEW SHARES, REPRESENTING UP TO 30% OF THE TOTAL NUMBER OF ISSUED SHARES, TO INDEPENDENT THIRD PARTY INVESTOR(S) TO BE IDENTIFIED LATER AT AN ISSUE PRICE TO BE DETERMINED LATER ("PROPOSED PRIVATE PLACEMENT");**

(III) **PROPOSED BONUS ISSUE OF UP TO 127,400,000 FREE WARRANTS IN BSLCORP ("WARRANTS") ON THE BASIS OF 1 WARRANT FOR EVERY 2 SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED BONUS ISSUE OF WARRANTS"); AND**

(IV) **PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME INVOLVING UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES *(EXCLUDING TREASURY SHARES)* FOR ELIGIBLE DIRECTORS AND EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES *(EXCLUDING DORMANT SUBSIDIARIES)* ("PROPOSED ESOS")**

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

PRINCIPAL ADVISER FOR THE PROPOSALS AND
PLACEMENT AGENT FOR THE PROPOSED PRIVATE PLACEMENT

MERCURY SECURITIES SDN BHD
(Registration No. 198401000672 (113193-W))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting of the Company ("**EGM**") which is scheduled to be held on a virtual basis through live streaming and online remote participation and voting from the Broadcast Venue at Level 10, Tower 11, Avenue 5, No. 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur, Wilayah Persekutuan (KL) on Friday, 22 October 2021 at 10.30 a.m. or at any adjournment thereof together with the Form of Proxy are enclosed with this Circular.

If you decide to appoint a proxy or proxies for the EGM, you must complete, sign and return the Form of Proxy and lodge it at the registered office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) or fax to 03-6201 3121 or e-mail to ir.bsl@shareworks.com.my on or before the date and time indicated below or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from participating, speaking and voting in person at the EGM should you subsequently decide to do so.

Last date and time for lodging the Form of Proxy for the EGM	:	Wednesday, 20 October 2021 at 10.30 a.m.
Date and time of the EGM	:	Friday, 22 October 2021 at 10.30 a.m.

This Circular is dated 7 October 2021

DEFINITIONS

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

Act	-	Companies Act, 2016
Board	-	Board of Directors of the Company
Books Closure Date for Share Split	-	5.00 p.m. on a date to be determined and announced later by the Board on which the names of Shareholders must appear in the Record of Depositors of the Company in order to be entitled to participate in the Proposed Share Split
BSLCORP or the Company	-	BSL Corporation Berhad (200401012615 (651118-K))
BSLCORP Group or the Group	-	Collectively, the Company and its subsidiaries
BSLCORP Shares or the Shares	-	Ordinary shares in the Company
Bursa Depository	-	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
Bursa Securities	-	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
By-laws	-	The rules, terms and conditions governing the Scheme as may be modified, amended, varied or supplemented from time to time, a draft of which is appended in Appendix II of this Circular
Circular	-	This circular to Shareholders in relation to the Proposals
Covid-19	-	Coronavirus disease 2019
Date of Offer	-	The date of which an Offer is made by the ESOS Committee to the Eligible Persons to participate in the Scheme
Deed Poll	-	Deed poll constituting the Warrants to be executed by the Company
Directors	-	Directors of the Company and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act, 2007
E&E	-	Electrical and electronics
Effective Date	-	The date on which the Scheme shall take effect, following full compliance with all relevant requirements prescribed under the Listing Requirements
EGM	-	An extraordinary general meeting of the Company
Eligible Directors	-	Directors who fulfill the eligibility criteria for participation in the Scheme as set out in the By-laws
Eligible Employees	-	Employees who fulfill the eligibility criteria for participation in the Scheme as set out in the By-laws
Eligible Persons	-	Collectively, the Eligible Directors and the Eligible Employees

Entitled Shareholders	-	Shareholders whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date for Bonus Warrants
Entitlement Date for Bonus Warrants	-	5.00 p.m. on a date to be determined and announced later by the Board on which the names of Shareholders must appear in the Record of Depositors of the Company in order to be entitled to participate in the Proposed Bonus Issue of Warrants
EPS	-	Earnings per Share
ESOS or the Scheme	-	Employees' share option scheme for the granting of the Options to the Eligible Persons to subscribe for new Shares upon the terms as set out in the By-laws, such scheme to be known as the "BSLCORP Employees' Share Option Scheme"
ESOS Committee	-	The committee appointed and authorised by the Board to administer the Scheme in accordance with the By-laws, comprising such number of Directors and/or other persons identified and appointed from time to time by the Board
FPE	-	Financial period ended
FYE	-	Financial year ended
Grantee	-	Any Eligible Person who has accepted an Offer in the manner provided in the By-laws
IMR Report	-	Independent market research report dated 30 September 2021 on the E&E industry in Malaysia and semiconductor equipment industry in Malaysia, which was prepared by Smith Zander
Interested Person	-	A director, major shareholder or chief executive of the Company or a holding company of the Company
LAT	-	Loss after taxation
Listing Requirements	-	Main Market Listing Requirements of Bursa Securities
LPD	-	30 September 2021, being the latest practicable date prior to the printing of this Circular
LPS	-	Loss per Share
Market Day	-	Any day on which Bursa Securities is open for trading of securities
Maximum Scenario	-	Assuming that all the treasury shares held by the Company as at the LPD are resold in the open market prior to the implementation of the Proposals and a total of 58,800,000 Placement Shares are issued pursuant to the Proposed Private Placement
Maximum Shares	-	Maximum number of new Shares that may be granted under the Scheme which shall not in aggregate exceed 15% of the total number of issued Shares *(excluding treasury shares)* at any point of time during the duration of the ESOS

Mercury Securities or the Principal Adviser or the Placement Agent	-	Mercury Securities Sdn Bhd (198401000672 (113193-W))
Minimum Scenario	-	Assuming that none of the treasury shares held by the Company as at the LPD are resold in the open market and a total of 57,981,500 Placement Shares are issued pursuant to the Proposed Private Placement
NA	-	Net assets
Offer	-	Written offer of Options at the discretion of the ESOS Committee, to an Eligible Person from time to time within the duration of the Scheme
Official List	-	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
Options	-	The right of a Grantee to subscribe for new Shares during the Option Period at the Option Price pursuant to an Offer duly accepted by the Grantee
Option Period	-	The period commencing from the Effective Date and expiring on (a) the last day of the duration of the Scheme, or (b) such other date as stipulated by the ESOS Committee in the Offer, or (c) on the date of termination or expiry of the Scheme as provided in the By-laws, whichever is earlier
Option Price	-	The price at which a Grantee shall be entitled to subscribe for each new Share from the Company upon the exercise of the Option, as initially determined and as may be adjusted in accordance with the provisions of the By-laws
PAT	-	Profit after taxation
Placement Shares	-	Up to 58,800,000 new Shares to be issued pursuant to the Proposed Private Placement
Proposals	-	Collectively, the Proposed Share Split, Proposed Private Placement, Proposed Bonus Issue of Warrants and Proposed ESOS
Proposed Bonus Issue of Warrants	-	Proposed bonus issue of up to 127,400,000 free Warrants on the basis of 1 Warrant for every 2 Shares held on the Entitlement Date for Bonus Warrants
Proposed ESOS	-	Proposed establishment of the ESOS involving up to 15% of the total number of issued Shares *(excluding treasury shares)*
Proposed Private Placement	-	Proposed private placement of up to 58,800,000 Placement Shares, representing up to 30% of the total number of issued Shares, to independent third party investor(s) to be identified later at an issue price to be determined later
Proposed Share Split	-	Proposed share split involving a subdivision of every 1 existing Share held on the Books Closure Date for Share Split into 2 Subdivided Shares
Record of Depositors	-	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository

RM and sen	-	Ringgit Malaysia and sen respectively
Rules of Bursa Depository	-	Rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991, including the Securities Industry (Central Depositories) Amendment Act, 1998
Shareholders	-	Registered holders of the Shares
Smith Zander	-	Smith Zander International Sdn Bhd (201301028298 (1058128-V)), an independent market researcher
Subdivided Shares	-	Ordinary shares in BSLCORP after the Proposed Share Split
VWAP	-	Volume-weighted average market price
Warrants	-	Up to 127,400,000 free warrants in BSLCORP to be issued pursuant to the Proposed Bonus Issue of Warrants

All references to "you" in this Circular are to the Shareholders.

In this Circular, words referring to the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to time and date in this Circular shall be a reference to Malaysian time and date, unless otherwise stated. Any discrepancies in the tables between the actual figures, amounts stated and the totals in this Circular are, unless otherwise explained, due to rounding.

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

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BSL CORPORATION BERHAD
(Registration No. 200401012615 (651118-K))
(Incorporated in Malaysia)

Registered office
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)

7 October 2021

Board of Directors

Hoo Wai Keong *(Executive Director)*
Andrew Ho Tho Kong *(Executive Director)*
Wong Boon Peng *(Independent Non-Executive Director)*
Chong Kwang Fock *(Independent Non-Executive Director)*
Chew Khai Liong *(Independent Non-Executive Director)*

To: The Shareholders

Dear Sir / Madam,

(I) PROPOSED SHARE SPLIT;
(II) PROPOSED PRIVATE PLACEMENT;
(III) PROPOSED BONUS ISSUE OF WARRANTS; AND
(IV) PROPOSED ESOS

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

1. INTRODUCTION

On 3 September 2021, Mercury Securities had, on behalf of the Board, announced that the Company proposes to undertake the Proposals.

On 1 October 2021, Mercury Securities had, on behalf of the Board, announced that Bursa Securities has, vide its letter on even date, resolved to approve the following:-

(i) Proposed Share Split;

(ii) listing and quotation of up to 58,800,000 Placement Shares to be issued pursuant to the Proposed Private Placement;

(iii) admission to the Official List and listing and quotation of up to 127,400,000 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants;

(iv) listing and quotation of up to 127,400,000 new Shares to be issued pursuant to the exercise of the Warrants; and

(v) listing and quotation of such number of additional new Shares, representing up to 15% of the total number of issued Shares *(excluding treasury shares, if any)*, to be issued pursuant to the Proposed ESOS.

The approval granted by Bursa Securities for the Proposals is subject to the conditions as set out in Section 7 of this Circular.

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

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH ITS APPENDICES BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Share Split

2.1.1 Basis and number of Subdivided Shares

In accordance with the Constitution of BSLCORP, the Company may from time to time by ordinary resolution and subject to other applicable laws or requirements subdivide its Shares. The Proposed Share Split involves the subdivision of every 1 existing Share held by the Shareholders, whose names appear in the Record of Depositors of the Company as at the close of business on the Books Closure Date for Share Split, into 2 Subdivided Shares.

The basis of subdivision of every 1 existing Share into 2 Subdivided Shares was determined after taking into consideration, amongst others, the following:-

(i) the potential adjustments to the share price of BSLCORP Shares arising from the Proposed Share Split; and

(ii) the enlarged total number of BSLCORP Shares after the Proposed Share Split.

The Books Closure Date for Share Split will be determined by the Board and announced at a later date upon receipt of all relevant approvals for the Proposed Share Split. It is the intention of the Company to:-

(i) complete the Proposed Share Split prior to the implementation of the Proposed Private Placement;

(ii) complete the Proposed Private Placement prior to the implementation of the Proposed Bonus Issue of Warrants; and

(iii) complete the Proposed Bonus Issue of Warrants prior to the implementation of the Proposed ESOS.

As at the LPD, the Company has an issued share capital comprising 98,000,000 Shares *(including 1,364,113 treasury shares)*. For avoidance of doubt, any treasury shares held by the Company shall also be subdivided pursuant to the Proposed Share Split.

Based on the above, the total number of 98,000,000 issued Shares *(including 1,364,113 treasury shares)* will be subdivided into 196,000,000 Subdivided Shares *(including 2,728,226 treasury shares)*.

For the avoidance of doubt, the Proposed Share Split will increase the total number of BSLCORP Shares in issue but will not increase the value of the issued share capital of BSLCORP.

The reference price of BSLCORP Shares will be adjusted for the Proposed Share Split. For illustration purposes, based on the lowest daily VWAP of BSLCORP Shares during the past 3-month period up to and including 2 September 2021 *(being the date immediately before submission of the application to Bursa Securities on 3 September 2021)*, the theoretical adjusted reference price of BSLCORP Shares upon completion of the Proposed Share Split is as follows:-

	Before the Proposed Share Split	**After the Proposed Share Split**
	Market price	**Illustrative theoretical adjusted reference price**
Lowest daily VWAP during the past 3-month period up to 2 September 2021 (RM)	1.0352	0.5176
No. of issued Shares	98,000,000	196,000,000
Illustrative effect to a Shareholder holding 1,000 Shares before the Proposed Share Split		
• No. of Shares held	1,000	2,000
• Total value (RM)	1,035.20	1,035.20

The Board confirms that the share price adjusted for the Proposed Share Split is not less than RM0.50 based on the daily VWAP during the past 3-month period up to 2 September 2021 *(being the date immediately before submission of the application to Bursa Securities on 3 September 2021)* in accordance with Paragraph 6.30(1A) of the Listing Requirements.

2.1.2 Ranking of the Subdivided Shares

The Subdivided Shares shall rank equally in all respects with each other.

2.1.3 Listing and quotation of the Subdivided Shares

Bursa Securities has, vide its letter dated 1 October 2021, approved the Proposed Share Split, subject to the conditions as set out in Section 7 of this Circular.

No suspension will be imposed on the trading of BSLCORP Shares on the Main Market of Bursa Securities for the purpose of implementing the Proposed Share Split.

The Subdivided Shares shall be listed and quoted on the Main Market of Bursa Securities on the next Market Day following the Books Closure Date for Share Split.

2.2 Proposed Private Placement

2.2.1 Size of placement

The Proposed Private Placement involves the issuance of up to 58,800,000 Placement Shares, representing up to 30% of the total number of issued Shares after the Proposed Share Split and assuming all treasury shares are resold in the open market, at an issue price to be determined later.

The actual number of Placement Shares to be issued pursuant to the Proposed Private Placement will depend on the total number of issued Shares *(excluding treasury shares)* at the relevant point in time.

As set out in Section 2.1.1 of this Circular, the Proposed Private Placement is intended to be implemented after the completion of the Proposed Share Split. Nonetheless, the Proposed Private Placement may still be implemented in the event that the Proposed Share Split is not implemented or completed.

The maximum number of Placement Shares *(after rounding down to the nearest 100 Shares)* to be issued pursuant to the Proposed Private Placement under the Minimum Scenario and Maximum Scenario are as follows:-

	Minimum Scenario	**Maximum Scenario**
Number of Subdivided Shares	196,000,000	196,000,000
Less: Subdivided Shares held by the Company as treasury shares	(2,728,226)	-
Number of Subdivided Shares *(excluding any treasury shares)* **(A)**	193,271,774	196,000,000
	x 30%	x 30%
Maximum number of Placement Shares *(after rounding down to the nearest 100 Shares)* **(B)**	57,981,500	58,800,000
Enlarged total number of Shares after the Proposed Private Placement *(up to)* (A) + (B)	**251,253,274**	**254,800,000**

2.2.2 Placement arrangement

The Placement Shares are intended to be placed to independent third party investor(s) to be identified later. Such investor(s) shall be party(ies) which qualify under Schedule 6 or 7 of the Capital Markets and Services Act, 2007. The Placement Shares are not intended to be placed to the following persons:-

(i) an Interested Person;

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

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

The Proposed Private Placement may be implemented in 1 or more tranches *(as the investors may be identified and procured over a period of time rather than simultaneously)* within a period of 6 months from the date of approval by Bursa Securities for the listing and quotation of the Placement Shares on the Main Market of Bursa Securities or any extended period as may be approved by Bursa Securities, subject to the prevailing market conditions.

2.2.3 Ranking of the Placement Shares

The Placement Shares shall, upon allotment, issuance and full payment of the issue price, rank equally in all respects with the then existing issued Shares.

2.2.4 Listing and quotation of the Placement Shares

Bursa Securities has on 1 October 2021 approved the listing and quotation of the Placement Shares on the Main Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions as set out in Section 7 of this Circular.

2.2.5 Basis and justification of the issue price of the Placement Shares

The Placement Shares will be issued based on a discount of not more than 20% to the 5-Market Day VWAP of BSLCORP Shares up to and including the last trading day immediately preceding the price-fixing date, to be determined and announced by the Board after taking into consideration prevailing market conditions.

The issue price of the Placement Shares and its discount to the 5-Market Day VWAP of BSLCORP Shares will be announced on the price-fixing date. The maximum discount has been set at 20% to provide the Company with more flexibility when fixing the issue price of the Placement Shares while also being mindful of the dilutive impact to the existing Shareholders if the discount is set too high. With this, the Company expects to be able to procure investor(s) more easily, depending on prevailing market conditions at the relevant time. In turn, this would potentially increase the likelihood of the Group being able to secure sufficient funding for the use of proceeds as set out in Section 2.2.6 of this Circular.

As the Proposed Private Placement may be implemented in several tranches, there could potentially be several price-fixing dates and issue prices.

For illustrative purposes only, based on an illustrative issue price of RM0.8300 per Placement Share, the issue price of the Placement Shares would represent a discount of approximately 19.58% to the 5-Market Day VWAP of BSLCORP Shares up to and including the LPD of RM1.0321 *(after adjusting for the Proposed Share Split) (Source: Bloomberg)*.

2.2.6 Use of proceeds

Based on an illustrative issue price of RM0.8300 per Placement Share, the gross proceeds to be raised from the Proposed Private Placement are intended to be used in the following manner:-

Use of proceeds	**Expected timeframe for utilisation from completion of the Proposed Private Placement**	**Minimum Scenario (RM'000)[(1)]**	**Maximum Scenario (RM'000)[(1)]**
(i) Manufacturing Expansion *(as defined below)*	Within 24 months	30,000	30,000
(ii) Working capital and/or capital expenditure	Within 24 months	16,035	16,693
(iii) Estimated expenses for the Proposals[(2)]	Immediate	2,090	2,111
Total[(3)]		**48,125**	**48,804**

Notes:-

(1) *The actual proceeds raised (which may be higher or lower than as illustrated above, depending on the actual number of Placement Shares to be placed out and the actual issue price to be determined later) will be allocated up to the respective maximum allocation in the following order:-*

(i) *estimated expenses for the Proposals (up to RM2.1 million);*

(ii) *Manufacturing Expansion (up to RM30.0 million); and*

(iii) *any surplus funds thereafter will be allocated to:-*

(a) *working capital (which includes the payment of rental expenses, staff costs, utilities, marketing, office expenses and other operating and administrative expenses such as insurance, entertainment, travelling and accommodation expenses); and/or*

(b) *capital expenditure (which includes acquisitions and/or investments in any suitable and/or complementary businesses and/or assets). The Company will make the necessary announcements in accordance with the Listing Requirements (if required) as and when it enters into any agreement to acquire and/or invest in complementary businesses and/or assets. In the event that Shareholders' approval and/or regulatory approvals are required, the necessary approvals will be sought. For the avoidance of doubt, the proposed acquisition of equity interest in SD Unify Pte Ltd (based on the announcement of the memorandum of understanding on 6 September 2021) is intended to be funded entirely from internally generated funds of the Company and will not be funded from the proceeds from the Proposed Private Placement.*

The exact utilisation breakdown of these expenses cannot be determined at this juncture as it would depend on the actual operating, administrative and other requirements of the Group at the relevant time.

(2) *The breakdown of the estimated expenses for the Proposals is as follows:-*

Estimated expenses	***Minimum Scenario (RM'000)***	***Maximum Scenario (RM'000)***
Professional fees (including advisory fees, management fees, placement commission and other professional fees payable to the solicitors and independent market researcher, company secretary and share registrar in relation to the Proposals)	*1,948*	*1,969*
Fees to the relevant authorities	*115*	*115*
Printing, despatch, advertising and EGM expenses	*27*	*27*
Total	***2,090***	***2,111***

If the actual expenses incurred are higher than the budgeted amount, the deficit will be funded from internally generated funds. Conversely, any surplus funds following the payment of expenses will be allocated in the order as set out in Note (1) above.

(3) *Pending the use of proceeds as and when they may be utilised, the proceeds shall be placed in interest-bearing deposits and/or money market instruments as the Board may deem fit. Any interests and/or gains arising therefrom shall be used for the Group's working capital purposes.*

Expansion of the Group's manufacturing business ("Manufacturing Expansion")

The Group is principally involved in the following:-

(i) investment holding;

(ii) precision stamping and tooling;

(iii) printed circuit board ("**PCB**") and electronic manufacturing services ("**EMS**") assembly; and

(iv) renewable energy.

Based on the latest audited and unaudited consolidated financial statements of the Company, the segmental breakdown of the revenue of the Group is as follows:-

Segment	FYE 31 August 2020 (RM'000)	%	9-month FPE 31 May 2021 (RM'000)	%
Investment holding	-	-	-	-
Precision stamping and tooling	119,518	87.2	112,200	87.3
PCB and EMS assembly	11,946	8.7	12,177	9.5
Renewable energy	5,672	4.1	4,510	3.5
Consolidation elimination	-	-	(371)	(0.3)
Total	**137,136**	**100.0**	**128,516**	**100.0**

The Group manufactures precision metal parts and components for various product segments such as home appliances, computer, television, automotive, automation, industrial and data storage products. In addition, the Group also provides PCB and EMS assembly operations. With the Group's manufacturing expertise for the E&E and semiconductor industries, the Board intends to expand its existing manufacturing business by enhancing its production capability and capacity through installation of new production lines and upgrading of the Group's existing machineries.

The procurement of more technologically advanced equipment and machineries will enable the Group to remain competitive in its business as well as to tap into a wider market segment. With more advanced equipment and machineries, the Group is able to produce new product range *(e.g. parts for wafer fabrication equipment, wafer processing equipment, test equipment and assembly and packaging equipment)*. The new product range is more complex and requires high-mix low-volume manufacturing *(also known as make-to-order manufacturing, the process of producing a high variety of products in small quantities).* This production method is commonly used to manufacture unique and more complex products with specific quality requirements. These products command higher profitability as they require higher manufacturing speed and precision. The Group is in continuous discussions with potential customers within the E&E and semiconductor industries for, amongst others, the manufacturing of parts for semiconductor test equipment given its potential growth prospects. The outlook and prospects of the E&E industry in Malaysia and semiconductor equipment industry in Malaysia are set out in Sections 4.2 and 4.3 of this Circular.

As set out in Section 4.3 of this Circular, the semiconductor equipment industry in Malaysia is represented by the manufacturing sales value of specialised machinery and equipment. The manufacturing sales value of specialised machinery and equipment in Malaysia increased from RM8.94 billion in 2018 to RM9.08 billion in 2020 at a compound annual growth rate ("**CAGR**") of 0.78%. Moving forward, driven by continuing growth of the semiconductor industry and E&E industry in Malaysia as well as continuous technological advancements, Smith Zander estimates the manufacturing sales value of specialised machinery and equipment to grow by 14.65% from RM9.08 billion in 2020 to RM10.41 billion in 2021.

For the expansion of its manufacturing business, the Group intends to allocate an amount of RM30.00 million from the Proposed Private Placement as follows:-

Manufacturing Expansion	Note	Expected timeframe for utilisation from completion of the Proposed Private Placement	Amount (RM'000)
(i) Purchase of equipment and machineries	(i)	Within 24 months	23,600
(ii) Production floor expansion	(ii)	Within 12 months	1,500
(iii) Working capital	(iii)	Within 12 months	4,900
Total			**30,000**

(i) Purchase of equipment and machineries

For the Manufacturing Expansion, the Group intends to purchase the following equipment and machineries from local and oversea suppliers:-

Equipment and machineries	Description	Quantity	Estimated cost per unit RM'000	Total cost RM'000
(1) Surface mounted technology ("**SMT**") line *(comprising a reflow oven, solder paste printer, chip mounter and an automatic conveyor)*(1)	SMT is a method of mounting or placing semiconductor components such as resistors, transistors, capacitors and integrated circuit packages onto the surface of a PCB. SMT enables miniaturisation of circuitries where very small semiconductor components can be accurately handled and placed precisely with very small tolerance, therefore allowing more components to be mounted within a given area. With the miniaturisation of many electronic devices, SMT is a critical technology to facilitate the manufacturing of a large majority of electronic products.	2	3,000	6,000
(2) Automatic Computer Numerical Control (CNC) precision milling machines(1)	Equipment commanded by computers to perform tasks in high precision manner. Used for the pre-drilling process on the PCB and the manufacturing of precision fabricated parts.	4	500	2,000
(3) 100-ton hydraulic press brake(2)	A power press machine used to shape metal by pressing it into a die.	3	400	1,200
(4) 20-ton turret punch press(2)	A power press machine for punching process.	1	1,800	1,800
(5) Laser cut machine(2)	Equipment for precision cutting to produce parts of required shape and thickness.	1	1,300	1,300
(6) Powder coating line *(comprising a steel platform, powder coating system, spray gun and waste water treatment)*(2)	An automated conveyor system for the coating of metal parts.	1	1,500	1,500
(7) Plastic moulding machine(1)	Equipment to mould plastic parts to the required shape and size.	5	800	4,000
(8) Plastic mould making machine(1)	Equipment to form the mould for the plastic moulding machine.	4	1,200	4,800
(9) Semi-automatic assembly line *(comprising a speed chain assembly line, vacuum line with conveyor, performance test line and electric control system)*(1)	An automated system to assemble electrical, mechanical, metal and non-metal parts used in a larger semi-finished or finished product, which is expected to improve production assembly time as less manual labour is required.	2	500	1,000
Total				**23,600**

Notes:-
(1) Expected to be sourced from oversea suppliers.
(2) Expected to be sourced from local suppliers.

The current monthly production capacity of the Group's existing production facilities is approximately 146,180 units of output from different range of products. Upon completion of the Manufacturing Expansion, the Group's monthly production capacity will increase by approximately 39,000 units of output with a greater mix of product range of greater complexity and specifications *(such as parts of semiconductor test equipment)*, requiring higher accuracy as tabulated below:-

Range of products	**Estimated monthly production capacity (units)**	**Actual production outputs for September 2021[(1)] (units)**	**Estimated additional monthly production capacity from Manufacturing Expansion (units)**
Range A *(including agricultural products, industrial fans, casing for air-conditioning ventilators and server racks)*	120,000	89,000	26,000
Range B *(including parts for home appliances and audio appliances)*	26,000	14,400	12,000
Range C *(including power management device, power supply unit and parts of semiconductor test equipment)*	180	100	1,000
Total	**146,180**	**103,500**	**39,000**

Note:-

(1) Based on approximately 80% of the workforce of the Group in September 2021 as the Group's employees have recently been fully vaccinated.

(ii) Production floor expansion

Currently, the Group's production facilities are located at Lot 4212 and Lot 4220, Persimpangan Jalan Batu Arang, Lebuhraya PLUS, Rawang, Selangor with a combined land area of 44,546 square metres ("**sqm**") and built-up area of 23,089 sqm, which are owned by the Group.

To cater for the additional equipment and machineries to be installed within its production premises, the Group intends to increase the production floor space by renovating existing idle production area of approximately 1,170 sqm and expanding the gross floor area of the Group's production facilities by approximately 1,950 sqm from 23,089 sqm to 25,039 sqm. The total budgeted costs of up to RM1.50 million include, amongst others, earthwork, piling works, roofing, internal and external building works, wall and floor finishing, painting works as well as plans drawing and authority submission costs.

The renovation and expansion works are expected to begin in the first quarter of 2022 and are expected to complete in the third quarter of 2022.

(iii) Working capital

As at 31 May 2021, the Group's cash and bank balances stood at RM15.18 million. Nonetheless, the Group will require additional funds for working capital for the Manufacturing Expansion.

The proceeds of up to RM4.90 million earmarked for working capital under the Manufacturing Expansion will be used to purchase raw materials comprising, amongst others, metal sheets, plastic resin and wire to cater for the larger scale of operations post expansion.

2.3 Proposed Bonus Issue of Warrants

2.3.1 Basis and number of Warrants to be issued

The Proposed Bonus Issue of Warrants involves the issuance of up to 127,400,000 free Warrants on the basis of 1 Warrant for every 2 Shares held by the Entitled Shareholders on the Entitlement Date for Bonus Warrants. For the avoidance of doubt, the Warrants will be issued at no consideration to the Entitled Shareholders.

The basis of 1 Warrant for every 2 Shares held was determined after taking into consideration, amongst others, compliance with Paragraph 6.50 of the Listing Requirements which states that a listed issuer must ensure that the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity securities *(i.e. warrants and convertible preference shares)*, does not exceed 50% of the total number of issued shares of the listed issuer *(excluding treasury shares and before the exercise of the convertible equity securities)* at all times.

The Entitlement Date for Bonus Warrants will be determined by the Board and announced at a later date upon receipt of all relevant approvals for the Proposed Bonus Issue of Warrants.

The actual number of Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants will depend on the total number of Shares in issue on the Entitlement Date for Bonus Warrants.

As set out in Section 2.1.1 of this Circular, the Proposed Bonus Issue of Warrants is intended to be implemented after the completion of the Proposed Share Split and Proposed Private Placement. Nonetheless, the Proposed Bonus Issue of Warrants may still be implemented in the event that the Proposed Share Split and/or Proposed Private Placement is not implemented or completed.

For the avoidance of doubt, investors who subscribe for and are allotted the Placement Shares on or before the Entitlement Date for Bonus Warrants will be entitled to participate in the Proposed Bonus Issue of Warrants. This is to encourage subscription of the Placement Shares by potential investors. In turn, this would potentially increase the likelihood of the Group being able to secure sufficient funding for the use of proceeds as set out in Section 2.2.6 of this Circular.

For illustration purposes, based on the enlarged total number of Shares as illustrated in Section 2.2.1 of this Circular, the number of Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants under the Minimum Scenario and Maximum Scenario are as follows:-

	Minimum Scenario	**Maximum Scenario**
Enlarged total number of Shares after the Proposed Private Placement *(up to)*	251,253,274	254,800,000
Entitlement basis for the Proposed Bonus Issue of Warrants	1 Warrant for every 2 Shares held	1 Warrant for every 2 Shares held
Number of Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants *(up to)*	**125,626,637**	**127,400,000**

Fractional entitlements for the Warrants arising from the Proposed Bonus Issue of Warrants, if any, shall be disregarded and/or dealt with by the Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of the Company. The Proposed Bonus Issue of Warrants is not intended to be implemented in stages over a period of time.

2.3.2 Indicative salient terms of the Warrants

Issuer	:	BSLCORP.
Issue size	:	Up to 127,400,000 Warrants.
Form and constitution	:	The Warrants will be issued in registered form and constituted by the Deed Poll to be executed by the Company.
Board lot	:	For the purpose of trading on Bursa Securities, a board lot of Warrants shall be 100 units of Warrants, or such other number of units as may be prescribed by Bursa Securities.
Tenure of the Warrants	:	3 years commencing from and including the date of issuance of the Warrants.
Exercise Period	:	The Warrants may be exercised at any time within a period of 3 years commencing from and including the date of issuance of the Warrants to the close of business at 5.00 p.m. (Malaysian time) on the Market Day immediately preceding the date which is the 3rd anniversary from the date of issuance of the Warrants ("**Exercise Period**"). Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.
Exercise Price	:	The exercise price of the Warrants ("**Exercise Price**") shall be determined and announced by the Board at a later date after obtaining the relevant approvals but before the announcement of the Entitlement Date for Bonus Warrants. The Exercise Price of Warrants in issue during the Exercise Period shall however be subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll.
Subscription rights	:	Each Warrant shall entitle its registered holder to subscribe for 1 new Share at any time during the Exercise Period at the Exercise Price, subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll.
Mode of exercise	:	The holders of the Warrants are required to lodge a subscription form with the Company's registrar, duly completed, signed and stamped or via electronic submission of the subscription form by way of email to ir@shareworks.com.my, together with payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia or by way of internet bank transfer to a designated bank account for the aggregate of the Exercise Price payable when exercising their Warrants to subscribe for new Shares. The payment of such fee must be made in RM.
Adjustments to the Exercise Price and/or the number of the Warrants	:	Subject to the provisions of the Deed Poll, the Exercise Price and/or the number of Warrants in issue may be subject to adjustments by the Board in consultation with an approved adviser appointed by the Company and certified by the auditors in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or capital distribution, in accordance with the provisions of the Deed Poll. Any adjustment to the Exercise Price will be rounded up to the nearest 1 sen while any adjustment to the number of Warrants held by each holder of Warrants will be rounded down to the nearest whole Warrant.

Rights of the Warrants holders	:	The Warrants do not confer on their holders any voting rights or any right to participate in any form of distribution and/or offer of further securities in the Company until and unless such holders of Warrants exercise their Warrants for new Shares in accordance with the provisions of the Deed Poll and such new Shares have been allotted and issued to such holders.
Ranking of the new Shares to be issued arising from the exercise of the Warrants	:	The new Shares to be issued arising from the exercise of the Warrants in accordance with the provisions of the Deed Poll shall, upon allotment, issuance and full payment of the Exercise Price of the Warrants, rank equally in all respects with the then existing issued Shares.
Rights of the Warrants holders in the event of winding up, liquidation, compromise and/or arrangement	:	Where a resolution has been passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies, then for the purposes of such a winding-up, compromise or arrangement *(other than a consolidation, amalgamation or merger in which the Company is the continuing corporation)* to which the holders of the Warrants *(or some other persons designated by them for such purposes by a special resolution)* shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the holders of the Warrants. Every Warrant holder shall be entitled to exercise the subscription rights at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of the Company or within 6 weeks from the granting of the court order approving the winding-up, compromise or arrangement, as the case may be, to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement, exercised the subscription rights to the extent specified in the subscription form(s), whereupon the Company shall allot the relevant new Shares to the Warrant holder credited as fully paid subject to the prevailing laws, and such Warrant holder shall be entitled to receive out of the assets of the Company which would be available in liquidation as if he had on such date been the holder of the new Shares to which he would have become entitled pursuant to such exercise of his subscription rights and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all subscription rights of the Warrants shall lapse and cease to be valid for any purpose.
Modification of rights of Warrants holders	:	Save as otherwise provided in the Deed Poll, a special resolution of the Warrants holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrants holders.
Modification of the Deed Poll	:	Any modification to the terms and conditions of the Deed Poll may be effected only by a further deed poll, executed by the Company and expressed to be supplemental to the Deed Poll. Any of such modification shall however be subject to the approval of Bursa Securities *(if so required)*. No amendment or addition may be made to the provisions of the Deed Poll without the sanction of a special resolution unless the amendments or additions are required to correct any typographical errors or relate purely to administrative matters or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or in the opinion of the Company, upon consultation with an approved adviser appointed by the Company, will not be materially prejudicial to the interests of the Warrants holders.

Listing status	:	The Warrants will be listed and traded on the Main Market of Bursa Securities. The listing and quotation of the Warrants on the Main Market of Bursa Securities is subject to a minimum of 100 holders of Warrants holding not less than 1 board lot of Warrants each.
Transferability	:	The Warrants shall be transferable in the manner provided under the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository.
Governing laws	:	The Warrants and the Deed Poll shall be governed by the laws of Malaysia.

2.3.3 Basis and justification of determining the issue price and exercise price of the Warrants

The Warrants will be issued at no consideration to the Entitled Shareholders pursuant to the Proposed Bonus Issue of Warrants.

The exercise price of the Warrants shall be determined and announced by the Board at a later date after obtaining the relevant approvals but before the announcement of the Entitlement Date for Bonus Warrants after taking into consideration, amongst others:-

(i) the theoretical ex-all price of the Shares ("**TEAP**") based on the 5-Market Day VWAP of the Shares up to and including the last trading day prior to the price-fixing date of the Warrants;

(ii) the prevailing market price and volatility in trading of the Shares;

(iii) appetite of investors for the Proposed Private Placement which may be impacted by the Covid-19 pandemic as well as political developments in the nation. Where necessary, the Proposed Bonus Issue of Warrants may act as a sweetener for the investor(s) to subscribe for the new Shares to be placed out; and

(iv) future prospects and potential funding requirements of the Group, taking into consideration the Group's future plans as set out in Section 4.4 of this Circular.

At this juncture, the Board has yet to determine the range of premium or discount to be applied to the TEAP in determining the exercise price of the Warrants. Nonetheless, it is envisaged that such range is expected to be within 20% to 40% to the TEAP.

Based on an illustrative exercise price of RM0.5000 per Warrant, this represents a discount of approximately 41.50% to the TEAP of RM0.8547 *(after adjusting for the effects of the Proposed Share Split)*, calculated based on the 5-Market Day VWAP of the Shares up to and including the LPD of RM2.0642.

The basis and justification of determining the exercise price of the Warrants, including justifications for the quantum of premium or discount applied will be announced by the Company on the price-fixing date for the Proposed Bonus Issue of Warrants.

2.3.4 Ranking of the Warrants and new Shares to be issued arising from the exercise of the Warrants

The holders of the Warrants are not recognised as Shareholders and are not entitled to any dividends, rights, allotments and/or other distributions until and unless such holders of the Warrants exercise their Warrants into new Shares.

The new Shares to be issued arising from the exercise of the Warrants shall, upon allotment, issuance and full payment of the exercise price, rank equally in all respects with the then existing issued Shares.

2.3.5 Listing and quotation of the Warrants and new Shares to be issued arising from the exercise of the Warrants

Bursa Securities has, vide its letter dated 1 October 2021, granted its approval for the admission of the Warrants to the Official List as well as the listing and quotation of the Warrants and the new Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities, subject to the conditions as set out in Section 7 of this Circular.

2.3.6 Use of proceeds

The Proposed Bonus Issue of Warrants will not raise any immediate funds as the Warrants will be issued at no consideration to the Entitled Shareholders.

The exact quantum of proceeds that may be received by the Company upon the exercise of the Warrants will depend on the actual number of Warrants being exercised during the tenure of the Warrants and the exercise price to be determined.

Strictly for illustrative purposes, based on the illustrative exercise price of RM0.5000 per Warrant, the Company will raise gross proceeds of up to approximately RM63.70 million upon full exercise of the Warrants under the Maximum Scenario (Minimum Scenario: up to RM62.81 million).

Any proceeds arising from the exercise of the Warrants *(which will be received on an "as and when basis" over the tenure of the Warrants)* will be used to finance the Group's general working capital requirements *(which shall include the payment of rental expenses, staff costs, utilities, marketing, office expenses and other operating and administrative expenses such as insurance, entertainment, travelling and accommodation expenses)*, capital expenditure, investments in complementary businesses and/or such other purposes as the Board may deem fit.

The exact utilisation breakdown and the timeframe for full utilisation cannot be determined at this juncture as it would depend on the timing of receipt of such proceeds as well as the actual requirements of the Group at the time of utilisation.

As at 31 May 2021, the Group has cash and bank balances of RM15.18 million. Pending the use of proceeds arising from the exercise of the Warrants as and when they may be used, the proceeds shall be placed in interest-bearing deposits with financial institutions and/or short-term money market instruments. Any interests derived from the deposits placed with financial institutions and/or gains derived from the short-term money market instruments shall be used to finance the Group's working capital requirements.

2.4 Proposed ESOS

The Company proposes to establish and implement the ESOS, which involves granting of Options to the Eligible Persons as set out in the By-laws. The Options granted under the Scheme shall entitle the Grantees to subscribe for new Shares at an Option Price to be determined at a later date.

The Scheme will be administered by the ESOS Committee. The ESOS Committee will comprise Directors and/or senior management personnel and/or other persons appointed from time to time by the Board. At this juncture, the composition of the ESOS Committee has yet to be decided by the Board.

The ESOS Committee will have the absolute discretion in administering the Scheme. Any liberty or power which may be exercised or any determination which may be made by the ESOS Committee pursuant to the By-laws may be exercised at the ESOS Committee's absolute and unfettered discretion.

The discretion of the ESOS Committee in respect of the Scheme includes to determine, amongst others:-

(i) whether or not to stagger the Offer over the duration of the Scheme and if staggered, the maximum allocation available for each financial year over the duration of the Scheme and each Offer shall be separate and independent from the others;

(ii) the number of Options to be offered in each Offer;

(iii) whether or not the Options are subject to any vesting period and if so, the vesting conditions and whether such vesting is subject to performance target; and

(iv) such other terms and conditions as it shall deem fit and appropriate to be imposed for the participation in the Scheme.

2.4.1 Maximum number of new Shares available under the Scheme

The maximum number of new Shares to be allotted and issued pursuant to the exercise of the Options that may be granted under the Scheme shall not, in aggregate, exceed the Maximum Shares at any point of time during the duration of the Scheme.

Notwithstanding the above or any other provisions contained in the By-laws, in the event that the maximum number of new Shares comprised in the Options granted under the Scheme exceeds the Maximum Shares as a result of the Company purchasing its own Shares pursuant to Section 127 of the Act, or the Company undertaking any other corporate proposal and thereby diminishing the total number of issued Shares, then the Options granted prior to the adjustment of the total number of issued Shares shall remain valid and exercisable in accordance with the By-laws.

However, in such a situation, the ESOS Committee shall not make any further Offers unless and until such time when the total number of Shares to be issued under the Scheme falls below the Maximum Shares at any point of time over the duration of the Scheme.

2.4.2 Basis of allotment and maximum allowable allocation

Subject to any adjustment which may be made under the By-laws, the aggregate number of new Shares comprised in the Options to be offered to an Eligible Person shall be at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst other factors, the performance, seniority and number of years in service of the Eligible Person and such other factors that the ESOS Committee may deem relevant, subject to the following:-

(a) any Eligible Person shall not participate in the deliberation or discussion of their own allocation under the Scheme;

(b) the allocation to an Eligible Person who, either singly or collectively through persons connected with him, holds 20% or more of the total number of issued Shares *(excluding treasury shares)*, does not exceed 10% *(or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time)* of the total number of new Shares to be issued under the Scheme; and

(c) not more than 40%(1) of the new Shares to be issued under the Scheme shall be allocated in aggregate to the Eligible Directors *(including non-executive directors)* and senior management personnel of the companies in the Group *(excluding dormant subsidiaries)*.

Note:-

(1) The threshold has been determined by the Company after taking into consideration, amongst others, the seniority, remuneration structure as well as role and responsibilities of the directors and senior management personnel of the Group. The threshold is in line with the rationale of the Proposed ESOS, which includes to provide adequate incentive through equity participation to the Eligible Persons in order to align their interests with the interests of the Shareholders and to work towards achieving the Group's goals and objectives. The alignment of interests is particularly important for the directors and senior management personnel of the Group who will play an important role in steering the Group towards better performance and future growth.

For the avoidance of doubt, the ESOS Committee shall have the sole and absolute discretion in determining whether the Shares available for vesting under the Scheme are to be offered to the Eligible Person via:-

(i) 1 single Offer at a time to be determined by the ESOS Committee; or

(ii) several Offers, where the vesting of the Shares comprised in those Offers is staggered or made in several tranches at such times and on terms determined by the ESOS Committee.

2.4.3 Eligibility to participate in the Scheme

To qualify as an Eligible Person for participation in the Scheme, a person must, as at the Date of Offer fulfil the following conditions:-

(i) in respect of an employee of the Group, the employee must fulfill the following criteria as at the Date of Offer:-

(a) he/she is at least 18 years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;

(b) he/she is employed on the Date of Offer:-

(aa) on a full-time basis and is on the payroll of any company in the Group *(which are not dormant)* and his/her employment has been confirmed by any company in the Group *(which are not dormant)* on the Date of Offer; or

(bb) serving in a specific designation under an employment contract for any purposes or specific requirements of any company in the Group *(which are not dormant)* as the ESOS Committee deems fit; and

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

(ii) in respect of an Eligible Director, the Eligible Director must fulfill the following criteria as at the Date of Offer:-

(a) he/she is at least 18 years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;

(b) he/she has been appointed as a director *(including non-executive directors)* of any company within the Group which is not dormant; and

(c) such director fulfills any other criteria as may be determined by the ESOS Committee from time to time at its sole discretion, whose decision shall be final and binding;

(iii) in respect of a director, a chief executive officer of the Company or a person connected with a director or chief executive of the Company, the specific allocation of Options granted under the Scheme must have been approved by the Shareholders at a general meeting; and

(iv) if the Eligible Person is employed by a company which is acquired by the Group during the duration of the Scheme and becomes a subsidiary whether directly or indirectly held by the Company upon such acquisition, the Eligible Person must fulfill the following as at the Date of Offer:-

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

(ii) he/she is employed on a full-time basis and is on the payroll of the newly acquired company for a continuous period of at least 1 year and his/her employment has been confirmed by the newly acquired company.

The Eligible Person must fulfill any other criteria and/or fall within such category / designation of employment as may be determined by the ESOS Committee from time to time at its sole discretion, whose decision shall be final and binding.

Eligibility under the Scheme does not confer a claim or right to participate in the Scheme unless the ESOS Committee has made an Offer to the Eligible Person, and an Eligible Person does not acquire or has any rights over or in connection with any Options or the Shares comprised therein unless an Offer has been made by the ESOS Committee and has been accepted by the Eligible Person in accordance with the terms of the Offer and the Scheme.

2.4.4 Duration of the Proposed ESOS

The Scheme shall be in force for a period of 5 years from the Effective Date subject however to any extension of the Scheme as provided under the By-laws.

On or before the expiry of the Scheme, the Board shall have the absolute discretion, without the approval of the Shareholders in a general meeting, to extend the duration of the Scheme *(as the Board may deem fit)* for up to a further 5 years provided that the Company shall serve appropriate notices on each Grantee and/or make the necessary announcements to Bursa Securities *(if required)*.

For the avoidance of doubt, the duration of the Scheme shall not in aggregate exceed 10 years or such other period as may be prescribed by Bursa Securities or any other relevant authorities from the Effective Date.

The Scheme may be terminated at any time during the duration of the Scheme by the ESOS Committee upon approval of the Board without obtaining the consents from the Grantees or approvals from the Shareholders provided that the Company makes an announcement which shall include the effective date of termination ("**Termination Date**"), number of Options exercised or Shares vested and reasons for termination immediately to Bursa Securities pursuant to the Listing Requirements.

Upon termination of the Scheme, the following shall apply:-

(i) the ESOS Committee shall make no further Offers;

(ii) all Offers which have yet to be accepted by the Eligible Persons shall automatically lapse on the Termination Date;

(iii) all Offers which have yet to be vested in the Eligible Persons shall automatically lapse on the Termination Date; and

(iv) all outstanding Options which have yet to be exercised by the Grantees and/or vested *(if applicable)* shall be automatically terminated and be null and void on the Termination Date.

No Eligible Persons shall be entitled to any compensation for damages arising from the termination of any Options or the Scheme pursuant to the provisions of the By-Laws.

2.4.5 Exercise of Options

Each Option shall be exercisable into 1 new Share in accordance with the provisions of the By-laws.

The Option Price shall be determined by the Board upon recommendation of the ESOS Committee and fixed based on the 5-day VWAP of the Shares immediately preceding the Date of Offer, with a discount of not more than 10% or such other percentage of discount in accordance with any prevailing guidelines, rules or regulations issued by Bursa Securities or any other relevant authorities from time to time during the duration of the ESOS, subject to such adjustments as stipulated in the By-laws.

2.4.6 Ranking of the new Shares to be issued pursuant to the exercise of the Options

The new Shares to be issued upon the exercise of any Options shall, upon allotment and issuance, rank equally in all respects with the then existing Shares.

The Options shall not carry any right to attend and vote at any general meeting of the Company. The Grantee shall not be entitled to any dividends, distributions, rights or other entitlement on his unexercised Options.

2.4.7 Retention period

The new Shares to be allotted and issued to a Grantee *(save for an Eligible Director who is a non-executive Director)* pursuant to the exercise of Options under the Scheme will not be subject to any retention period or restriction on transfer. However, the Company encourages the Grantee to hold such Shares for as long as possible in view that the Shares allocated under the Scheme are intended for the Grantee to hold as an investment rather than for realisation to yield quick profit.

A Grantee who is a non-executive director of any company within the Group *(excluding any dormant subsidiary)* shall not sell, transfer or assign the new Shares obtained through the exercise of Options offered to him pursuant to the Scheme within 1 year from the Date of Offer, as per the Listing Requirements or such period as may be prescribed by Bursa Securities.

2.4.8 Alteration of share capital

In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of a rights issue, bonus issue or other manner of capitalisation, consolidation or subdivision of Shares or reduction of capital or otherwise howsoever implemented, the Company shall cause such adjustment to be made to the number of Options granted to each Grantee *(excluding Options already exercised)* and/or the Option Price. Any such adjustment must be confirmed in writing by the external auditors or the adviser of the Company.

This provision shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:-

(i) an issue of new Shares pursuant to the exercise of Options under the Scheme;

(ii) an issue of securities as consideration for an acquisition;

(iii) an issue of securities as a private placement;

(iv) an issue of securities as a special issue approved by the relevant governmental authorities;

(v) a restricted issue of securities;

(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;

(vii) an issue of new Shares arising from the exercise of any conversion rights in respect of securities convertible into new Shares including but not limited to warrants, convertible loan stocks and convertible preference shares;

(viii) an issue of further Options to Eligible Persons under the By-Laws; or

(ix) a purchase by the Company of its own Shares pursuant to Section 127 of the Act.

2.4.9 Amendments to the By-laws

Subject to the compliance with the Listing Requirements and any other relevant authorities, the ESOS Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of the By-laws as it shall in its discretion think fit.

The approval of the Shareholders in general meeting shall not be required for any amendments to the By-laws provided that no additions or amendments to or deletions of the By-laws shall be made which will:-

(i) prejudice any rights then accrued to any Grantee without the prior consent or sanction of that Grantee;

(ii) increase the number of Shares available under the Scheme beyond the maximum imposed as set out in Section 2.4.2 of this Circular; or

(iii) alter any matter which are required to be contained in the By-laws by virtue of the Listing Requirements to the advantage of the Eligible Person and/or Grantee.

2.4.10 Use of proceeds

The quantum of proceeds arising from the exercise of the Options will depend on, amongst others, the number of Options granted and exercised at the relevant point in time as well as the Option Price.

The Company intends to use the proceeds arising from the exercise of the Options, if any, to finance the Group's general working capital requirements *(which shall include the payment of rental expenses, staff costs, utilities, marketing, office expenses and other operating and administrative expenses such as insurance, entertainment, travelling and accommodation expenses)*, capital expenditure, investments in complementary businesses and/or such other purposes as the Board may deem fit.

The exact utilisation breakdown and the timeframe for full utilisation cannot be determined at this juncture as it would depend on the timing of receipt of such proceeds as well as the actual requirements of the Group at the time of utilisation.

Pending the use of proceeds arising from the exercise of the Options, the proceeds shall be placed in interest-bearing deposits with financial institutions and/or short-term money market instruments. Any interests derived from the deposits placed with financial institutions and/or gains derived from the short-term money market instruments shall be used to finance the Group's working capital requirements.

2.5 Details of fund-raising exercises undertaken by the Company in the past 12 months

The Company has not undertaken any fund-raising exercises in the past 12 months before the announcement of the Proposals on 3 September 2021.

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Share Split

The adjustment in the market price of the Shares as a result of the Proposed Share Split is expected to result in the Subdivided Shares being more affordable in order to appeal to a wider group of public shareholders and investors. The Proposed Share Split may also improve the trading liquidity of the Shares by increasing the number of Shares in issue.

Following the completion of the Proposed Share Split, the theoretical market price of each Share will decrease to half (1/2) of its current market price and the total number of Shares in issue will increase by the corresponding ratio. Notwithstanding this, the Shareholders should note that the Proposed Share Split is not expected to alter the total value of the Shares held by them before and after the completion of the Proposed Share Split.

3.2 Proposed Private Placement

The Proposed Private Placement is undertaken to raise funds which shall be channelled towards the proposed use as set out in Section 2.2.6 of this Circular.

After due consideration of the various methods of fund raising, the Board is of the opinion that the Proposed Private Placement is the most appropriate avenue of fund raising at this juncture as it would enable the Group to raise additional funds expeditiously without having to incur interest costs or service principal repayments as compared to bank borrowings, thereby allowing the Group to preserve its cash flows.

The Board is of the opinion that the Group would be able to raise funds more expeditiously and cost effectively via a private placement as opposed to a pro-rata issuance of securities such as a rights issue. A rights issue will also require the Company to identify certain Shareholders to provide irrevocable undertakings to subscribe for a minimum number of rights shares or alternatively, procure underwriting arrangements *(which will incur additional cost)* in order to achieve a minimum subscription level to raise the requisite funds. In addition, a rights issue is likely to take a longer time to complete as compared to a private placement.

Although the Proposed Private Placement is expected to result in dilution to the shareholdings of existing Shareholders, the use of proceeds from the Proposed Private Placement for the Group's businesses is expected to contribute positively to the future earnings of the Group.

Upon completion of the Proposed Private Placement, the enlarged capital base is also expected to strengthen the financial position of the Group.

3.3 Proposed Bonus Issue of Warrants

The rationale for the Proposed Bonus Issue of Warrants is as follows:-

(i) to reward Shareholders and investors for their support towards the BSLCORP Group by enabling them to participate in convertible securities of BSLCORP, which are tradable on the Main Market of Bursa Securities, without incurring any cost;

(ii) to provide Shareholders and investors with an opportunity to increase their equity participation in the Company at a pre-determined exercise price over the tenure of the Warrants, and to allow Shareholders and investors to further participate in the future growth of the Group when the Warrants are exercised;

(iii) to provide the Group with additional funds when the Warrants are exercised in the future. The exercise of the Warrants will allow the Group to obtain proceeds without incurring interest expenses as compared to bank borrowings; and

(iv) to strengthen the capital base of the Group by increasing the size of its shareholders' funds arising from the exercise of the Warrants and provide the Group with greater flexibility in terms of the options available to meet its future funding requirements.

3.4 Proposed ESOS

The Proposed ESOS is undertaken primarily to achieve the following objectives:-

(i) to drive and motivate the Eligible Persons to work towards achieving the Group's goals and objectives;

(ii) to reward the Eligible Persons in recognition of their accumulated contribution to the operations and continued growth of the Group;

(iii) to retain the Eligible Persons by giving the Eligible Persons a sense of ownership, loyalty and belonging to the Group by enabling them to participate directly in the equity of the Company and thereby provides an incentive for the Eligible Persons to participate in the future growth of the Group and motivate them towards better performance through greater productivity and loyalty;

(iv) to align the interests of the Eligible Persons, including management personnel of the Group, with the interests of the Shareholders via direct participation in the equity of the Company; and

(v) to attract and retain high-calibre Eligible Persons.

In addition, the objective of the Scheme is to recognise the contributions and efforts made by the non-executive Directors as they play a constructive role in contributing towards the growth and performance of the Group. Their participation in the equity of the Company is expected to enhance their level of commitment and contribution as well as to enable the Company to attract and retain capable individuals to act as non-executive Directors of the Company who will assist in the overall strategic decision-making of the Group.

Further, any proceeds to be received by the Company pursuant to the exercise of the Options *(which will depend on, amongst others, the number of Options granted and exercised at the relevant point in time as well as the Option Price)* will be channelled towards the proposed use as set out in Section 2.4.10 of this Circular.

4. INDUSTRY OUTLOOK AND PROSPECTS

4.1 Malaysian economy

The Malaysian economy expanded by 16.1% in the second quarter of 2021 (1Q 2021: -0.5%). Growth was supported mainly by the improvement in domestic demand and continued robust exports performance. The strong growth also reflected continued policy support and the low base from the significant decline in activity during the second quarter of 2020. Economic activity picked up at the start of the second quarter but slowed following the re-imposition of stricter nationwide containment measures, particularly under Phase 1 of the Full Movement Control Order (FMCO). For the second quarter as a whole, all economic sectors registered an improvement, particularly the manufacturing sector. On the expenditure side, growth was driven by higher private sector spending and strong trade activity. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a decline of 2.0% (1Q 2021: 2.7%), due to the containment measures.

Growth in the manufacturing sector expanded by 26.6% (1Q 2021: 6.6%). On a seasonally adjusted, quarter-on-quarter basis however, manufacturing growth declined by 1.5%. This was a result of the imposition of Movement Control Order 3.0 which impacted demand domestically for products in the consumer- and construction-related clusters. Demand conditions for export-oriented industry remained resilient amid the continued global tech upcycle and recovery in global growth. Manufacturing growth was further impacted by the FMCO Phase 1, which limited operations to only essential sectors and those in the global value chain.

The Malaysian economy was on track for a broad recovery in 2021 as compared to last year. However, the resurgence of Covid-19 cases has necessitated the re-imposition of nationwide containment measures, which would weigh on growth. Nevertheless, the impact will be partially mitigated by continued allowances for essential economic sectors to operate, higher adaptability to remote work, as well as increased automation and digitalisation. Growth will continue to be supported by policy measures, which will provide cash flow support, particularly for affected households and businesses. Going forward, the economic recovery will be underpinned by higher external demand and gradual improvement in domestic demand. The rapid progress of the nationwide vaccination programme will allow economic sectors to be gradually reopened and provide some lift to household and business sentiments.

Against this backdrop, for 2021, the Malaysian economy is projected to expand within the range of 3.0 - 4.0%, although the pace of recovery will be uneven across sectors. The recovery is expected to accelerate going into 2022, supported by normalisation of economic activities as well as the positive spillovers from continued improvement in external demand.

The balance of risks remains tilted to the downside, arising mainly from pandemic-related factors, such as delay in the easing of containment measures or imposition of tighter containment measures, and a weaker-than-expected global growth recovery.

(Source: BNM Quarterly Bulletin for the Second Quarter of 2021, Bank Negara Malaysia)

4.2 E&E industry in Malaysia

E&E are products designed to perform specific functions through the use of electrical energy or the control of flow of electrons. E&E can be broadly segmented into 2 main segments, namely electrical consisting of various types of electrical products; and electronics comprising consumer electronics, electronic components and industrial electronics as follows:-

Segmentation of the E&E industry

Segment	Sub-segment	Description
Electrical	Electrical	Distribution boards, control panels, switching apparatus, lightings, transformers, cables and wires, primary cells and batteries, solar cells and modules, air conditioners and household appliances
Electronics	Consumer	Audio visual products, computers and peripherals, mobile telecommunication devices, cameras and electronic game consoles
	Components	Semiconductors, passive components, printed circuit boards, metal stamped parts and precision plastic parts
	Industrial	Multimedia and information technology products such as computers and computer peripherals, telecommunications equipment, office equipment and box-built products for industrial applications

The E&E industry has been acknowledged as one of the pillars of Malaysia's economy, as it is the largest manufacturing sub-segment of the nation's economy, contributing to approximately 24.66% of the manufacturing sector's gross domestic product ("**GDP**") and 5.65% of Malaysia's total GDP in 2020.

Economic performance of the E&E industry (Malaysia), 2018-2020p

Year	E&E industry GDP (RM billion)	Manufacturing GDP (RM billion)	E&E industry contribution to manufacturing GDP (%)	National GDP (RM billion)	E&E industry contribution to national GDP (%)
2018	71.28	304.84	23.38	1,363.77	5.23
2019*e*	73.68	316.28	23.30	1,424.31	5.17
2020*p*	75.92	307.92	24.66	1,343.88	5.65

Notes:-
e: Estimated figures provided by Department of Statistics Malaysia
p: Preliminary figures provided by Department of Statistics Malaysia

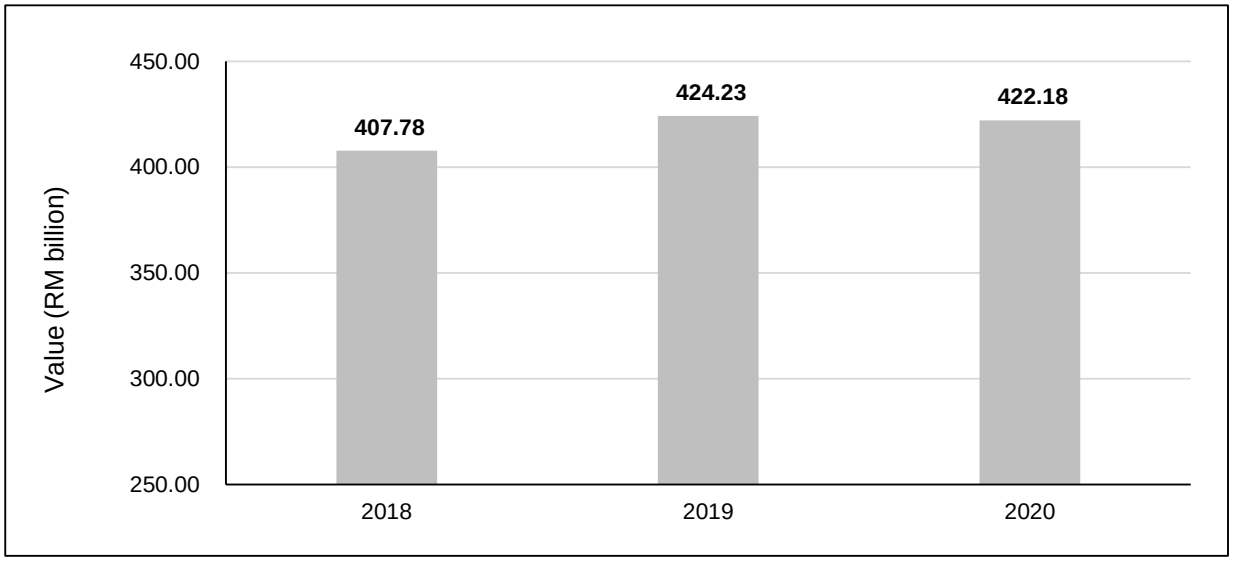
Malaysia has built its reputation as a producer and assembler of parts and components of manufactured goods with good product quality. This has led to continuous demand for Malaysia's E&E products from various end-user industries such as consumer electronics, telecommunications, automotive and medical equipment from both the domestic and export markets.

Nevertheless, since early 2020, the outbreak of the Covid-19 pandemic has impacted many countries and economic sectors around the world. In Malaysia, the Government of Malaysia has imposed various degrees of nationwide movement restrictions *(i.e. Movement Control Order ("**MCO**"), conditional MCO, recovery MCO, enhanced MCO and various phases of National Recovery Plan)* to contain the spread of the virus in each state, federal territory and area across Malaysia since 18 March 2020, depending on the severity of the Covid-19 infections in the respective locations. As a result, there have been temporary reduction in manufacturing capacity and disruption in supplies and materials. Notwithstanding the disruptions mentioned above, as some E&E products such as electronic components form part of the supply chain of essential products, e.g. medical equipment, these industry players have thus been allowed to operate during the movement restriction periods.

Malaysia

Overall, the E&E industry in Malaysia, represented by the manufacturing sales value of E&E products, grew at a CAGR of 1.75% from RM407.78 billion in 2018 to RM422.18 billion in 2020.

Manufacturing sales value of E&E products (Malaysia), 2018-2020



Driven by the increasing demand for E&E products and continuous technological advancements, Smith Zander estimates the manufacturing sales value of E&E products to grow by 7.13%, from RM422.18 billion in 2020 to RM452.30 billion in 2021.

In the semiconductor sub-segment, the production of semiconductor integrated circuits ("**ICs**") and other semiconductor components registered a CAGR of 5.06% from 88.73 billion units in 2018 to 97.94 billion units in 2020.

Production of semiconductor ICs and other semiconductor components (Malaysia), 2018-2020

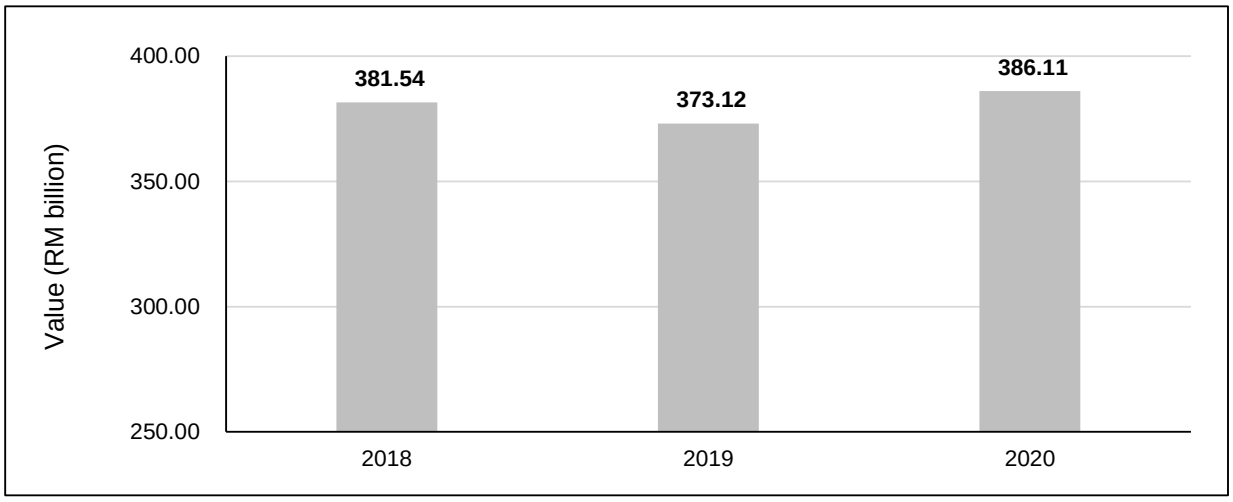
Product *(million units)*	**Year**			**CAGR (2018 - 2020)**
	2018	**2019**	**2020**	
Semiconductor ICs and other semiconductor components[(1)]	88,732	90,921	97,936	5.06%

Note:-
(1) Other semiconductor components include diodes and transistors.

In line with the growth of the E&E industry, Smith Zander estimates the production of semiconductor ICs and other semiconductor components to grow by 7.49% from 97.94 billion units in 2020 to 105.28 billion units in 2021.

Malaysia's exports of E&E products recorded a CAGR of 0.60% from RM381.54 billion in 2018 to RM386.11 billion in 2020.

Exports of E&E products (Malaysia), 2018-2020



Driven by the demand for E&E products globally, Smith Zander estimates the exports of E&E products in Malaysia to increase by 10.31% from RM386.11 billion in 2020 to RM425.92 billion in 2021.

Global

For the period between 2018 and 2020, the global E&E industry grew at a CAGR of 2.04% from EUR4.42 trillion (RM21.06 trillion) to EUR4.60 trillion (RM22.07 trillion). Meanwhile, the global household appliance and consumer electronic sub-segments, which are the key markets for the Group's metal parts and printed circuit boards, also registered CAGRs of 2.41% and 1.90% respectively during the same period.

E&E industry (Global), 2018-2020p

	2018	2019	2020*p*	2018	2019	2020*p*
	EUR billion			RM trillion		
Global E&E	4,421	4,603	4,603	21.06	21.35	22.07
- Household appliances	246	261	258	1.17	1.21	1.24
- Consumer electronics	235	246	244	1.12	1.14	1.17

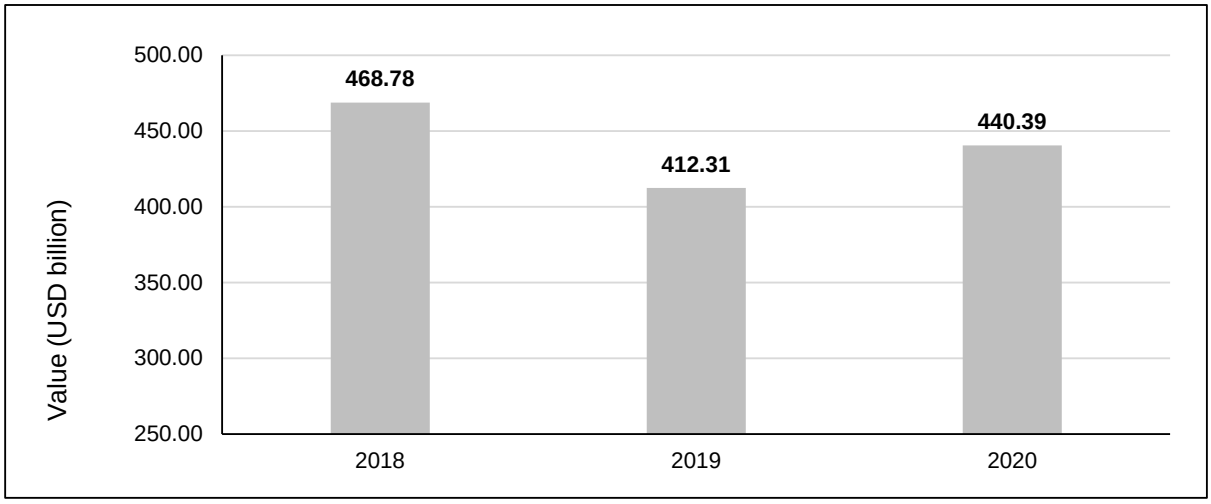
Note:
p Projected figures provided by German Electrical and Electronic Manufacturers' Association

According to the German Electrical and Electronic Manufacturers' Association, the global E&E industry is expected to grow by 9.13% from EUR4.60 trillion (RM22.07 trillion) in 2020 to EUR5.02 trillion (RM24.80 trillion) in 2021.

In the semiconductor sub-segment, global semiconductor sales decreased at a negative CAGR of 3.08% from USD468.78 billion (RM1.89 trillion) in 2018 to USD440.39 billion (RM1.85 trillion) in 2020. In 2019, global semiconductor sales decreased by 12.05% from USD468.78 billion (RM1.89 trillion) in 2018 to USD412.31 billion (RM1.71 trillion) in 2019, mainly due to uncertainties resulting from the escalation of the United States-China trade war.

Nevertheless, driven by increased usage of semiconductors in its various end-user industries, global semiconductor sales recovered by 6.81% from USD412.31 billion (RM1.71 trillion) in 2019 to USD440.39 billion (RM1.85 trillion) in 2020.

Semiconductor sales (Global), 2018-2020



Moving forward, the World Semiconductor Trade Statistics expects global semiconductor sales to increase by 25.09% from USD440.39 billion (RM1.85 trillion) in 2020 to USD550.88 billion (RM2.28 trillion) in 2021.

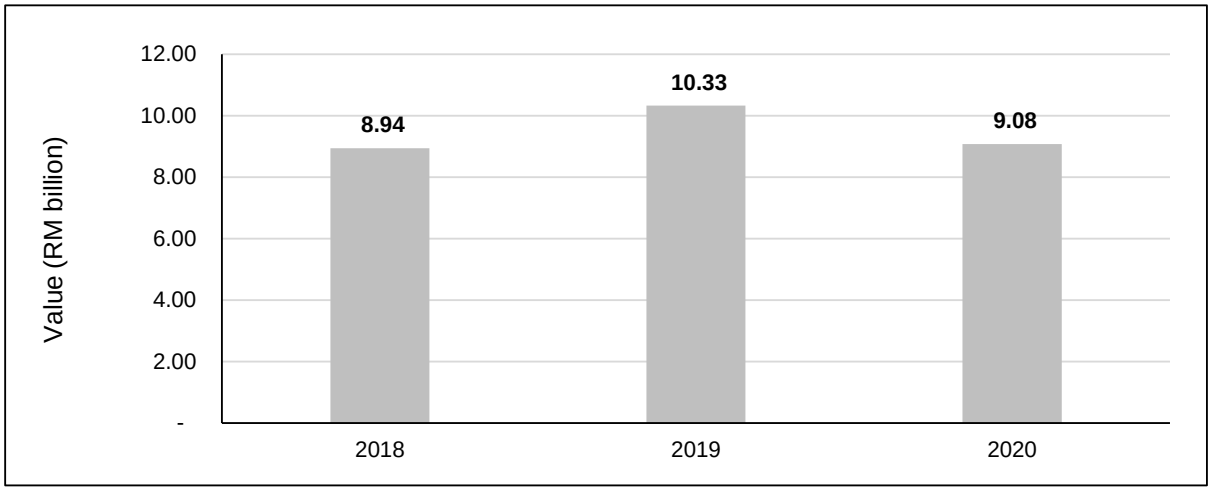
(Source: IMR Report)

4.3 Semiconductor equipment industry in Malaysia

Semiconductor equipment refers to equipment used in various stages in the manufacturing process of semiconductors. Examples of semiconductor equipment include wafer fabrication equipment, wafer processing equipment, test equipment and assembly and packaging equipment.

The semiconductor equipment industry in Malaysia is represented by the manufacturing sales value of specialised machinery and equipment. The manufacturing sales value of specialised machinery and equipment in Malaysia increased from RM8.94 billion in 2018 to RM9.08 billion in 2020 at a CAGR of 0.78%.

Manufacturing sales value of specialised machinery and equipment (Malaysia), 2018-2020



Moving forward, driven by continuing growth of the semiconductor industry and E&E industry in Malaysia as well as continuous technological advancements, Smith Zander estimates the manufacturing sales value of specialised machinery and equipment to grow by 14.65% from RM9.08 billion in 2020 to RM10.41 billion in 2021.

The demand for semiconductor equipment is expected to be driven by the following:-

(i) **Growth in the semiconductor industry** - As a supporting industry to the semiconductor industry, the demand for semiconductor equipment is driven by the growth in the semiconductor industry. Semiconductors are integral components in many products including E&E products, automobiles and medical equipment to perform certain functions such as operations control, data transmission and processing, sensing, wireless connectivity and power management.

In Malaysia, the production of semiconductor ICs and other semiconductor components registered a CAGR of 5.06% from 88.73 billion units in 2018 to 97.94 billion units in 2020, which signifies growing demand for semiconductors. Global semiconductor sales however, decreased at a negative CAGR of 3.08% from USD468.78 billion (RM1.89 trillion) in 2018 to USD440.39 billion (RM1.85 trillion) in 2020. In 2019, global semiconductor sales decreased by 12.05% from USD468.78 billion (RM1.89 trillion) in 2018 to USD412.31 billion (RM1.71 trillion) in 2019, mainly due to uncertainties resulting from the escalation of the United States-China trade war. Nevertheless, driven by increased usage of semiconductors in its various end-user industries, global semiconductor sales recovered by 6.81% from USD412.31 billion (RM1.71 trillion) in 2019 to USD440.39 billion (RM1.85 trillion) in 2020. Further, the World Semiconductor Trade Statistics expects global semiconductor sales to increase by 25.09% to USD550.88 billion (RM2.28 trillion) in 2021.

The growth in semiconductor sales will also be driven by increasing usage of semiconductors in E&E products as contributed by technological advancement such as the prevalence of the Internet of Things ("**IoT**") and artificial intelligence. The continuing growth in the semiconductor industry is thus expected to continue to drive the demand for semiconductor equipment.

(ii) **Growth in the E&E industry** - The E&E industry is an important end-user industry driving the demand for semiconductors, which in turn, supports the demand for semiconductor equipment.

E&E products developed today play essential roles in various industries such as retail, manufacturing and telecommunications. Many of these industries cannot function without the use of E&E products. One of the most prevalent trends in the E&E industry is the rise of mobile and portable engineering designs which promote convenience. With the increase in demand for mobile devices, industry players are constantly developing newer E&E products to meet market requirements for smaller, and more lightweight products, which drive the increased usage of semiconductors.

Overall, the E&E industry in Malaysia, represented by the manufacturing sales value of E&E products, grew at a CAGR of 1.75% from RM407.78 billion in 2018 to RM422.18 billion in 2020, indicating growth opportunities for semiconductor equipment amidst the Covid-19 pandemic. During the same period, the global E&E industry also grew at a CAGR of 2.04% from EUR4.42 trillion (RM21.06 trillion) to EUR4.60 trillion (RM22.07 trillion). In terms of investments, the E&E industry also attracted the highest amount of investments under the manufacturing sector. According to Malaysian Investment Development Authority, a total of 148 projects were approved in the E&E industry in Malaysia amounting to investments worth RM15.60 billion in 2020, of which 86.54% was contributed by foreign direct investment. The continuing growth in the E&E industry will continue to drive demand for semiconductors in Malaysia, which consequently, will boost demand for semiconductor equipment.

(iii) **Continuous technological advancements leading to innovation in end-user products** - The E&E industry experiences continuous developments in terms of the end-user products manufactured. Rapid technological developments within the E&E industry will continue to promote new product innovation in the market as industry players need to ensure their products remain competitive.

The E&E industry segment has seen developments in terms of the performance, size and technology of various electronic products. For example, as the IoT has emerged as a key technology trend, it allows a network of devices and objects connected to each other through the Internet, to facilitate data exchange and remote access, including home appliances. These smart appliances feature Wi-Fi connectivity, whereby they can be linked to a homeowner's smartphone via a mobile application. Smart appliances are expected to gain popularity in the future as they allow homeowners to monitor and control the appliance from another location, enabling them to save time and providing convenience. Home appliances such as vacuum cleaners, now do not just have standard features but have variations based on aesthetic design, suction power and also energy consumption. Consumers are now given options beyond the standard function of cleaning the floor, and instead choose vacuum cleaners that suit their desired cleaning capability as well as energy saving level.

Consumers which are highly receptive to new product innovation has resulted in relatively short product lifecycles for most E&E products as new and enhanced versions of products are constantly introduced to the market. Moving forward, it is expected that the introduction of new E&E products integrated with the lifestyle of today's society, will only increase further.

The continuous technological advancements leading to product innovation of these end-user products, including E&E products will therefore drive investments in more machinery and equipment, including semiconductor equipment.

(Source: IMR Report)

4.4 Prospects and future plans of the BSLCORP Group

The Covid-19 pandemic has adversely impacted the overall economy in Malaysia and the Group is not spared from the negative effects of the pandemic. The first MCO in March 2020, which resulted in less operation days due to the compulsory closure of manufacturing facilities and subsequent restriction of number of workforce at premise, have disrupted the Group's operations and performance particularly for the financial quarter ended 31 May 2020, resulting in a lower audited PAT for the FYE 31 August 2020 of RM0.62 million (FYE 31 August 2019: RM1.50 million) on the back of RM137.14 million revenue (FYE 31 August 2019: RM159.65 million).

Fortunately, orders were restored with high volume of backlogs from the customers and an increased demand for the Group's products from stay-at-home customers as a result of the containment measures implemented. With that, the Group has been able to record consecutive PAT for the past 4 quarters up to 31 May 2021. Further, the total unaudited PAT for the 9-month FPE 31 May 2021 has increased to RM4.52 million (9-month FPE 31 May 2020: LAT of RM2.36 million) on the back of RM128.52 million revenue (9-month FPE 31 May 2020: RM93.99 million).

For information purposes, the unaudited PAT of the Group for the past 4 quarters up to 31 May 2021 are as follows:-

Quarter ended	**31 August 2020 (RM'000)**	**30 November 2020 (RM'000)**	**28 February 2021 (RM'000)**	**31 May 2021 (RM'000)**
Unaudited PAT	2,978	1,750	1,827	940

In order to tap into a wider market segment and to achieve better financial performance, the Group is in continuous discussions with potential customers within the E&E and semiconductor industries for, amongst others, the manufacturing of parts for semiconductor test equipment which are expected to yield higher profitability to the Group. Such new product range is of greater complexity and specifications and hence, requires more technologically advanced equipment and machineries.

Accordingly, the Group intends to allocate up to RM30.00 million for the Manufacturing Expansion, of which RM23.60 million is for the purchase of equipment and machineries, which will increase the Group's monthly production capacity by approximately 39,000 units of output with a greater mix of product range of greater complexity and specifications. In order to cater for the additional equipment and machineries to be installed within its production premises, the Group intends to increase the production floor space by renovating existing idle production area of approximately 1,170 sqm and expanding the gross floor area of the Group's production facilities by approximately 1,950 sqm from 23,089 sqm to 25,039 sqm. Further, a sum of up to RM4.90 million will be earmarked for working capital to purchase raw materials to support the enlarged operations of the Group after the Manufacturing Expansion.

Premised on the successful implementation of the Group's Manufacturing Expansion *(see further details in Section 2.2.6 of this Circular)* and the industry outlook of the E&E industry in Malaysia as well as the semiconductor equipment industry in Malaysia *(see further details in Sections 4.2 and 4.3 of this Circular respectively)*, the Board is cautiously optimistic of the future prospects of the Group.

5. EFFECTS OF THE PROPOSALS

5.1 Share capital

The pro forma effects of the Proposals on the issued share capital of the Company are as follows:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	Share capital *(net of treasury shares)* (RM)	No. of Shares	Share capital *(net of treasury shares)* (RM)
Issued share capital as at the LPD *(excluding treasury shares)*	96,635,887(1)	50,307,914	96,635,887(1)	50,307,914
Assuming all the treasury shares are resold in the open market	-	-	1,364,113	2,815,802(2)
	96,635,887(1)	50,307,914	98,000,000	53,123,716
Issued share capital after the Proposed Share Split	193,271,774(3)	50,307,914	196,000,000	53,123,716
Placement Shares to be issued pursuant to the Proposed Private Placement	57,981,500(4)	48,124,645(5)	58,800,000	48,804,000(5)
Enlarged issued share capital after the Proposed Private Placement	251,253,274(3)	98,432,559	254,800,000	101,927,716
New Shares to be issued assuming full exercise of the Warrants	125,626,637	62,813,319(6)	127,400,000	63,700,000(6)
Enlarged issued share capital after the full exercise of the Warrants	376,879,911(3)	161,245,878	382,200,000	165,627,716
New Shares to be issued assuming full granting and exercise of the Options	56,531,986	52,512,562(7)	57,330,000	53,253,837(7)
Enlarged issued share capital after the Proposals	**433,411,897(3)**	**213,758,440**	**439,530,000**	**218,881,553**

Notes:-

(1) Excluding 1,364,113 treasury shares.

(2) Based on the 5-Market Day VWAP of the Shares up to and including the LPD of RM2.0642.

(3) Excluding 2,728,226 treasury shares.

(4) Based on 30% of the total number of issued Shares after the Proposed Share Split (excluding 2,728,226 treasury shares) and after rounding down to the nearest 100 Shares.

(5) Based on an illustrative issue price of RM0.8300 per Placement Share.

(6) Based on an illustrative exercise price of RM0.5000 per Warrant.

(7) Based on an illustrative Option Price of RM0.9289 per Option (calculated based on approximately 10% discount to the 5-Market Day VWAP of the Shares up to and including the LPD of RM1.0321 (after adjusting for the Proposed Share Split) (Source: Bloomberg)).

5.2 NA and gearing

The pro forma effects of the Proposals on the NA and gearing of the Group are as follows:-

Minimum Scenario

	Audited as at 31 August 2020 (RM'000)	(I) After the Proposed Share Split (RM'000)	(II) After (I) and the Proposed Private Placement[1] (RM'000)	(III) After (II) and assuming full exercise of the Warrants[2] (RM'000)
Share capital	50,767	50,767	98,892	161,705
Treasury shares	(459)	(459)	(459)	(459)
Fair value reserve	(3,152)	(3,152)	(3,152)	(3,152)
Revaluation reserve	32,310	32,310	32,310	32,310
Foreign currency translation reserve	(1,130)	(1,130)	(1,130)	(1,130)
Retained earnings	29,366	29,366	27,276	27,276
Shareholders' equity / NA	**107,702**	**107,702**	**153,737**	**216,550**
Non-controlling interests	(103)	(103)	(103)	(103)
Total equity	**107,599**	**107,599**	**153,634**	**216,447**
No. of Shares in issue, excluding treasury shares ('000)	96,636	193,272	251,253	376,880
NA per Share (RM)	1.11	0.56	0.61	0.57
Total borrowings (RM'000)	10,570	10,570	10,570	10,570
Gearing (times)	0.10	0.10	0.07	0.05

Notes:-

(1) Assuming all 57,981,500 Placement Shares are issued at an illustrative issue price of RM0.8300 each and after deducting estimated expenses to be incurred in relation to the Proposals of approximately RM2.09 million.

(2) Based on an illustrative exercise price of RM0.5000 per Warrant.

Maximum Scenario

	Audited as at 31 August 2020 (RM'000)	(I) Assuming full resale of the treasury shares[1] (RM'000)	(II) After (I) and the Proposed Share Split (RM'000)	(III) After (II) and the Proposed Private Placement[2] (RM'000)	(IV) After (III) and assuming full exercise of the Warrants[3] (RM'000)
Share capital	50,767	53,124	53,124	101,928	165,628
Treasury shares	(459)	-	-	-	-
Fair value reserve	(3,152)	(3,152)	(3,152)	(3,152)	(3,152)
Revaluation reserve	32,310	32,310	32,310	32,310	32,310
Foreign currency translation reserve	(1,130)	(1,130)	(1,130)	(1,130)	(1,130)
Retained earnings	29,366	29,366	29,366	27,255	27,255
Shareholders' equity / NA	**107,702**	**110,518**	**110,518**	**157,211**	**220,911**
Non-controlling interests	(103)	(103)	(103)	(103)	(103)
Total equity	**107,599**	**110,415**	**110,415**	**157,108**	**220,808**
No. of Shares in issue, excluding treasury shares ('000)	96,636	98,000	196,000	254,800	382,200
NA per Share (RM)	1.11	1.13	0.56	0.62	0.58
Total borrowings (RM'000)	10,570	10,570	10,570	10,570	10,570
Gearing (times)	0.10	0.10	0.10	0.07	0.05

Notes:-

(1) Assuming all the 1,364,113 treasury shares held by the Company as at the LPD are resold in the open market at the 5-Market Day VWAP of the Shares up to and including the LPD of RM2.0642.

(2) Assuming all 58,800,000 Placement Shares are issued at an illustrative issue price of RM0.8300 each and after deducting estimated expenses to be incurred in relation to the Proposals of approximately RM2.11 million.

(3) Based on an illustrative exercise price of RM0.5000 per Warrant.

The Proposed ESOS is not expected to have an immediate effect on the NA and gearing of the Group until such time when the Options granted under the Scheme are exercised. Any potential effects on the NA and gearing of the Group will depend on the number of new Shares to be issued upon the exercise of the Options granted under the Scheme and the Option Price.

For illustrative purposes, upon exercise of the Options under the Proposed ESOS, the NA per Share is expected to (i) increase if the Option Price is higher than the NA per Share; or (ii) decrease if the Option Price is lower than the NA per Share at the point of exercise of such Options.

5.3 Substantial Shareholders' shareholdings

The pro forma effects of the Proposals on the substantial Shareholders' shareholdings in the Company are as follows:-

Minimum Scenario

Substantial Shareholders	As at 4 October 2021				(I) After the Proposed Share Split			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(2)	No. of Shares	%(2)
Dato' Sri Dr. Pang Chow Huat	33,696,147	34.87	-	-	67,392,294	34.87	-	-
Ho Jien Shiung	17,542,000	18.15	-	-	35,084,000	18.15	-	-
BCM Alliance Berhad	9,425,300	9.75	-	-	18,850,600	9.75	-	-

Substantial Shareholders	(II) After (I) and the Proposed Private Placement				(III) After (II) and assuming full exercise of Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%(3)	No. of Shares	%(3)	No. of Shares	%(4)	No. of Shares	%(4)
Dato' Sri Dr. Pang Chow Huat	67,392,294	26.82	-	-	101,088,441	26.82	-	-
Ho Jien Shiung	35,084,000	13.96	-	-	52,626,000	13.96	-	-
BCM Alliance Berhad	18,850,600	7.50	-	-	28,275,900	7.50	-	-

Notes:-

(1) Computed based on 96,635,887 Shares (excluding 1,364,113 treasury shares) as at 4 October 2021.

(2) Computed based on 193,271,774 Shares (excluding 2,728,226 treasury shares) following the completion of the Proposed Share Split.

(3) Computed based on 251,253,274 Shares (excluding 2,728,226 treasury shares) following the completion of the Proposed Private Placement.

(4) Computed based on 376,879,911 Shares (excluding 2,728,226 treasury shares) assuming full exercise of the Warrants.

Maximum Scenario

Substantial Shareholders	As at 4 October 2021				(I) Assuming full resale of the treasury shares			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(2)	No. of Shares	%(2)
Dato' Sri Dr. Pang Chow Huat	33,696,147	34.87	-	-	33,696,147	34.38	-	-
Ho Jien Shiung	17,542,000	18.15	-	-	17,542,000	17.90	-	-
BCM Alliance Berhad	9,425,300	9.75	-	-	9,425,300	9.62	-	-

Substantial Shareholders	(II) After (I) and the Proposed Share Split				(III) After (II) and the Proposed Private Placement			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%(3)	No. of Shares	%(3)	No. of Shares	%(4)	No. of Shares	%(4)
Dato' Sri Dr. Pang Chow Huat	67,392,294	34.38	-	-	67,392,294	26.45	-	-
Ho Jien Shiung	35,084,000	17.90	-	-	35,084,000	13.77	-	-
BCM Alliance Berhad	18,850,600	9.62	-	-	18,850,600	7.40	-	-

Substantial Shareholders	(IV) After (III) and assuming full exercise of Warrants			
	Direct		Indirect	
	No. of Shares	%(5)	No. of Shares	%(5)
Dato' Sri Dr. Pang Chow Huat	101,088,441	26.45	-	-
Ho Jien Shiung	52,626,000	13.77	-	-
BCM Alliance Berhad	28,275,900	7.40	-	-

Notes:-

(1) Computed based on 96,635,887 Shares (excluding 1,364,113 treasury shares) as at 4 October 2021.

(2) Computed based on 98,000,000 Shares assuming all the treasury shares are resold in the open market.

(3) Computed based on 196,000,000 Shares following the completion of the Proposed Share Split.

(4) Computed based on 254,800,000 Shares following the completion of the Proposed Private Placement.

(5) Computed based on 382,200,000 Shares assuming full exercise of the Warrants.

The Proposed ESOS is not expected to have any effect on the substantial Shareholders' shareholdings in the Company until and unless new Shares are issued pursuant to the exercise of the Options. Any potential effect on the substantial Shareholders' shareholdings in the Company will depend on the number of new Shares to be issued pursuant to the exercise of the Options at the relevant point of time.

5.4 Earnings and EPS

5.4.1 Proposed Share Split

The Proposed Share Split is not expected to have any material effect on the Group's earnings.

However, the EPS will be correspondingly diluted due to the increase in the number of Shares pursuant to the Proposed Share Split.

5.4.2 Proposed Private Placement

The potential effects of the Proposed Private Placement on the consolidated earnings and EPS of the Company moving forward will depend on, amongst others, the number of Placement Shares to be issued and the level of returns generated from the use of the proceeds to be raised from the Proposed Private Placement.

Subsequent to the completion of the Proposed Private Placement, the EPS will be diluted due to the increase in the number of Shares pursuant to the Proposed Private Placement.

5.4.3 Proposed Bonus Issue of Warrants

The potential effects of the exercise of the Warrants on the future earnings of the Group and EPS of the Company will depend on, amongst others, the number of Shares issued pursuant to the exercise of the Warrants at any point in time, the actual exercise price of the Warrants and the returns generated by the Group from the use of the proceeds raised from the exercise of the Warrants.

As and when the Warrants are exercised into new Shares, it will result in a dilution in the EPS due to the increase in the number of Shares.

5.4.4 Proposed ESOS

The Proposed ESOS is not expected to have any immediate material effect on the consolidated earnings and EPS of the Company until such time when the Options are granted and exercised.

Any potential effects on the earnings and EPS of the Company in the future will depend on the number of Options granted and exercised, the Option Price and the returns to be generated from the use of the proceeds raised from the exercise of the Options as well as the non-cash expenses arising from the granting of the Options under Malaysian Financial Reporting Standards 2 ("**MFRS 2**").

The quantum of the impact of MFRS 2 cannot be determined at this juncture as it will be measured at the date of granting the Options based on, amongst others, the share price volatility, risk-free interest rate and pricing model. The fair value of the Options will be recognised as an expense in the profit or loss account of the Group over the vesting period of such Options. 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 such impact in the allocation and granting of Options to the Eligible Persons.

For illustration purposes, assuming that the Proposed Share Split, Proposed Private Placement and Proposed Bonus Issue of Warrants had been completed and the Warrants had been fully exercised at the beginning of the FYE 31 August 2020 and the earnings of the Group remain unchanged, the pro forma effects on the consolidated earnings and EPS of the Company are as follows:-

	Audited FYE 31 August 2020	(I) After the Proposed Share Split		(II) After (I) and the Proposed Private Placement[1]		(III) After (II) and assuming full exercise of the Warrants	
		Minimum Scenario	Maximum Scenario[2]	Minimum Scenario	Maximum Scenario	Minimum Scenario	Maximum Scenario
PAT / (LAT) attributable to owners of the Company (RM'000)	370	370	370	(1,720)	(1,741)	(1,720)	(1,741)
Weighted average number of Shares in issue ('000) *(excluding treasury shares)*	96,636	193,272	196,000	251,253	254,800	376,880	382,200
EPS / (LPS) (sen)	0.38	0.19	0.19	(0.68)	(0.68)	(0.46)	(0.46)

Notes:-

(1) After deducting estimated expenses to be incurred in relation to the Proposals of approximately RM2.09 million (under the Minimum Scenario) and approximately RM2.11 million (under the Maximum Scenario).

(2) Assuming all the 1,364,113 treasury shares held by the Company as at the LPD are resold in the open market.

The pro forma effects above have not taken into consideration any returns which may be generated from the use of the proceeds to be raised from the Proposed Private Placement as well as the exercise of Warrants.

5.5 Convertible securities

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

6. TENTATIVE TIMELINE

Subject to all relevant approvals being obtained, the Proposals are expected to be completed in the fourth quarter of 2021. The tentative timeline for the implementation of the Proposals is as follows:-

Date	Events
22 October 2021	• EGM for the Proposals
October / November 2021	• Announcement of the Books Closure Date for Share Split • Books Closure Date for Share Split • Listing and quotation of the Subdivided Shares on the Main Market of Bursa Securities • Completion of the Proposed Share Split
November / December 2021	• Price-fixing for the Placement Shares • Listing and quotation of the Placement Shares on the Main Market of Bursa Securities • Completion of the Proposed Private Placement • Announcement of the Entitlement Date for Bonus Warrants • Entitlement Date for Bonus Warrants • Admission, listing and quotation of the Warrants on the Main Market of Bursa Securities • Completion of the Proposed Bonus Issue of Warrants • Establishment of the ESOS

7. APPROVALS REQUIRED AND CONDITIONALITY

7.1 Approvals required

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

(i) Bursa Securities for the following:-

(i) Proposed Share Split;

(ii) listing and quotation of up to 58,800,000 Placement Shares to be issued pursuant to the Proposed Private Placement;

(iii) admission to the Official List and listing and quotation of up to 127,400,000 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants;

(iv) listing and quotation of up to 127,400,000 new Shares to be issued pursuant to the exercise of the Warrants; and

(v) listing and quotation of such number of additional new Shares, representing up to 15% of the total number of issued Shares *(excluding treasury shares, if any)*, to be issued pursuant to the Proposed ESOS.

The approval by Bursa Securities was obtained on 1 October 2021, subject to the following conditions:-

Conditions imposed	Status of compliance
(1) BSLCORP and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals including compliance with Paragraph 6.50 of the Listing Requirements;	To be complied
(2) BSLCORP and Mercury Securities are required to inform Bursa Securities upon completion of the Proposed Share Split, Proposed Private Placement and Proposed Bonus Issue of Warrants;	To be complied
(3) BSLCORP and Mercury Securities are required to furnish Bursa Securities with a written confirmation of the compliance with the terms and conditions of Bursa Securities' approval once the Proposed Share Split, Proposed Private Placement and Proposed Bonus Issue of Warrants are completed;	To be complied
(4) BSLCORP / Mercury Securities is required to make the relevant announcements pursuant to Paragraphs 6.35(2)(a)&(b) and 6.35(4) of the Listing Requirements pertaining to the Proposed Share Split;	To be complied
(5) BSLCORP / Mercury Securities is required to furnish Bursa Securities with a certified true copy of the resolutions passed by the Shareholders in general meeting approving the Proposed Share Split and Proposed Private Placement prior to the listing and quotation of the Subdivided Shares and Placement Shares respectively;	To be complied
(6) Mercury Securities is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the Shareholders in general meeting approving the Proposed ESOS;	To be complied
(7) BSLCORP is required to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the issuance of new Shares under the Proposed ESOS and exercise of the Warrants as at the end of each quarter together with a detailed computation of listing fees payable; and	To be complied
(8) Mercury Securities is required to furnish Bursa Securities with details of the placees in accordance with Paragraph 6.15 of the Listing Requirements for Bursa Securities' review, prior to the issuance / allotment of the Placement Shares.	To be complied

(ii) the Shareholders at the forthcoming EGM; and

(iii) any other relevant authorities and/or parties, if required.

7.2 Conditionality

The Proposed Share Split, Proposed Private Placement, Proposed Bonus Issue of Warrants and Proposed ESOS are not conditional upon each other.

The Proposals are not conditional upon any other corporate exercise / scheme being or proposed to be undertaken by the Company.

8. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals and memorandum of understanding in relation to the proposed acquisition of equity interest in SD Unify Pte Ltd, there are no other corporate exercises which have been announced by the Company but are pending completion as at the LPD.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM

9.1 Proposed Share Split, Proposed Private Placement and Proposed Bonus Issue of Warrants

None of the Directors, major Shareholders, chief executive of the Company and/or persons connected to them have any interest, direct or indirect, in the Proposed Share Split, Proposed Private Placement and Proposed Bonus Issue of Warrants, apart from their respective entitlements as Shareholders under the Proposed Share Split and Proposed Bonus Issue of Warrants, of which all other entitled Shareholders are similarly entitled to.

9.2 Proposed ESOS

All Directors are deemed interested in the Proposed ESOS by virtue of their eligibility for the Options in their capacity as Directors and in respect of their specific allocations *(where applicable)* as well as specific allocations to persons connected to them under the Proposed ESOS *(where applicable)*.

The Directors have abstained and will continue to abstain from all Board deliberations and voting in respect of any specific allocation of Options to themselves respectively as well as the specific allocations to any persons connected to them *(where applicable)* at the relevant Board meetings of the Company.

Further, the Directors will also abstain and ensure that persons connected to them, if any, abstain from voting in respect of their direct and/or indirect interests in the Company, if any, on the resolutions pertaining to their respective specific allocation of Options as well as the specific allocations to any persons connected to them *(where applicable)* under the Proposed ESOS at the forthcoming EGM to be convened.

As at the LPD, the Directors do not have any direct and/or indirect interests in the Company.

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

10. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after careful deliberation and taking into consideration all aspects of the Proposals including the rationale and effects of the Proposals, use of proceeds and future prospects of the Group, is of the opinion that the Proposals are in the best interests of the Company.

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

However, in view that all Directors are eligible to participate in the Proposed ESOS, they have abstained and will continue to abstain from all Board deliberations and voting in respect of any specific allocation of Options to themselves respectively as well as the specific allocations to any persons connected to them *(where applicable)* at the relevant Board meetings of the Company. They will also abstain and ensure that persons connected to them, if any, abstain from voting in respect of their direct and/or indirect interests in the Company, if any, on the resolutions pertaining to their respective specific allocation of Options as well as the specific allocations to any persons connected to them *(where applicable)* under the Proposed ESOS at the forthcoming EGM to be convened.

Where the resolutions are not related to their respective specific allocation of Options or the specific allocations to any persons connected to them *(where applicable)*, the Directors, after having considered all aspects of the Proposed ESOS, are of the opinion that the Proposed ESOS is in the best interests of the Company.

11. EGM

The EGM, the notice of which is enclosed in this Circular, is scheduled to be held on a virtual basis through live streaming and online remote participation and voting from the Broadcast Venue at Level 10, Tower 11, Avenue 5, No. 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur, Wilayah Persekutuan (KL) on Friday, 22 October 2021 at 10.30 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the resolutions, with or without modifications, to give effect to the Proposals.

If you are unable to participate, speak and vote in person at the EGM, you may appoint a proxy or proxies to participate, speak and vote on your behalf by completing, signing and returning the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible, so as to arrive at the registered office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) or fax to 03-6201 3121 or e-mail to ir.bsl@shareworks.com.my not less than 48 hours before the time appointed for holding the EGM as indicated above or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from participating, speaking and voting in person at the EGM should you subsequently decide to do so.

12. FURTHER INFORMATION

You are advised to refer to the enclosed appendices for further information.

Yours faithfully,
For and on behalf of the Board of
BSL CORPORATION BERHAD

HOO WAI KEONG
Executive Director

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENTS AND CONFLICT OF INTEREST

2.1 Mercury Securities

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

As at the LPD, Mercury Securities confirms that it is not aware of any conflict of interest which exists or is likely to exist in relation to its role as the Principal Adviser for the Proposals and Placement Agent for the Proposed Private Placement.

2.2 Smith Zander

Smith Zander, being the independent market researcher, has given and has not subsequently withdrawn its written consent to the inclusion of its name, extracts of its IMR Report referred to in Sections 4.2 and 4.3 of this Circular and all references thereto in the form and context in which they appear in this Circular.

As at the LPD, Smith Zander confirms that it is not aware of any conflict of interest which exists or is likely to exist in relation to its role as the independent market researcher for the Proposals.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

Material commitments

As at the LPD, the Board confirmed that there are no material commitments incurred or known to be incurred by the Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial results or position of the Group**.**

Contingent liabilities

Save as disclosed below, as at the LPD, the Board confirmed that there are no contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial results or position of the Group:-

(i) outstanding corporate guarantees amounting to RM9.94 million were given by the Company to financial institutions for credit facilities granted to the BSLCORP Group; and

(ii) the Contingent Liabilities relating to Bills of Demand as set out in Section 4 of this Appendix I.

4. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, the Board confirmed that neither the Company nor its subsidiaries are engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of the Group and the Board confirmed that there are no proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group:-

Bills of demand for payment of sales tax and import duties

On 19 December 2014, Crestronics (M) Sdn Bhd ("**CMSB**") *(a wholly-owned subsidiary of BSLCORP)* received bills of demand from the Royal Malaysian Customs Selangor, being the relevant authority, demanding payment of sales tax and import duties amounting to RM11.1 million for the period from December 2011 to July 2014 of which CMSB disputed. The Directors have been in discussion with the relevant authority and have provided all necessary documentation to support their view. The Directors have obtained advice from a consultant, and based on the advice received, the Directors are of the view that CMSB should only be liable for up to RM0.2 million and a provision for this had been made in the financial statements. The remaining balance of the claim of RM10.9 million represents a contingent liability which is subject to appeal to the authority ("**Contingent Liabilities relating to Bills of Demand**").

On 30 December 2014, CMSB appealed to the relevant authority. Subsequently, on 15 September 2015, the authority rejected the appeal with no specific reason mentioned.

On 5 November 2015, CMSB appealed to the relevant authority again. However, on 28 June 2017, CMSB received a letter from the relevant authority that the appeal against the bills of demand has been rejected and further appeal will not be considered. Thereafter, the Directors engaged another consultant to look into this matter to appeal to Minister of Finance.

On 30 January 2018, CMSB submitted remission application to the Ministry of Finance. Subsequently, on 10 April 2018, the Ministry of Finance rejected the application with no specific reason mentioned.

On 5 July 2018, CMSB, through its appointed solicitor filed in an application for judicial review to the High Court.

On 6 January 2020, the High Court dismissed CMSB's judicial review application. CMSB proceeded to file a notice of appeal on 14 January 2020 to the Court of Appeal in relation to the High Court's decision to dismiss CMSB's judicial review application. The High Court had on 17 February 2020 granted CMSB a stay of execution in respect of the bills of demand until the disposal of the appeal at the Court of Appeal.

However, in regards to the appeal, Panasonic Manufacturing Malaysia Berhad ("**PMMA**") had submitted a notice of motion ("**Motion**") for, amongst others, PMMA to be granted leave to intervene to be heard in the appeal filed by CMSB and the hearing and determination of the appeal be stayed pending disposal of the Motion. At a case management on 11 August 2021, the Court of Appeal instructed that the appeal hearing initially scheduled on 17 August 2021 to be vacated and the hearing for the Motion to intervene is fixed on 1 November 2021.

The solicitors of CMSB opines that CMSB has an arguable case to contend that there is no legal or factual basis for the 1st respondent (Ministry of Finance) to disallow CMSB's claim for remission of import duties and sales tax and for the 2nd respondent (Royal Malaysian Customs Department) to raise the disputed bills of demand.

Separately, CMSB had on 18 December 2020 filed and served an Originating Summons against PMMA in the High Court of Malaya in Kuala Lumpur. The filing of the Originating Summons against PMMA for a total amount of RM9,431,694.60 being import duties and sales tax from the economic transactions between CMSB and PMMA during the period from December 2011 to July 2014 which led to the majority of the total claim of import duties and sales tax from the Customs on CMSB. CMSB had filed the Originating Summons for declaratory relief concerning PMMA's liability to pay import duties and sales tax to CMSB in the event CMSB's appeal against the levy of the import duties and sales tax at the Court of Appeal fails and also to preserve its cause of action against PMMA prior to expiry of the statutory limitation period.

PMMA had then on 15 February 2021 filed in an application to strike out the Originating Summons raised by CMSB. After the hearing for PMMA's application to strike out on 30 September 2021, the High Court of Malaya had fixed the date to deliver the decision on 6 October 2021.

The solicitors of CMSB opines that CMSB has an arguable case to obtain dismissal against PMMA's application to strike out the Originating Summons.

At this juncture, the Directors are unable to determine the financial impact to the Group.

5. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of BSLCORP Shares as transacted on Bursa Securities for the past 12 months preceding the date of this Circular as well as the last transacted market prices on the relevant dates are as follows:-

	High	**Low**
	RM	**RM**
2020		
October	0.395	0.220
November	0.370	0.250
December	0.390	0.300
2021		
January	0.775	0.355
February	0.740	0.450
March	1.080	0.615
April	1.100	0.695
May	1.070	0.835
June	1.170	0.995
July	1.350	1.140
August	1.260	0.970
September	2.470	1.190
Last transacted market price on 2 September 2021, being the last Market Day immediately prior to the announcement of the Proposals	1.190	
Last transacted market price as at the LPD	1.970	

(Source: Bloomberg)

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) during normal business hours from Monday to Friday *(except public holidays)* following the date of this Circular up to and including the date of the EGM:-

(i) Constitution of the Company;

(ii) audited consolidated financial statements of the Company for the FYE 31 August 2019 and FYE 31 August 2020 as well as the unaudited consolidated financial statements of the Company for the 9-month FPE 31 May 2021;

(iii) IMR Report referred to in Sections 4.2 and 4.3 of this Circular;

(iv) the draft Deed Poll;

(v) letters of consent referred to in Section 2 of this Appendix I;

(vi) relevant cause papers in relation to the material litigation referred to in Section 4 of this Appendix I; and

(vii) draft By-laws as set out in Appendix II of this Circular.

THE BY-LAWS OF
BSL CORPORATION BERHAD
EMPLOYEES' SHARE OPTION SCHEME

1. NAME OF SCHEME

This Scheme (as defined herein) shall be called the "BSLCORP Employees' Share Option Scheme".

2. OBJECTIVES OF SCHEME

The objectives of the Scheme are:

(a) to drive and motivate the Eligible Persons (as defined herein) to work towards achieving the Group's (as defined herein) goals and objectives;

(b) to reward the Eligible Persons in recognition of their accumulated contribution to the operations and continued growth of the Group;

(c) to retain the Eligible Persons by giving the Eligible Persons a sense of ownership, loyalty and belonging to the Group by enabling them to participate directly in the equity of the Company (as defined herein) and thereby provides an incentive for the Eligible Persons to participate in the future growth of the Group and motivate them towards better performance through greater productivity and loyalty;

(d) to align the interests of the Eligible Persons, including management personnel of the Group, with the interests of the Shareholders (as defined herein) via direct participation in the equity of the Company; and

(e) to attract and retain high-calibre Eligible Persons.

In addition to the objectives set above, the objective of the Scheme is to recognise the contributions and efforts made by the non-executive Directors as they play a constructive role in contributing towards the growth and performance of the Group. Their participation in the equity of the Company is expected to enhance their level of commitment and contribution as well as to enable the Company to attract and retain capable individuals to act as non-executive Directors of the Company who will assist in the overall strategic decision-making of the Group.

3. DEFINITIONS AND INTERPRETATION

3.1 In these By-Laws, the following terms and expressions shall have the following meanings:

"Act"	-	The Companies Act, 2016 as may be amended from time to time and includes any re-enactment thereof or any new act enacted and gazetted to replace and supersede the Act
"Available Balance"	-	The unissued shares of the Company which is available for the offer of further Options subject to the limit set out in **By-Law 4.2** and after deducting all Options which have been offered and accepted
"Board"	-	The Board of Directors of the Company
"BSLCORP" or "Company"	-	BSL Corporation Berhad [Registration No. 200401012615 (651118-K)]
"BSLCORP Group" or "Group"	-	The Company and its subsidiaries as defined under Section 4 of the Act which are not dormant. Subsidiaries shall include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the duration of the Scheme, but exclude any

		subsidiaries which have been divested in the manner provided under **By-Law 17.2**
"BSLCORP Share(s)" or "Share(s)"	-	Ordinary share(s) in BSLCORP
"Bursa Securities"	-	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
"By-Law(s)"	-	The rules, terms and conditions of the Scheme (as may be amended, varied or supplemented from time to time in accordance with **By-Law 22**)
"CDS"	-	A Central Depository System governed under the Security Industry (Central Depositories) Act 1991
"CDS Account"	-	An account established by Bursa Malaysia Depository Sdn Bhd [Registration No. 198701006854 (165570-W)] for a depositor for the recording of deposits of securities and dealings in such securities by the depositor
"Constitution"	-	The Constitution of the Company, as amended from time to time
"Date of Acceptance"	-	The date whereupon the ESOS Committee shall receive the written notice from an Eligible Person accepting an Offer
"Date of Expiry"	-	The last day of the duration of the Scheme as provided in **By-Law 19.3**
"Date of Offer"	-	The date on which an Offer (including any subsequent Offers) is made by the ESOS Committee to an Eligible Person in the manner provided in **By-Law 7**
"Director(s)"	-	Directors (either an executive director or a non-executive director) of any company within the Group (excluding dormant subsidiaries) and 'Director' shall be construed accordingly
"Effective Date"	-	The effective date for the launching and/or implementation of the Scheme, as provided in **By-Law 19.1**
"Eligible Director(s)"		Director(s) who fulfils the conditions of eligibility stipulated in **By-Law 5.1**
"Eligible Employee(s)"		Employee(s) who fulfils the conditions of eligibility stipulated in **By-Law 5.1**
"Eligible Person(s)"	-	Eligible Employee(s) or Eligible Director(s), as the case may be
"Entitlement Date"	-	The date as at the close of business on which shareholders' names must appear on the Record of Depositors of BSLCORP in order to participate in any dividends, rights, allotments or other distributions
"Employee(s)"	-	A natural person which is employed by and on the payroll of any company in the Group
"ESOS" or "Scheme"	-	The scheme for the granting of Options to Eligible Persons to subscribe for new Shares upon the terms as herein set out,

such scheme to be known as the "BSLCORP Employees' Share Option Scheme"

"ESOS Committee"	-	A committee comprising of Director(s) and/or Senior Management (as defined in **By-Law 6.1**) or other persons appointed from time to time by the Board to administer the Scheme, in accordance with the provisions of **By-Law 21**
"Grantee"	-	An Eligible Person who has accepted an Offer (or any part thereof) in the manner provided in **By-Law 8**
"Listing Requirements"	-	The Main Market Listing Requirements of Bursa Securities, as may be amended from time to time
"Market Day(s)"	-	A day in which Bursa Securities is open for the trading of securities
"Maximum Allowable Allocation"	-	The maximum number of new Shares that may be offered and allotted to the Eligible Persons in accordance with the provisions of **By-Law 6**
"Offer(s)"	-	Written offer(s) made by the ESOS Committee to an Eligible Person in the manner provided in **By-Law 7**
"Option(s)"	-	The right of a Grantee to subscribe for new Shares pursuant to the contract constituted by acceptance by the Grantee in the manner provided in **By-Law 8** of an Offer made to such Grantee by the ESOS Committee pursuant to **By-Law 7**
"Option Period"	-	The period commencing from the Date of Offer and expiring on the Date of Expiry of the Scheme as provided in **By-Law 19.3**. In the event that the duration of the Scheme shall be extended, the Date of Expiry of the Scheme shall be the date of expiry as so extended
"Option Price"	-	The price at which a Grantee shall be entitled to subscribe for each new Share as calculated in accordance with the provisions of **By-Law 11**

3.2 For the purposes of these By-Laws, all references made to "Bursa Securities" and "Listing Requirements" shall where the context so permits and requires, include or refer to such other relevant authority(ies) and such acts, enactments, rules, regulations and guidelines currently or from time to time hereafter in force affecting the valid implementation and continuation of the Scheme in accordance with the provisions of these By-Laws.

3.3 The headings in these By-Laws are for ease of reference only and shall not be taken into account in the interpretation of these By-Laws.

3.4 References to the provisions of statutes include such provisions as amended or re-enacted from time to time, and references to statutes or listing requirements include any consolidations, replacements or revisions of the same.

3.5 Words importing the masculine gender shall include the feminine and neuter genders and vice versa.

3.6 Words importing the singular number shall include the plural number and vice versa.

3.7 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 (1st) Market Day after that day.

3.8 Any liberty or power which may be exercised or any determination which may be made hereunder by the ESOS Committee shall be exercised in the ESOS Committee's absolute

and unfettered discretion and the ESOS Committee shall not be under any obligation to give any reason there for except as may be required by the relevant authorities or under the law.

4. MAXIMUM NUMBER OF NEW SHARES AVAILABLE UNDER THE SCHEME

4.1 Each Option shall be exercisable into one (1) new Share in accordance with the provisions of these By-Laws.

4.2 The maximum number of new Shares to be allotted and issued pursuant to the exercise of the Options that may be granted under the Scheme shall not, in aggregate, exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares) of the Company at any one time throughout the duration of the Scheme as provided in **By-Law 19.3**.

The aggregate number of new Shares available pursuant to the Scheme shall consist of:

(i) the Options exercised by all the Grantees;

(ii) the remaining Options exercisable by all the Grantees; and

(iii) the unexpired Offers pending acceptance by all the Eligible Persons,

and shall not exceed an amount equivalent to fifteen percent (15%) of the prevailing total number of issued shares of the Company (excluding treasury shares) at any one (1) time.

4.3 Notwithstanding **By-Law 4.2** above or any other provision herein contained, in the event the maximum number of new Shares comprised in the Options granted under the Scheme exceeds the aggregate of fifteen percent (15%) of the prevailing total number of issued shares (excluding treasury shares), at any one time of the Company as a result of the Company:

(i) purchasing its own Shares pursuant to Section 127 of the Act whereby the shares so purchased in treasury will not be taken into account in calculating the number of its issued shares; or

(ii) undertaking any other corporate proposal and thereby diminishing the total number of issued shares of the Company,

then the Options granted prior to the adjustment of the total number of issued shares of the Company shall remain valid and exercisable in accordance with these By-Laws. However, in such a situation, the ESOS Committee shall not make any further Offers, unless and until such time when the total number of Shares to be issued under the Scheme falls below fifteen percent (15%) of the Company's prevailing total number of issued shares (excluding treasury shares), at any one time throughout the duration of the Scheme as provided in **By-Law 19.3**.

5. ELIGIBILITY

5.1 To qualify as an Eligible Person for participation in the Scheme, a person must, as at the Date of Offer fulfil the following conditions:

(a) in respect of an Employee, the Employee must fulfil the following criteria as at the Date of Offer:

(i) he/she is at least eighteen (18) years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;

(ii) he/she is employed on the Date of Offer –

(1) on a full-time basis and is on the payroll of any company in the Group and his/her employment has been confirmed by any company in the Group on the Date of Offer; or

(2) serving in a specific designation under an employment contract for any purposes or specific requirements of any company in the Group as the ESOS Committee deemed fit; and

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

(b) in respect of an Eligible Director, the Eligible Director must fulfil the following criteria as at the Date of Offer:

(i) he/she is at least eighteen (18) years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;

(ii) he/she has been appointed as a Director of any company within the Group which is not dormant; and

(iii) such Director fulfils any other criteria as may be determined by the ESOS Committee from time to time at its sole discretion, whose decision shall be final and binding.

(c) In respect of a Director, a chief executive officer of the Company or a person connected with a Director or chief executive officer of the Company, the specific allocation of Options granted under the Scheme must have been approved by the shareholders of the Company at a general meeting.

(d) If the Eligible Person is employed by a company which is acquired by the Group during the duration of the Scheme and becomes a subsidiary whether directly or indirectly held by the Company upon such acquisition, the Eligible Person must fulfil the following as at the Date of Offer:

(i) he/she is at least eighteen (18) years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings; and

(ii) he/she is employed full time basis and is on the payroll of the newly acquired company for a continuous period of at least one (1) year and his/her employment has been confirmed by the newly acquired company.

The Eligible Person must fulfil any other criteria and/or fall within such category / designation of employment as may be determined by the ESOS Committee from time to time at its sole discretion, whose decision shall be final and binding.

Notwithstanding that, the selection of any Eligible Person for participation in the Scheme as well as the allocation of Options to any Eligible Person shall be at the sole and absolute discretion of the ESOS Committee and that the decision of the ESOS Committee shall be final and binding.

5.2 The Eligible Employees or Eligible Directors of the subsidiaries of the Company which are dormant shall not be eligible to participate in the Scheme.

5.3 Subject to **By-Law 6.1**, in the event that the ESOS Committee has determined that certain Eligible Persons are entitled to be offered additional Options and the Available Balance is insufficient to grant their full additional entitlements, the Available Balance may be distributed on such basis as the ESOS Committee may determine and such decision shall be final and binding.

5.4 The ESOS Committee has the sole and absolute discretion not to make further additional Offers regardless of the amount of the Available Balance.

5.5 Each Eligible Director can only participate in the Scheme in one (1) capacity irrespective of the number of directorships or positions he holds in the Group.

5.6 Eligibility under the Scheme does not confer a claim or right to participate in the Scheme unless the ESOS Committee has made an Offer to the Eligible Person under **By-Law 7**, and an Eligible Person does not acquire or has any rights over or in connection with any Options or the Shares comprised therein unless an Offer has been made by the ESOS Committee and has been accepted by the Eligible Person in accordance with the terms of the Offer and the Scheme.

5.7 A set of criteria on eligibility and criteria for allocation as determined by the Board from time to time shall be made available to the Eligible Persons. The allocation of the Options pursuant to the Scheme shall be verified by the audit committee of the Company at the end of each financial year and a statement made by the audit committee on the verification of such allocation shall be included in the annual report of the Company.

5.8 Where an Offer is made to an Eligible Person who is a member of the ESOS Committee, such grant of Option shall be decided and carried out by the ESOS Committee PROVIDED ALWAYS that such Eligible Person and persons connected to him/her who are also members of the ESOS Committee shall abstain from all deliberations and voting in respect of the Offer proposed to be granted to him/her at the relevant ESOS Committee meetings.

6. BASIS OF ALLOCATION AND MAXIMUM ALLOWABLE ALLOCATION

6.1 Subject to any adjustment which may be made under the By-Laws, the aggregate number of new Shares comprised in the Options to be offered to an Eligible Person shall be at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst other factors, the performance, seniority and number of years in service of the Eligible Person and such other factors that the ESOS Committee may deem relevant, subject to the following:

(a) any Eligible Person shall not participate in the deliberation or discussion of their own allocation under the Scheme;

(b) the allocation to an Eligible Person who, either singly or collectively through persons connected with him, holds twenty percent (20%) or more of the total number of issued shares (excluding treasury shares) of BSLCORP, does not exceed ten percent (10%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of new Shares to be issued under the Scheme; and

(c) not more than forty percent (40%) of the new Shares to be issued under the Scheme shall be allocated in aggregate to the Eligible Directors and Senior Management,

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

The term "**Senior Management**" shall refer to an Employee of the Group holding the position of senior manager (including Director) and above or other senior position and shall be subject to criteria to be determined by the ESOS Committee that may change from time to time and the term "**person(s) connected**" shall have the same meaning as defined in Paragraph 1.01 of the Listing Requirements.

6.2 (a) An Offer by the ESOS Committee to an Eligible Person shall be subject to a minimum of one hundred (100) Shares for each Option and in multiples of one hundred (100) Shares for each Option.

(b) For avoidance of doubt, the ESOS Committee shall have the sole and absolute discretion in determining whether the Shares available for vesting under this Scheme are to be offered to the Eligible Person via:

(i) one single Offer (as the case may be) at a time to be determined by the ESOS Committee; or

(ii) several Offers (as the case may be) where the vesting of Shares comprised in those Offers is staggered or made in several tranches at such times and on terms determined by the ESOS Committee.

(c) The ESOS Committee also has the discretion to determine, amongst others:-

(i) whether or not to stagger the Offer over the duration of the Scheme and if staggered, the maximum allocation available for each financial year over the duration of the Scheme and each Offer shall be separate and independent from the others;

(ii) the number of Options to be offered in each Offer;

(iii) whether or not the Options are subject to any vesting period and if so, the vesting conditions and whether such vesting is subject to performance target; and

(iv) such other terms and conditions as it shall deem fit and appropriate to be imposed for the participation in the Scheme.

(d) In the event that an Eligible Person is moved to a higher category of employment or entitlement within the Scheme, his/her Maximum Allowable Allocation shall be increased accordingly with the scale of such category upon his/her confirmation in the higher category. However, the ESOS Committee has the sole and absolute discretion in deciding whether to grant Options or further Options, as the case may be, notwithstanding any such change in the Employee's Maximum Allowable Allocation.

(e) In the event that an Eligible Person is moved to a lower category, the following provisions shall apply:

(i) his/her Maximum Allowable Allocation shall be reduced accordingly with the scale of such category;

(ii) in the event that the total number of Options which have been offered to him/her up to the date he/she is moved to the lower category is greater than his/her Maximum Allowable Allocation under such lower category, he/she shall be entitled to continue to hold and to exercise all unexercised Options held by him/her on such date but he/she shall not be entitled to be offered any further Options unless and until he/she is subsequently moved to a higher category or there is an increase to his/her Maximum Allowable Allocation under such lower category, so that his/her new Maximum Allowable Allocation is increased to an amount greater than the total number of Options which have already been offered to him/her; and

(iii) in the event that the total number of Options which have been offered to him/her as of the date he/she is moved to the lower category is less than his/her Maximum Allowable Allocation under such lower category, he/she shall be entitled to continue to hold and to exercise all unexercised Options held by him/her on such date and, subject to **By-Law 6.1** to be offered further Options up to his/her Maximum Allowable Allocation under such lower category.

6.3 The ESOS Committee shall not be obliged in any way to offer to an Eligible Person all of the specified Maximum Allowable Allocation. The decision of the ESOS Committee shall be final and binding.

6.4 The ESOS Committee may at its sole and absolute discretion introduce additional categories of Eligible Persons which it shall deem necessary during the duration of the Scheme provided always that the Maximum Allowable Allocation in respect of these additional categories are in compliance with the relevant Listing Requirements and applicable laws.

6.5 The ESOS Committee may make more than one (1) Offer to an Eligible Person provided that the aggregate number of Options offered to an Eligible Person throughout the entire duration of the Scheme does not exceed his Maximum Allowable Allocation.

7. OFFER

7.1 During the existence of the Scheme, the ESOS Committee may at its sole and absolute discretion at any time and from time to time make Offers in writing to an Eligible Person, subject to the Eligible Person's Maximum Allowable Allocation.

7.2 The ESOS Committee shall state the following particulars in the Offer:

(a) date of the Offer;

(b) the vesting conditions of the Options (if any/if applicable);

(c) the vesting date(s) of the Options (if any/if applicable);

(d) the number of Options that are being offered to the Eligible Person;

(e) the number of Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the Options being offered;

(f) the Option Period;

(g) the Option Price;

(h) the Offer Period as defined in **By-Law 7.3**; and

may include such / any other conditions as may be stipulated by the ESOS Committee.

7.3 An Offer shall be valid for a period of thirty (30) days from the Date of Offer or such period as may be determined by the ESOS Committee on a case-to-case basis ("**Offer Period**").

7.4 No Offer shall be made to any Eligible Person who is a Director, chief executive officer of the Company or who is a person connected with a Director or chief executive officer of the Company, unless such Offer and the grant of Options have previously been approved by the shareholders of the Company in a general meeting.

7.5 Without prejudice to **By-Law 21,** in the event of an error on the part of the Company in stating any of the particulars referred to in **By-Law 7.2**, the following provisions shall apply:

(a) within one (1) month after the discovery of the error, the Company shall issue a supplemental Offer, stating the correct particulars referred to in **By-Law 7.2**;

(b) in the event that the error relates to particulars other than the Option Price, the Option Price applicable in the supplemental Offer shall remain as the Option Price as set out in the original Offer; and

(c) in the event that the error relates to the Option Price, the Option Price applicable in the supplemental Offer shall be the correct Option Price applicable as at the date of the initial Offer (as determined in accordance with **By-Law 11**), but it shall not apply to any Options which have already been exercised as at the date of issue of the supplemental Offer.

7.6 The Company shall keep and maintain at its expense a register of Grantees and shall enter in that register the names and addresses of the Grantees, the Maximum Allowable Allocation, the number of Options offered and accepted, the number of Options exercised, the Date of Offer and the Option Price.

8. ACCEPTANCE

8.1 An Offer must be accepted by an Eligible Person within the Offer Period by written notice to the ESOS Committee accompanied by a payment of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) only for the grant of the Options. The date of receipt by the ESOS Committee of such written notice shall constitute the Date of Acceptance.

8.2 If an Offer is not accepted in the foregoing manner, the Offer shall automatically lapse upon the expiry of the Offer Period and shall be null and void and be of no further force and effect. The number of Options offered in the lapsed Offer shall be deducted from the Maximum Allowable Allocation or the balance of the Maximum Allowable Allocation of that Eligible Person, and that Eligible Person shall not be entitled to be offered the number of Options offered in the lapsed Offer, in any Offers made in the future unless otherwise decided by the ESOS Committee. However, Options not taken up resulting from the non-acceptance of Offers within the Offer Period shall thereafter form part of the balance of Options available under the Scheme for future Offers.

8.3 The Offer shall automatically lapse and be null and void in the event of death of an Eligible Person or in the event an Eligible Person shall cease to be an Eligible Director or an Eligible Employee within the Group for any reason whatsoever, or become a bankrupt prior to the acceptance of the Offer by the Eligible Person in the manner set out in **By-Law 8**.

9. NON-TRANSFERABILITY

9.1 An Option is personal to the Grantee and subject to the provisions of **By-Laws 14.1, 14.2** and **14.3**, is exercisable only by the Grantee personally during his lifetime.

9.2 An Option shall not be transferred, assigned, disposed of or made subject to any encumbrances by the Grantee save and except in the event of the death of the Grantee as provided under **By-Law 14.3**. Any such transfer, assignment, disposal or encumbrance shall result in the automatic cancellation of the Option.

10. EXERCISE OF OPTIONS

10.1 Subject to **By-Laws 14, 16** and **17**, an Option granted to an Eligible Person under the Scheme is exercisable by the Eligible Person in full or in part as the Eligible Person may be entitled under the Option at any time during the Option Period. There will be no restriction to the Eligible Person on the percentage of Options exercisable during the Option Period. Any partial exercise of an Option shall not preclude the Eligible Person from exercising the Option in respect of the balance of the Shares comprised in the Option.

10.2 Any Options which remain unexercised at the expiry of the Option Period shall be automatically terminated without any claim against the Company.

10.3 A Grantee shall exercise his Options by notice in writing to the Company in the prescribed form stating the number of Options exercised, the number of new Shares relating thereto and the Grantee's individual/nominee CDS Account number ("**Exercise Notice**"). The procedure for the exercise of Options to be complied with by a Grantee shall be determined by the ESOS Committee from time to time. The Options shall be exercised in multiples of and not less than one hundred (100) new Shares. The exercise by a Grantee of some but not all of the Options which have been offered to and accepted by him/her shall not preclude the Grantee from subsequently exercising any other Options which have been or will be offered to and accepted by him/her, during the Option Period. In the event that the balance of the Options exercisable by a Grantee in accordance with these By-Laws shall be less than one hundred (100) new Shares, the said balance shall, if exercised, must be exercised in a single tranche.

10.4 Every Exercise Notice shall be accompanied by a remittance in Ringgit Malaysia as may be determined by the ESOS Committee in the form of a banker's draft or banker's cheque for the full amount of the subscription money in relation to the number of new Shares in respect of which the Exercise Notice is given.

10.5 Within eight (8) Market Days of the receipt by the Company of such Exercise Notice and payment, or such other period as may be prescribed by Bursa Securities, and subject to the Constitution, the Company shall allot the relevant number of new Shares to the Grantee. The said new Shares will be credited directly into the Grantee's individual/nominee CDS Account as stipulated by the Grantee in the Exercise Notice, and a notice of allotment stating the number of new Shares so credited will be issued to the Grantee. No physical certificates will be issued. An application will be made by the Company for the listing of and quotation for such new Shares to Bursa Securities.

10.6 The Company, the Board and the ESOS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities howsoever arising in the event of any delay on the part of the Company in allotting and issuing the new Shares or in procuring Bursa Securities to list and quote the new Shares subscribed for by a Grantee or any delay in receipt or non-receipt by the Company of the Exercise Notice or for any errors in any Offers.

10.7 Any failure to comply with the procedures specified by the ESOS Committee or to provide information as required by the Company in the Exercise Notice or inaccuracy in the CDS Account number provided shall result in the Exercise Notice being rejected at the discretion of the ESOS Committee, and the ESOS Committee shall inform the Grantee of the rejection of the Exercise Notice within fourteen (14) Market Days from the date of rejection and the Grantee shall be deemed to not have exercised his/her Option.

10.8 Every Options shall be subjected to the condition that no new Shares shall be issued pursuant to the Options 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.

10A. DISCIPLINARY PROCEEDING

10A.1 Notwithstanding anything to the contrary contained in these By-Laws, the ESOS Committee shall have the discretion by giving notice in writing to any Grantee who is being subjected to any disciplinary proceeding (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service) to suspend his rights to exercise his Option pending the outcome of such disciplinary proceeding. In addition to this rights of suspension, the ESOS Committee may impose such terms and conditions as it shall deem appropriate in its discretion, on the rights of exercise of the Option having regard to the nature of the charges made or brought against such Grantee, provided always that:

(a) in the event such Grantee is found not guilty of the charges which gave rise to such disciplinary proceeding at the end of its proceedings, the ESOS Committee

shall reinstate the rights of such Grantee to exercise his Option as if such disciplinary proceeding had not been instituted in the first place;

(b) in the event the disciplinary proceeding resulted in a recommendation for the dismissal or termination of service of such Grantee, the Option shall be immediately terminated and be null and void and be of no further force and effect upon the Grantee being served the notice of the dismissal or termination of service notwithstanding that such recommendation may be subsequently challenged (successfully or otherwise) by the Grantee in any other forum; and

(c) in the event such Grantee is found guilty but is not dismissed or terminated, the ESOS Committee shall have the rights to determine at its discretion whether or not the Grantee may continue to exercise his Option and if so, to impose such limits, terms and conditions as it deems appropriate, on such exercise rights; and

(d) in the event that no decision is made and/or the disciplinary proceedings are not concluded prior to the Date of Expiry, the Options of such Grantee shall immediately lapse on the Date of Expiry without notice,

and nothing herein shall impose any obligation on the ESOS Committee to enquire into or investigate the substantiveness and/or validity of such disciplinary proceeding(s) and the ESOS Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the ESOS Committee's exercise of or failure to exercise any of its rights under this By-Law.

For the purpose of this By-Law, a Grantee shall be deemed to be subject to "**disciplinary proceedings**" if:

(i) the Grantee is suspended from work pending investigation into his/her conduct;

(ii) the Grantee is issued with a letter requiring him/her to attend an internal domestic inquiry; or

(iii) such other instances as the Board may deem as being subject to disciplinary proceedings.

11. OPTION PRICE

The Option Price of each new Share comprised in any Option shall be determined by the Board upon recommendation of the ESOS Committee and fixed based on the five (5)-day volume weighted average market price of the Shares immediately preceding the Date of Offer, with a discount of not more than ten percent (10%) or such other percentage of discount in accordance with any prevailing guidelines, rules or regulations issued by Bursa Securities or any other relevant authorities from time to time during the duration of the ESOS, subject to such adjustments as stipulated under **By-Law 15** or as may be amended, varied or supplemented from time to time.

12. RANKING OF THE NEW SHARES TO BE ISSUED PURSUANT TO THE EXERCISE OF THE OPTIONS

The new Shares to be issued upon the exercise of any Options shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares, except that the new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid, for which the entitlement date (namely the date as at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights, allotments and/or other distributions) is prior to the date of allotment of the new Shares to be issued upon the exercise of any Options.

The new Shares will be subject to all the provisions of the Constitution including those relating to the transfer, transmission and otherwise of the Shares.

13. RETENTION/RESTRICTION OF SHARES

The new Shares to be allotted and issued to a Grantee (save for an Eligible Director who is a non-executive Director) pursuant to the exercise of Options under the Scheme will not be subject to any retention period or restriction on transfer. However, the Company encourages the Grantee to hold such Shares for as long as possible although a Grantee may sell such Shares at any time after such Shares have been credited to the Grantee's individual/nominee CDS Account. The Shares allocated under the Scheme are intended for the Grantee to hold as an investment rather than for realisation to yield quick profit.

A Grantee, who is a non-executive Director shall not sell, transfer or assign the new Shares obtained through the exercise of Options offered to him pursuant to the Scheme within one (1) year from the Date of Offer, as per Listing Requirements or such period as may be prescribed by Bursa Securities.

14. TERMINATION OF OPTION

14.1 Any Option which has not been exercised by a Grantee shall be automatically terminated in the following circumstances:

(a) cessation of directorship or employment of the Grantee with the Group for any reason whatsoever, in which event the Option shall be automatically terminated on the day which the ESOS Committee shall at its absolute discretion determine on a case to case basis; or

(b) upon the happening of any event which results in the Grantee being deprived of the beneficial ownership of the Option; or

(c) if the Grantee becomes a bankrupt in which event the Option shall be automatically terminated on the day the Grantee is adjudicated bankrupt; or

(d) winding up or liquidation of the Company, in which event the Options shall be automatically terminated and/or cease to be valid on the following date:

(i) in the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or

(ii) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or

(e) termination of the Scheme pursuant to By-Law 19.6, in which event the Options shall be automatically terminated and cease or cease to be valid without any claim against the Group on the Termination Date (as defined in By-Law 19.6).

Upon the termination of Options pursuant to **By-Law 14.1** above, the Grantee shall have no right to compensation or damages or any claim against the Company for any loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his ceasing to hold office or employment or from the suspension of his right to exercise his Options or his Options ceasing to be valid on having been terminated.

14.2 Notwithstanding **By-Law 14.1** above, the ESOS Committee may at its sole and absolute discretion allow an Option to remain exercisable during the Option Period on such terms and conditions as it shall deem fit if the cessation occurs as a result of:

(a) retirement in accordance with the applicable retirement policy of the Group, as may be amended from time to time, on attaining the Group's then prevailing retirement age;

(b) retirement before attaining the Group's then prevailing retirement age with the consent of his/her employer;

(c) ill-health, injury, physical or mental disability;

(d) redundancy, retrenchment or voluntary separation scheme;

(e) secondment or transfer to any company outside the Group at the direction of the Company; or

(f) any other circumstances which are acceptable to the ESOS Committee in its sole and absolute discretion.

14.3 In the event that a Grantee dies before the expiry of the Option Period and, at the date of death, holds any Options which are unexercised, such Options may be exercised by the personal or legal representative of the deceased Grantee within the Option Period or within twelve (12) months after the Grantee's death, whichever expires first, subject to the approval of the ESOS Committee and/or terms and conditions as set out by the ESOS Committee.

14.4 Unless otherwise agreed in writing by the ESOS Committee at its sole discretion, upon the resignation of the Grantee from his/her employment or directorship with the Group (as the case may be) or on the Grantees last day of employment, an Option shall lapse forthwith on the date the Grantee tenders his/her resignation. Any Option which lapses upon the resignation of the Grantee from his/her employment or directorship with Group (as the case may be), at the discretion of the ESOS Committee, shall be offered to other Eligible Persons.

14.5 In the event of the liquidation of the Company, all unexercised or partially exercised Options shall lapse.

15. ALTERATION OF CAPITAL

15.1 Subject to **By-Law 15.3**, in the event of any alteration in the capital structure of the Company during the Option Period, whether by way of a rights issue, bonus issue or other manner of capitalisation, consolidation or subdivision of shares or reduction of capital or otherwise howsoever implemented, the Company shall cause such adjustment to be made to:

(a) the number of Options granted to each Grantee (excluding Options already exercised); and/or

(b) the Option Price,

for purposes of ensuring that the capital outlay to be incurred by the Grantee in subscribing for the same proportion of the total number of issued shares to which he was entitled prior to the event giving rise to such adjustment (i.e. not taking into account any Options already exercised) shall remain unaffected. Any such adjustment must be confirmed in writing by the external auditors or the adviser of the Company.

The computation for the adjustment to the number of Options granted to each Grantee and/or the Option Price is set out in **Attachment 1** to these By-Laws.

15.2 **By-Law 15.1** shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:

(a) an issue of new Shares pursuant to the exercise of Options under the Scheme;

(b) an issue of securities as consideration for an acquisition;

(c) an issue of securities as a private placement;

(d) an issue of securities as a special issue approved by the relevant governmental authorities;

(e) a restricted issue of securities;

(f) an issue of warrants, convertible loan stocks or other instruments by the Company which give a right of conversion into new Shares arising from the conversion of such securities;

(g) an issue of new Shares arising from the exercise of any conversion rights in respect of securities convertible into new Shares including but not limited to warrants, convertible loan stocks and convertible preference shares;

(h) an issue of further Options to Eligible Persons under these By-Laws; or

(i) a purchase by the Company of its own Shares pursuant to Section 127 of the Act. In such event, the following provisions shall apply:

(i) if the number of Shares in respect of Options granted by the Company as at the date of designation of the Shares so purchased as treasury shares or cancellation of such purchased Shares is greater than fifteen percent (15%) of the prevailing total number of issued shares of the Company after such designation or cancellation, the ESOS Committee shall not make any further Offers; and

(ii) if the number of Shares in respect of Options granted by the Company as at the date of designation of the Shares so purchased as treasury shares or cancellation of such purchased Shares is less than fifteen percent (15%) of the prevailing total number of issued shares of the Company after such designation or cancellation, the ESOS Committee may make further Offers only until the total number of Options granted by the Company but which remains unexercised is equivalent to fifteen percent (15%) of the prevailing total number of issued shares of the Company after such designation or cancellation.

15.3 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Division 7, Subdivision 2 of the Act, **By-Law 15.1** 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 provided always that **By-Law 15.1** 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 15.2** applies.

15.4 Upon any adjustment being made in accordance with **By-Law 15.1**, the ESOS Committee shall give notice in writing within a period of thirty (30) days from the date of the adjustment, to the Grantee, or his legal or personal representative where the Grantee is deceased, to inform him of the adjustment and the event giving rise thereto. Any adjustments must be confirmed in writing by the Company's external auditors or a licensed investment bank. Nevertheless, for the avoidance of doubt, by virtue of **By-Law 26**, the decision of the Board shall be final and binding in all respects.

15.5 In the event of a dispute in respect of any adjustment, any Grantee may request the Company to seek the opinion of an approved company auditor or a licensed investment bank, acting as an expert and not as an arbitrator, as to its fairness and that this be confirmed in writing. In addition, the Company shall in such situations, at the request of any Grantee, furnish such Grantee with a certificate from an approved company auditor or a licensed investment bank stating the opinion of such auditor/investment bank, acting as an expert and not as an arbitrator. For the purposes of this By-Law, an approved company auditor shall have the meaning given in Section 263 of the Act and a licensed investment bank shall be licensed by Bank Negara Malaysia. Nevertheless, for the avoidance of doubt, by virtue of **By-Law 26**, the decision of the Board shall be final and binding in all respects.

16. TAKE-OVERS, SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.

16.1 In the event of a take-over offer being made for the Shares under the Malaysian Code on Take-Overs and Mergers, 2016 and such offer being declared unconditional, or such other period as the Board/ESOS Committee may determine, the following provisions shall apply:

(a) a Grantee shall be entitled to exercise all or any of the Options held by him as at the date of such take-over offer being declared unconditional, after such date and in accordance with the provisions of **By-Law 10.3**. In the event that the Grantee elects not to so exercise some or all of the Options held by him, the unexercised Options shall be automatically terminated on the expiry of the said period of three (3) months; and/or

(b) if during the said period of three (3) months, the offeror becomes entitled or bound to exercise any rights of compulsory acquisition in respect of the Shares under the provisions of the Capital Market and Services Act, 2007 or the then prevailing applicable laws, and gives notice to the Grantee that he intends to exercise such rights on a specific date ("**Specified Date**"), the Grantee shall be entitled to exercise all or any of the Options held by him at any time prior to the expiry of the said period of three (3) months or the Market Day immediately preceding the Specified Date, whichever is the earlier, and in accordance with the provisions of **By-Law 10.3**. In the event that the Grantee elects not to so exercise some or all of the Options held by him within this period, the unexercised Options shall be automatically terminated on the expiry of the said period of three (3) months or on the Specified Date, whichever is the earlier.

16.2 In the event that the take-over offer is made on the basis that acceptance is unconditional, a Grantee shall within three (3) months of the date the take-over offer is made or before the first (1st) closing date of the take-over offer, whichever is earlier, be entitled to exercise all or any of the Options held by him as at the date of such take-over offer was made, and in accordance with the provisions of **By-Law 10.3**. In the event that the Grantee elects not to so exercise some or all of the Options held by him, the unexercised Options shall be automatically terminated on the expiry of the said period of three (3) months or the first (1st) closing date of the take-over offer, whichever is the earlier.

16.3 In the event the court has sanctioned a compromise or arrangement between the Company and its members for the purpose of, or in connection with, a scheme for reconstruction of the Company or amalgamation with any other company or companies under the provisions of the Act, then the Grantee shall immediately become entitled at any time upon which compromise or arrangement is sanctioned by the court and ending on the date upon which it becomes effective to exercise in whole or in part his Options. All unexercised Options held by a Grantee shall be automatically terminated on the date such scheme of compromise or arrangement becomes effective.

17. DIVESTMENT FROM AND TRANSFER TO/FROM THE GROUP

17.1 In the event that a company within the Group shall be divested from the Group, a Grantee who is holding directorship in or employed by such company shall be entitled to continue to hold and to exercise all the Options held by him on the date of completion of such divestment until the expiry of three (3) months from the date of completion of such divestment subject to such exercise being made within the Option Period and in accordance with the provisions of **By-Law 10.3**. In the event that the Grantee does not so exercise some or all of such Options, the unexercised Options shall be automatically terminated upon the expiry of the said three (3) months period.

17.2 For the purposes of **By-Law 17.1**, a company shall be deemed to be divested from the Group in the event that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act.

17.3 In the event that the Grantee is transferred from the Group to any associated companies of the Group (which definition shall be that which is adopted by the Financial Reporting Standard issued by the Malaysian Accounting Standards Board) or to any related companies (as defined in Section 6 of the Act) of the Company which have an existing employees' share issuance scheme in which the Grantee will be entitled to participate, unless approved by the ESOS Committee in writing, the Options unexercised on the date of transfer shall be null and void and be of no effect.

17.4 In the event that:

(a) an Eligible Person who was employed in a company which is related to the Company pursuant to Section 6 of the Act (that is to say, a company which does not fall within the definition of "the Group") and is subsequently transferred from such company to any company within the Group; or

(b) an Eligible Person who was in the employment of a company which subsequently becomes a member of the Group as a result of a restructuring or acquisition exercise or otherwise involving the Company and/or any company within the Group with any of the first mentioned company stated in (a) above;

(the first abovementioned company in (a) and (b) herein referred to as the "**Previous Company**"), such Eligible Person of the Previous Company will be eligible to participate in this Scheme for its remaining Option Period, if the affected Eligible Person becomes an "**Eligible Person**" within the meaning under these By-Laws.

For the avoidance of doubt, in the event of any acquisition or incorporation of any company into the Group pursuant to part (b) above as a subsidiary as defined in Section 5 of the Act or any other statutory regulation in place thereof during the tenure of the Scheme, the Scheme shall apply to the Eligible Person of such company on the date such company becomes a subsidiary of the Group (provided that such subsidiary is not dormant) falling within the meaning of the expression of "**Eligible Person**" under **By-Law 3** and the provisions of the By-Laws shall apply.

18. WINDING UP

All outstanding Options shall be automatically terminated in the event that a resolution is passed or a court order is made for the winding up of the Company.

19. DURATION, TERMINATION AND EXTENSION OF THE SCHEME

19.1 The effective date for the implementation and launching of the Scheme shall be the date of full compliance with all the relevant requirements of the Listing Requirements including the following:

(a) the submission of the final copy of the By-Laws to Bursa Securities pursuant to the Listing Requirements;

(b) the receipt of approval-in-principle from Bursa Securities for the listing of and quotation for the new Shares to be issued from the exercise of the Options under the Scheme;

(c) the approval of the Company's shareholders in a general meeting for the Scheme;

(d) the approval(s) of any other relevant authorities, if any; and

(e) the fulfilment of all conditions attaching to the aforesaid approvals, if any.

19.2 The Adviser of the Company shall submit a confirmation letter to Bursa Securities of full compliance pursuant to the Listing Requirements stating the Effective Date of the Scheme

together with a certified true copy of the relevant resolution passed by the shareholders of the Company in a general meeting. The confirmation letter must be submitted to Bursa Securities no later than five (5) Market Days after the Effective Date.

19.3 The Scheme shall be in force for a period of five (5) years from the Effective Date, provided always that on or before the expiry thereof, the Board shall have the absolute discretion, without the approval of the Company's shareholders in a general meeting, to extend the duration of the Scheme (as the Board may deem fit) for up to a further five (5) years provided that the Company shall serve appropriate notices on each Grantee and/or make the necessary announcements to Bursa Securities (if required). Any extended Scheme under this provision shall be implemented in accordance with the terms of the By-Laws, subject however to any revisions and/or changes to the relevant laws and/or regulations then in force.

For avoidance of doubt, the duration of the Scheme shall not in aggregate exceed ten (10) years or such other period as may be prescribed by Bursa Securities or any other relevant authorities from the Effective Date.

19.4 Offers can only be made during the existence of the Scheme and before the Date of Expiry.

19.5 Notwithstanding anything to the contrary, all unexercised Options shall lapse on the Date of Expiry.

19.6 Notwithstanding the provisions of **By-Law 19.3**, and subject always to compliance with Bursa Securities and any other regulatory authorities' requirements, guidelines or directives, the Scheme may be terminated at any time during the duration of the Scheme by the ESOS Committee upon approval of the Board without obtaining the consents from the Grantees or approvals from the shareholders of the Company provided that the Company makes an announcement which shall include the effective date of termination ("**Termination Date**"), number of Options exercised or Shares vested and reasons for termination immediately to Bursa Securities pursuant to the Listing Requirements.

19.7 Upon termination of the Scheme, the following shall apply:

(a) the ESOS Committee shall make no further Offers;

(b) all Offers which have yet to be accepted by the Eligible Persons shall automatically lapse on the Termination Date;

(c) all Offers which have yet to be vested in the Eligible Persons shall automatically lapse on the Termination Date; and

(d) all outstanding Options which have yet to be exercised by the Grantees and/or vested (if applicable) shall be automatically terminated and be null and void on the Termination Date.

For the avoidance of doubt, Options which have been exercised but where the new Shares have yet to be issued or registered in the name of the Eligible Person or his estate as at the date of the resolution to terminate the Scheme shall remain effective and the Company shall issue and register the new Shares accordingly.

20. SUBSEQUENT EMPLOYEE SHARES OPTION SCHEME

Subject to the approval of the relevant authorities and compliance with the requirements of the relevant authorities, the Company may establish a new employees share option scheme after the Date of Expiry or after the termination of the Scheme pursuant to **By-Law 19.6**, provided that the aggregate number of shares available under all the Schemes does not breach the maximum limit prescribed in the prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

21. ADMINISTRATION

21.1 The Scheme shall be administered by the ESOS Committee. The ESOS Committee shall, subject to these By-Laws, administer the Scheme in such manner as it shall think fit.

21.2 Without limiting the generality of **By-Law 21.1**, the ESOS Committee may, for the purpose of administering the Scheme, do all acts and things and enter into any transaction, agreement, deed, documents or arrangement, and make rules, regulations or impose terms and conditions, rectify any errors in Offers, execute all documents and delegate any of its powers and duties relating to the Scheme as it may in its discretion consider to be necessary or desirable for giving effect to the Scheme.

21.3 The Board shall have power at any time and from time to time to rescind the appointment of any person appointed to the ESOS Committee as it shall deem fit.

22. AMENDMENTS TO THE BY-LAWS

22.1 Subject to **By-Law 22.2**, the ESOS Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of these By-Laws as it shall in its discretion think fit and the Board shall have the power by resolution to add to, amend or delete all or any of these By-Laws upon such recommendation subject to the Company submitting a confirmation letter to Bursa Securities for the amendment made, that the said amendment is in compliance with the provisions of the Listing Requirements pertaining to employees share option scheme and Rules of the Depository (as defined under the Listing Requirements) pursuant to the Listing Requirements.

22.2 The approval of the shareholders of the Company in general meeting shall not be required for any amendments to the By-Laws PROVIDED THAT no additions or amendments to or deletions of these By-Laws shall be made which will:

(a) prejudice any rights then accrued to any Grantee without the prior consent or sanction of that Grantee;

(b) increase the number of Shares available under the Scheme beyond the maximum imposed by **By-Law 6.1**; or

(c) alter any matter which are required to be contained in the By-Laws by virtue of the Listing Requirements to the advantage of the Eligible Person and/or Grantee

22.3 For the purpose of complying with the provisions of Appendix 6E of the Listing Requirements, the provisions of **By-Laws 4, 5, 6, 8, 9, 10, 11, 12, 13, 15, 18, 19**, **22** and **23** as well as **Attachment 1** to these By-Laws shall not be amended or altered in any whatsoever to the advantage of Eligible Persons or Grantees without the prior approval of the Company's shareholders in a general meeting.

23. RIGHTS OF GRANTEE

23.1 The Options shall not carry any right to attend and vote at any general meeting of the Company. The Grantee shall not in any event be entitled to any dividends, distributions, rights or other entitlement on his unexercised Options.

23.2 Subject to the Constitution, all Grantees are entitled to inspect the latest audited financial statements of the Company during the usual business hours on any working day at the Registered Office of the Company.

24. SCHEME NOT A TERM OF EMPLOYMENT

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

25. NO COMPENSATION FOR TERMINATION

No Eligible Persons shall be entitled to any compensation for damages arising from the termination of any Options or this Scheme pursuant to the provisions of these By-Laws. Notwithstanding any provisions of these By-Laws:

(a) this Scheme shall not form part of any contract of employment between the Company or any company within the Group and any Eligible Person. The rights of any Eligible Person under the terms of his/her employment with any company in the Group shall not be affected by his/her employment participation in the Scheme nor shall such participation or the Options afford such Eligible Person any additional rights to compensation or damages due to the termination of such employment for any reason whatsoever;

(b) this Scheme shall not confer on any legal or equitable right or other rights under any other laws (other than those constituting the Options) against the Company or any company(ies) in the Group, or give rise to any course of legal action or in equity or under any other laws against the Company or company(ies) in the Group;

(c) no Grantee or his/her personal or legal representative or any third party shall bring any claim action or proceeding against the Company, company in the Group, the ESOS Committee or the Board for any compensation, loss or damage whatsoever arising from the termination, suspension or cancellation of his/her rights to exercise of his/her Options or his/her Options ceasing to be valid pursuant to the provision of these By-Laws; and

(d) the Company, the Board or the ESOS Committee or the company in the Group shall not in any event be liable to the Grantee and/or his/her personal or legal representative or any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage/loss arising from the termination, breach or non-performance of these By-Laws or any loss suffered by reason of any change/adjustment in the price of the Share any other cause or reason whatsoever.

26. DISPUTES

Any disputes arising hereunder shall be referred for decision by the Board, whose decision shall be final and binding in all respects, provided that any Directors of such Board meeting convened to determine the dispute who are also in the ESOS Committee shall abstain from deliberations and voting, and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws.

27. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of new Shares pursuant to the exercise of Options, shall be borne by the Company.

28. TAXES

Any income tax arising from the exercise of any Option under the Scheme shall be borne by the Grantee.

29. CONSTITUTION

In the event of a conflict between any of the provisions of these By-Laws and the Constitution, the Constitution shall prevail.

30. SEVERABILITY

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

31. DISCLOSURES IN ANNUAL REPORT

The Company will make such disclosures in its annual report for as long as the Scheme continues in operation as from time to time required by the Listing Requirements including (where applicable) a statement by the audit committee verifying that the allocation of Options pursuant to the Scheme is in compliance with the criteria for allocation disclosed by the Company to the Eligible Persons.

32. GOVERNING LAW

The Scheme and these By-Laws and all Options granted hereunder shall be governed by and construed in accordance with the laws of Malaysia.

33. NOTICE

33.1 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the Grantee pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given:-

(a) if it is sent by ordinary post by the Company to the Eligible Person or the Grantee at the last address known to the Company as being his address, such notice shall be deemed to have been received three (3) Market Days after posting;

(b) if it is given by hand to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received on the date of delivery; or

(c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received upon the date of delivery in the timestamp in such electronic media.

Any change of address of the Eligible Person or the Grantee shall be communicated in writing to the Company and the Option Committee.

33.2 Any certificate, notification or other notice required to be given to the Company or the ESOS Committee shall be properly given if sent by registered post or delivered by hand to the Company at its registered address or any other business address which may be notified in writing by the ESOS Committee from time to time.

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Attachment 1

The Option Price and/or the number of Shares to be comprised in the Options in respect of the right to subscribe for new Shares so far as unexercised to which a Grantee may be entitled from time to time be adjusted, calculated or determined by the ESOS Committee and certified by the external auditors or a licensed investment bank (acting as experts and not as arbitrators) in accordance with the following relevant provisions:

(a) If and whenever a consolidation or subdivision or conversion of the Shares occurs, the Option Price and the Shares comprised in the Options so far as unexercised ("**Revised Number of Shares Under Option**") shall be adjusted, calculated or determined in the following manner:

$$\text{New Option Price} = \frac{S \times U}{V}$$

$$\text{Revised Number of Shares Under Option} = \frac{T \times V}{U}$$

Where:-

S = Existing Option Price; and

T = Existing number of Shares comprised in the Option in respect of the right to subscribe for new Shares so far as unexercised

U = Aggregate number of Shares (excluding Shares held as treasury shares, if any) in the share capital of the Company immediately preceding such consolidation, subdivision or conversion; and

V = Aggregate number of Shares in the share capital of the Company after such consolidation, subdivision or conversion.

Each such adjustment will be effective from the close of business of the Market Day next following the date on which the consolidation or subdivision or conversion becomes effective (being the date on which the Shares are traded on Bursa Securities after such consolidation or subdivision or conversion) or such other date as may be prescribed by Bursa Securities.

(b) If and whenever the Company shall make an issue of new Shares credited as fully paid, by way of by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature), the Option Price shall be adjusted by multiplying it by the following fraction:

$$\text{New Option Price} = \frac{S \times A}{A + B}$$

Whilst the additional Shares comprised in the Options so far as unexercised ("**Additional Shares Under Option**") shall be calculated in the following manner:-

$$\text{Additional Shares Under Option} = \frac{T \times (A + B)}{A} - T$$

Where:-

A = The aggregate number of issued Shares immediately before such capitalisation issue;

B = The aggregate number of new Shares to be issued pursuant to any allotment credited as fully-paid by way of capitalisation of profits or reserves (whether of a capital or income nature);

S = Existing Option Price; and

T = Existing number of Shares comprised in the Option in respect of the right to subscribe for new Shares so far as unexercised

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for such issue.

(c) If and whenever the Company shall make:

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

(ii) Any offer or invitation to ordinary shareholders where under they may acquire or subscribe for new Shares by way of rights; or

(iii) Any offer or invitation to ordinary shareholders by way of rights where under they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares;

then and in any such case, the Option Price shall be adjusted in the following manner:-

$$\text{New Option Price} = \frac{S \times (C - D)}{C}$$

Where:-

S = Existing Option Price

C = The Current Market Price (as defined in paragraph (h) below) of one (1) 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 or (failing any such announcement), immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and

D = (A) In the case of an offer or invitation to acquire or subscribe for new Shares under paragraph (c)(ii) above or for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares under paragraph (c)(iii) above, the value of rights attributable to one (1) Share (as defined below); or

(B) In the case of any other transaction falling within this paragraph (c), the fair market value, as determined (with the concurrence of the external auditors of the Company) by a licensed investment bank, of that portion of the Capital Distribution attributable to one (1) Share.

For the purpose of definition (A) 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 in this paragraph (c);

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

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) new Share or security convertible into new Shares or right to acquire or subscribe for new Shares; and

1 = One (1)

In the case of paragraphs (c)(ii) and (c)(iii) above, the Additional Shares Under Option shall be calculated as follows:

$$\text{Additional Shares Under Option} = T \times \frac{(C)}{(C - D^*)} - T$$

Where:-

T = Existing number of Shares comprised in the Option in respect of the right to subscribe for new Shares so far as unexercised;

C = C in this paragraph (c); and

D* = The "value of the rights attributable to one (1) Share" (as defined below)

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

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

Where:-

C = C in this paragraph (c);

E* = The subscription consideration of one (1) new Share under the terms of such offer or invitation to acquire or subscribe for one (1) new Share;

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) new Share; and

1 = One (1).

For the purpose of this paragraph (c), "**Capital Distribution**" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of Shares (other than an issue falling within paragraph (b) above) credited as fully or partly paid up by way of capitalisation of profits or reserves (whether of a capital or income nature). Any dividend charged or provided for in the accounts of any period or made 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 income statement of the Company.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for the above transaction.

(d) If and whenever the Company makes any allotment to its ordinary shareholders as provided in paragraph (b) above and also makes any offer or invitation to its ordinary shareholders as provided in paragraph (c)(ii) or paragraph (c)(iii) above and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose for the offer or invitation, the Option Price shall be adjusted in the following manner:

$$\text{New Option Price} = \frac{S \times [(G \times C) + (H \times I)]}{(G + H + B) \times C}$$

and in respect of each case referred to in paragraph (b) and paragraph (c)(ii) above, the Additional Shares Under Option shall be calculated in the following manner:-

$$\text{Additional Shares Under Option} = \frac{T \times [(G + H^* + B) \times C)]}{(G \times C) + (H^* \times I^*)} - T$$

Where:-

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

C = C in paragraph (c) above;

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

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

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

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

B = B in paragraph (b) above;

S = Existing Option Price; and

T = Existing number of Shares comprised in the Option in respect of the right to subscribe for new Shares so far as unexercised.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for such issues.

(e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for new Shares as provided in paragraph (c)(ii) above together with an offer or invitation to acquire or subscribe securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares as provided in paragraph (c)(iii) above, the Option Price shall be adjusted in the following manner:-

$$\text{New Option Price} = \frac{S \times (G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

and the Additional Shares Under Option shall be calculated in the following manner:-

$$\text{Additional Shares Under Option} = \frac{T \times (G + H^*) \times C}{(G \times C) + (H^* \times I^*)} - T$$

Where:-

G = G as in paragraph (d) above;

C = C as in paragraph (c) above;

H = H as in paragraph (d) above;

H* = H* as in paragraph (d) above;

I = I as in paragraph (d) above;

I* = I* as in paragraph (d) above;

J = The aggregate number of new Shares to be issued to its ordinary shareholders upon conversion of such exercise of such rights to subscribe for new 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) new Share;

S = Existing Option Price; and

T = Existing number of Shares comprised in the Option in respect of the rights to subscribe for new Shares so far as unexercised.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for above transaction.

(f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in paragraph (b) above and also makes an offer or invitation to acquire or subscribe for new Shares to its ordinary shareholders as provided in paragraph (c)(ii) above together with rights to acquire or subscribe for securities convertible into or with rights to acquire or subscribe for new Shares as provided in paragraph (c)(iii) above and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose of offer or invitation, the Option Price shall be adjusted in the following manner:

$$\text{New Option Price} = \frac{S \times [(G \times C) + (H \times I) + (J \times K)]}{(G + H + J + B) \times C}$$

and the Additional Shares Under Option shall be calculated in the following manner:-

$$\text{Additional Shares Under Option} = \frac{T \times [(G + H^* + B) \times C]}{(G \times C) + (H^* \times I^*)} - T$$

Where:-

G = G as in paragraph (d) above;

C = C as in paragraph (c) above;

H = H as in paragraph (d) above;

H* = H* as in paragraph (d) above;

I = I as in paragraph (d) above;

I* = I* as in paragraph (d) above;

J = J as in paragraph (e) above;

K = K as in paragraph (e) above;

B = B as in paragraph (b) above;

S = Existing Option Price; and

T = Existing number of Shares comprised in the Option in respect of the right to subscribe for new Shares so far as unexercised.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for the above transaction.

(g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders alike and requiring an adjustment under paragraphs (c)(ii), (c)(iii), (d), (e) or (f) above), the Company shall issue either any Shares or any securities convertible into new Shares or with rights to acquire or subscribe for new Shares, and in any such case the Total Effective Consideration per Share (as define 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 determine, the Option Price shall be adjusted in the following manner:

$$\text{New Option Price} = \frac{S \times (L + M)}{L + N}$$

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 new Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (exclusive of expenses);

N = The aggregate number of new Shares which so issued or in the case of securities convertible into new Shares of with rights to acquire or subscribe for new Shares, the maximum number assuming no adjustment of such rights) of new Shares issuable upon full conversation of such securities or the exercise in full of such rights; and

S = Existing Option Price

For the purposes of this paragraph (g) the "Total Effective Consideration" shall be determined by the Directors of the Company with the concurrence of the Company's external auditors or a licensed investment bank and shall be:

(i) In the case of the issue of new Shares, the aggregate consideration receivable by the Company on payment in full for such new Shares; or

(ii) In the case of the issue by the Company of securities wholly or partly convertible into new Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or

(iii) In the case of the issue by the Company of securities with rights to acquire or subscription for new Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

in each case without any deduction of any commission, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the "Total Effective Consideration per Share" shall be the Total Effective Consideration divided by the number of new Shares issued as aforesaid or, in the case of securities convertible into new Shares by the maximum number of new Shares issuable on full conversation of such securities or on exercise in full of such rights.

For the purpose of this paragraph (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 (1) or more board lots of the Shares as quoted on the Bursa Securities on the Market Days comprised in the period used as a basic 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 the Bursa Securities on the Market Day next following the date on which the issue is announced, or (failing any such announcement) on the Market Day next following the date on which the Company determined the offering/issue price of such Shares. Each such adjustment will

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

(h) For the purpose of paragraphs (c), (d), (e) and (f), the "Current Market Price" in relation to one (1) Share for any relevant day shall be the average of the last dealt price for the five (5) consecutive Market Days before such date or other period as many be determined in accordance with any guidelines issued, from time to time, by Bursa Securities.

The foregoing provisions on adjustment of the Option Price shall be subject to the following:

(a) On any such adjustment the resultant Option Price shall be rounded up to the nearest one (1) sen and in no event shall any adjustment (otherwise than upon the consolidation of Shares) involve an increase in the Option Price or reduce the number of Shares comprised in the Option so far as unexercised to which the Grantee is already entitled to;

(b) No adjustment shall be made to the Option Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions of "would be less than one (1) sen" or the number of Shares comprised in the Option so far as unexercised is less than one (1) Share and any adjustment that would otherwise be required then to be made will not be carried forward;

(c) If an event giving rise to any such adjustment shall be capable of falling within any two (2) or more of paragraphs (a) to (g) of **By-Law 15.1** (both inclusive) or if such event is capable of giving rise to more than one adjustment, the adjustment shall made in such manner as the Directors of the Company and the external auditors or a licensed investment bank may agree;

(d) If for any reason an event giving rise to an adjustment to the Option Price and/or the number of Shares comprised in the Option so far as unexercised to which a Grantee may be entitled to is cancelled, revoked or not completed, the adjustment shall not be required to be made or shall be reversed with effect from such date and in such manner as the Directors of the Company and the external auditors or a licensed investment bank may agree; and

(e) In determining a Grantee's entitlements to subscribe for Shares, any fractional entitlements will be disregarded.

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BSL CORPORATION BERHAD
(Registration No. 200401012615 (651118-K))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of BSL Corporation Berhad ("**BSLCORP**" or the "**Company**") ("**EGM**") will be held on a virtual basis through live streaming and online remote participation and voting from the Broadcast Venue at Level 10, Tower 11, Avenue 5, No. 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur, Wilayah Persekutuan (KL) on Friday, 22 October 2021 at 10.30 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolutions with or without modifications:-

ORDINARY RESOLUTION NO. 1

PROPOSED SHARE SPLIT INVOLVING A SUBDIVISION OF EVERY 1 EXISTING ORDINARY SHARE IN BSLCORP ("BSLCORP SHARES" OR THE "SHARES") HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER INTO 2 SHARES ("SUBDIVIDED SHARES") ("PROPOSED SHARE SPLIT")

"**THAT** subject to the approval of all the relevant authorities and/or parties, approval be and is hereby given to the Board of Directors of the Company ("**Directors**") ("**Board**") to subdivide every 1 existing BSLCORP Share held by the shareholders of the Company ("**Shareholders**"), whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board ("**Books Closure Date for Share Split**"), into 2 Subdivided Shares;

THAT the Subdivided Shares shall rank equally in all respects with each other;

AND THAT the Directors be and are hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements as may be necessary to give effect and complete the Proposed Share Split and to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Directors may deem necessary in the interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise, give full effect and to complete the Proposed Share Split."

ORDINARY RESOLUTION NO. 2

PROPOSED PRIVATE PLACEMENT OF UP TO 58,800,000 NEW SHARES ("PLACEMENT SHARES"), REPRESENTING UP TO 30% OF THE TOTAL NUMBER OF ISSUED SHARES, TO INDEPENDENT THIRD PARTY INVESTOR(S) TO BE IDENTIFIED LATER AT AN ISSUE PRICE TO BE DETERMINED LATER ("PROPOSED PRIVATE PLACEMENT")

"**THAT** subject to the approval of all the relevant authorities and/or parties, approval be and is hereby given to the Board to allot and issue up to 58,800,000 Placement Shares by way of private placement to independent third party investor(s) to be identified later in 1 or more tranches at an issue price for each tranche to be determined at a later date by the Board ("**Price-Fixing Date**") upon such terms and conditions as disclosed in the circular to the Shareholders dated 7 October 2021 ("**Circular**");

THAT the issue price for each tranche of the Placement Shares will be determined based on a discount of not more than 20% to the 5-market day volume weighted average market price of the Shares up to and including the last trading day immediately prior to the Price-Fixing Date;

THAT the Directors be and are hereby authorised to use the proceeds to be derived from the Proposed Private Placement for such purposes as set out in the Circular and the Board be and is hereby authorised with full power to vary the manner and/or purpose of the use of such proceeds from the Proposed Private Placement in the manner as the Board may deem fit, necessary and/or expedient, subject *(where required)* to the approval of the relevant authorities and in the best interest of the Company;

THAT such Placement Shares shall, upon allotment, issuance and full payment of the issue price, rank equally in all respects with the then existing issued Shares, save and except that the holders of such Placement Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Placement Shares;

THAT the Directors be and are hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements as may be necessary to give effect and complete the Proposed Private Placement and to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Directors may deem necessary in the interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise, give full effect and to complete the Proposed Private Placement;

AND THAT this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein and shall continue in full force and effect until all Placement Shares to be issued pursuant to or in connection with the Proposed Private Placement have been duly allotted and issued in accordance with the terms of the Proposed Private Placement."

ORDINARY RESOLUTION NO. 3

PROPOSED BONUS ISSUE OF UP TO 127,400,000 FREE WARRANTS IN BSLCORP ("WARRANTS") ON THE BASIS OF 1 WARRANT FOR EVERY 2 SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED BONUS ISSUE OF WARRANTS")

"**THAT** subject to the approval of all the relevant authorities and/or parties, approval be and is hereby given to the Board to allot and issue up to 127,400,000 free Warrants in registered form and constituted by a deed poll to be executed by the Company constituting the Warrants ("**Deed Poll**") by way of a bonus issue to all entitled Shareholders, whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board ("**Entitlement Date for Bonus Warrants**"), on the basis of 1 free Warrant for every 2 Shares held on the Entitlement Date for Bonus Warrants;

THAT the Board be and is hereby authorised to enter into and execute the Deed Poll constituting the Warrants and to do all acts, deeds and things as the Board may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll *(including, without limitation, the affixing of the company seal, where necessary)*;

THAT the Board be and is hereby authorised to allot and issue such appropriate number of additional Warrants as may be required or permitted to be issued as a consequence of any adjustments under the provisions in the Deed Poll ("**Additional Warrants**") and to adjust from time to time the exercise price of the Warrants and Additional Warrants *(if any)* as a consequence of any adjustments under the provisions in the Deed Poll and/or to effect such modifications, variations and/or amendments as may be imposed, required or permitted by Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant authorities or parties *(where required)*;

THAT the Board be and is hereby authorised to determine and vary if deemed fit, necessary and/or expedient, the exercise price of the Warrants at a later date and that the Board be and is hereby authorised to allot and issue the new Shares arising from the exercise of the Warrants by the holders of the Warrants in accordance with the Deed Poll, including such appropriate number of new Shares arising from the exercise of subscription rights represented by the Additional Warrants;

THAT the Warrants, Additional Warrants *(if any)* as well as the new Shares to be issued arising from the exercise of the Warrants and Additional Warrants *(if any)* shall be listed on the Main Market of Bursa Securities;

THAT the new Shares to be issued arising from the exercise of the Warrants and Additional Warrants *(if any)* shall, upon allotment, issuance and full payment of the exercise price, rank equally in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares;

THAT the Board be and is hereby authorised to disregard and/or deal with any fractional entitlements for the Warrants arising from the Proposed Bonus Issue of Warrants in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of the Company;

THAT the proceeds arising from the exercise of the Warrants, if any, be used for the purposes set out in the Circular and the Board be authorised with full power to vary the manner and/or purpose of use of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject to the approval of the relevant authorities, where required;

AND THAT the Directors be and are hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements as may be necessary to give effect and complete the Proposed Bonus Issue of Warrants and to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Directors may deem necessary in the interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise, give full effect and to complete the Proposed Bonus Issue of Warrants."

ORDINARY RESOLUTION NO. 4

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS" OR THE "SCHEME") INVOLVING UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (EXCLUDING TREASURY SHARES) FOR ELIGIBLE DIRECTORS AND EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES ("GROUP") (EXCLUDING DORMANT SUBSIDIARIES) ("PROPOSED ESOS")

"**THAT** subject to the approval of all the relevant authorities and/or parties, approval be and is hereby given for the Company to establish the Scheme involving up to 15% of the total number of issued Shares *(excluding treasury shares)* from time to time for the benefit of eligible directors and eligible employees of the Group, excluding the subsidiaries which are dormant;

THAT the by-laws governing the Scheme ("**By-laws**"), a draft of which is set out in Appendix II of the Circular, be and is hereby approved and adopted;

THAT the Board be and is hereby authorised to:-

(i) implement and administer the Scheme in accordance with the By-laws, to approve and adopt the By-laws and to give effect to the Scheme with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted or imposed by the relevant authorities or as may be deemed fit, necessary and/or expedient by the Board at its discretion;

(ii) make the necessary applications to Bursa Securities and do all things necessary at the appropriate time or times for the listing and quotation of the new Shares which may from time to time be allotted and issued pursuant to the exercise of the options granted under the Scheme ("**Options**");

(iii) allot and issue from time to time such number of new Shares as may be required pursuant to the exercise of the Options provided that the maximum number of new Shares to be allotted and issued under the Scheme shall not, in aggregate, exceed 15% of the total number of issued Shares *(excluding treasury shares)* at any point of time during the duration of the Scheme. The new Shares to be allotted and issued pursuant to the exercise of the Options shall, upon allotment, issuance and full payment of the exercise price of the Options, rank equally in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares and that such new Shares will be subject to all the provisions of the Constitution of the Company relating to the transfer, transmission and otherwise of the Shares;

(iv) modify and/or amend the By-laws from time to time as may be required or permitted by the authorities or deemed necessary by the authorities or the Board provided that such modifications and/or amendments are permitted and/or effected in accordance with the provisions of the By-laws relating to modifications and/or amendments; and

(v) extend the duration of the Scheme provided always that the duration of the Scheme shall not in aggregate exceed a period of 10 years from the date on which the Scheme shall take effect following full compliance of all relevant requirements or such other period as may be prescribed by Bursa Securities or any other relevant authorities from time to time without having to obtain any further sanction, approval, consent or authorisation of the Shareholders in a general meeting;

THAT the proceeds arising from the exercise of the Options, if any, be used for the purposes set out in the Circular and the Board be authorised with full power to vary the manner and/or purpose of use of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject to the approval of the relevant authorities, where required;

AND THAT the Directors be and are hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements as may be necessary to give effect and complete the Proposed ESOS and to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Directors may deem necessary in the interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise, give full effect and to complete the Proposed ESOS."

ORDINARY RESOLUTIONS NO. 5 TO 9

PROPOSED ALLOCATION OF OPTIONS TO DIRECTORS

"**THAT** subject to the approval of all the relevant authorities and/or parties and subject to the passing of the Ordinary Resolution No. 4, approval be and is hereby given to the Board to authorise the ESOS Committee, at any time and from time to time throughout the duration of the Scheme, to offer and grant to the following Directors, Options to subscribe for new Shares under the Scheme:-

(i)	Hoo Wai Keong	Ordinary Resolution No. 5
(ii)	Andrew Ho Tho Kong	Ordinary Resolution No. 6
(iii)	Wong Boon Peng	Ordinary Resolution No. 7
(iv)	Chong Kwang Fock	Ordinary Resolution No. 8
(v)	Chew Khai Liong	Ordinary Resolution No. 9

provided always that:-

(i) he shall not participate in the deliberation or discussion of his own allocation under the Scheme as well as specific allocations to persons connected to him;

(ii) the allocation to him who, either singly or collectively through persons connected with him, holds 20% or more of the total number of issued Shares *(excluding treasury shares)*, does not exceed 10% *(or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time)* of the total number of new Shares to be issued under the Scheme;

(iii) not more than 40% of the new Shares to be issued under the Scheme shall be allocated in aggregate to the eligible directors *(including non-executive directors)* and senior management personnel of the companies in the Group *(excluding dormant subsidiaries)*; and

(iv) such offer and grant of Options are subject always to such terms and conditions and/or adjustments which may be made in accordance with the provisions of the By-laws, the Main Market Listing Requirements of Bursa Securities or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time;

THAT the Board is authorised to allot and issue such number of new Shares arising from the exercise of the Options issued under the Scheme;

AND THAT the new Shares to be allotted and issued pursuant to the exercise of the Options shall, upon allotment, issuance and full payment of the exercise price of the Options, rank equally in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares and that such new Shares will be subject to all the provisions of the Constitution of the Company relating to the transfer, transmission and otherwise of the Shares."

By Order of the Board
BSL CORPORATION BERHAD

WONG YUET CHYN (MAICSA 7047163) (SSM PC NO. 202008002451)
THONG PUI YEE (MAICSA 7067416) (SSM PC NO. 202008000510)
Company Secretaries

Kuala Lumpur
7 October 2021

Notes:-

(1) *In view of the Covid-19 pandemic and as part of the Company's safety measures to curb the spread of Covid-19, the EGM will be held on a virtual basis through live streaming and online remote voting by using the Remote Participation and Voting ("**RPV**") facilities.*

(2) *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman to be present at the main venue of the EGM.*

No members / proxies / corporate representatives / attorneys from the public shall be physically present at the Broadcast Venue on the day of the EGM.

Please read and follow the procedures as set out in the Administrative Guide of the EGM which can be downloaded from Company's announcement on Bursa Malaysia Berhad's website at www.bursamalaysia.com or Company's website at 7 October 2021 in order to register, participate and vote remotely via the RPV facilities.

(3) *For the purpose of determining a member who shall be entitled to attend the EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a General Meeting Record of Depositors as at 13 October 2021. Only a member whose name appears on the Record of Depositors as at 13 October 2021 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her/its behalf.*

(4) *A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.*

(5) *A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.*

(6) *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*

(7) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*

(8) *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*

(9) *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:-*

(i) *In hard copy form*

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL), Malaysia.

(ii) *By electronic form*

The proxy form can be electronically lodged with the Share Registrar of the Company via fax to 03-6201 3121 or e-mail to ir.bsl@shareworks.com.my

Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

(10) *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of EGM will be put to vote by way of poll.*

BSL CORPORATION BERHAD
(Registration No. 200401012615 (651118-K))
(Incorporated in Malaysia)

FORM OF PROXY

I/We,_____NRIC/Passport/Company No._____
(Full Name in Block Letters)

of_____
(FULL ADDRESS)

contact no. _____email address _____being a member/members of **BSL Corporation Berhad** ("**Company**") hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company which will be held on a virtual basis through live streaming and online remote participation and voting from the Broadcast Venue at Level 10, Tower 11, Avenue 5, No. 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur, Wilayah Persekutuan (KL) on Friday, 22 October 2021 at 10.30 a.m. or at any adjournment thereof.

Full Name (in capital letters):	**NRIC/Passport No.:**
Full Address (in capital letters):	**Contact No.:** **Email Address:**

and/or

Full Name (in capital letters):	**NRIC/Passport No.:**
Full Address (in capital letters):	**Contact No.:** **Email Address:**

or failing him/her, the Chairman of the meeting as *my/our proxy to vote for *me/us and on *my/our behalf, at the EGM of the Company.

My/our proxy is authorised to vote as indicated below:

No.	Ordinary Resolutions	In Favour	Against
1.	Proposed Share Split		
2.	Proposed Private Placement		
3.	Proposed Bonus Issue of Warrants		
4.	Proposed ESOS		
5.	Proposed allocation of Options to Hoo Wai Keong		
6.	Proposed allocation of Options to Andrew Ho Tho Kong		
7.	Proposed allocation of Options to Wong Boon Peng		
8.	Proposed allocation of Options to Chong Kwang Fock		
9.	Proposed allocation of Options to Chew Khai Liong		

Please indicate with a tick (√) in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy shall vote as he/she thinks fit, or at his/her discretion, abstain from voting.

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

CDS Account No	
No. of shares held	

For appointment of 2 proxies, percentage of shareholdings to be represented by the proxies:		
	No. of Shares	%
Proxy 1		
Proxy 2		
Total		100%

Signed this_____day of _____ 2021

_____
Signature(s)/Common Seal of member(s)

Notes:-

(1) *In view of the Covid-19 pandemic and as part of the Company's safety measures to curb the spread of Covid-19, the EGM will be held on a virtual basis through live streaming and online remote voting by using the Remote Participation and Voting ("**RPV**") facilities.*

(2) *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman to be present at the main venue of the EGM.*

No members / proxies / corporate representatives / attorneys from the public shall be physically present at the Broadcast Venue on the day of the EGM.

Please read and follow the procedures as set out in the Administrative Guide of the EGM which can be downloaded from Company's announcement on Bursa Malaysia Berhad's website at www.bursamalaysia.com or Company's website at 7 October 2021 in order to register, participate and vote remotely via the RPV facilities.

(3) *For the purpose of determining a member who shall be entitled to attend the EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a General Meeting Record of Depositors as at 13 October 2021. Only a member whose name appears on the Record of Depositors as at 13 October 2021 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her/its behalf.*

(4) *A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.*

(5) *A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.*

(6) *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*

(7) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*

(8) *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*

(9) *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:-*

(i) *In hard copy form*

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL), Malaysia.

(ii) *By electronic form*

The proxy form can be electronically lodged with the Share Registrar of the Company via fax to 03-6201 3121 or e-mail to ir.bsl@shareworks.com.my

Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

(10) *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of EGM will be put to vote by way of poll.*

Fold this flap for sealing

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AFFIX
STAMP

Company Secretaries
BSL CORPORATION BERHAD
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)

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