

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") ("LEAP MARKET")

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY DSR TAIKO BERHAD ("DSR TAIKO"). INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. If you have sold or transferred all your shares in DSR Taiko, you should at once hand this Circular together with the enclosed Proxy Form to the agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The admission of DSR Taiko was advised by Inter-Pacific Securities Sdn Bhd, being the Approved Adviser for the listing of DSR Taiko on the LEAP Market of Bursa Securities.

This Circular has been reviewed by Affin Hwang Investment Bank Berhad, being the Approved Adviser for the Proposals (as defined herein) and Sponsor for the Proposed Transfer (as defined herein).

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



DSR TAIKO BERHAD

[Registration No. 202101001462 (1401760-W)]
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

- I. PROPOSED BONUS ISSUE OF 1,632,385,100 NEW ORDINARY SHARES IN DSR TAIKO ("DSR TAIKO SHARES") ("BONUS SHARES") ON THE BASIS OF 5 BONUS SHARES FOR EVERY 1 EXISTING DSR TAIKO SHARE HELD ON THE ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE");**
- II. PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF DSR TAIKO FROM THE LEAP MARKET PURSUANT TO RULES 8.05 AND 8.06 OF THE LEAP MARKET LISTING REQUIREMENTS OF BURSA SECURITIES ("PROPOSED WITHDRAWAL");**
- III. PROPOSED LISTING OF DSR TAIKO ON THE ACE MARKET OF BURSA SECURITIES PURSUANT TO RULES 3A.02(1) AND 3A.02(2) OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES ("PROPOSED LISTING"); AND**

(THE PROPOSED WITHDRAWAL AND PROPOSED LISTING ARE COLLECTIVELY REFERRED TO AS THE "PROPOSED TRANSFER")

- IV. PROPOSED ADOPTION OF A NEW CONSTITUTION OF DSR TAIKO TO FACILITATE THE IMPLEMENTATION OF THE PROPOSED TRANSFER ("PROPOSED ADOPTION")**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Approved Adviser and Sponsor



AFFIN HWANG INVESTMENT BANK BERHAD

[Registration No.: 197301000792 (14389-U)]
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("EGM") of DSR Taiko and the Proxy Form are enclosed together with this Circular. The details of the EGM are set out below:

Date and time of the EGM : Thursday, 22 May 2025 at 10:00 a.m.
Venue of the EGM : Conference Meeting Room, No. 32-1 Jalan Eco Santuari 8/2A, Eco Santuari, 42500 Telok Panglima Garang, Selangor Darul Ehsan

A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate and vote on his/her behalf. In such event, the completed and signed Proxy Form must be deposited at our registered office at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the time for the holding of the EGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Tuesday, 20 May 2025 at 10:00 a.m.

This Circular is dated 30 April 2025

DEFINITIONS

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

ACE LR	:	ACE Market Listing Requirements of Bursa Securities
ACE Market	:	ACE Market of Bursa Securities
Act	:	Companies Act, 2016
Affin Hwang IB or Approved Adviser or Sponsor	:	Affin Hwang Investment Bank Berhad [Registration No.: 197301000792 (14389-U)]
Board	:	Board of Directors of DSR Taiko
Bonus Share(s)	:	1,632,385,100 new Shares to be issued and allotted pursuant to the Proposed Bonus Issue
Bumiputera	:	In the context of: <ul style="list-style-type: none">(i) individuals – Malays and the aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia;(ii) companies – a company which fulfils, among others, the following criteria or such other criteria as may be imposed by MITI:<ul style="list-style-type: none">(a) registered under the Act as a private company;(b) its shareholders are 100.00% Bumiputera; and(c) its board of directors (including its staff) are at least 51.00% Bumiputera;(iii) cooperatives – a cooperative whose shareholders or cooperative members are at least 95.00% Bumiputera or such other criteria as may be imposed by MITI; and(iv) any other party as defined to be Bumiputera based on the criteria as may be imposed by MITI
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd [Registration No. 198701006854 (165570-W)]
Bursa Securities	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
CAGR	:	Compounded annual growth rate
Circular	:	This Circular dated 30 April 2025 in relation to the Proposals
CMSA	:	Capital Markets and Services Act, 2007

DEFINITIONS (Cont'd)

Director(s)	: Director of our Company which shall have the same meaning given in Section 2(1) of the CMSA and Section 2 of the Act, and includes any person who is or was within the preceding 6 months of the date on which the terms of the Proposals were agreed upon: (i) a director of our Company, our subsidiary or holding company; or (ii) a chief executive of our Company, our subsidiary or holding company;
DSR Daily Fresh	: DSR Daily Fresh Sdn Bhd [Registration No. 202001023523 (1379843K)] is a 70%-owned subsidiary of DSR Taiko
DSR Taiko Share(s) or Share(s)	: Ordinary share(s) in DSR Taiko
DSR Taiko or Company	: DSR Taiko Berhad [Registration No. 202101001462 (1401760-W)]
DSR Taiko Group or Group	: Collectively, DSR Taiko and its subsidiaries
EBITDA	: Earnings before interest, taxation, depreciation and amortisation
EGM	: Extraordinary general meeting
Entitled Shareholders	: Shareholders whose names appear in our Company's Record of Depositors on the Entitlement Date
Entitlement Date	: The date (to be determined by our Board and announced later by our Company) on which the names of DSR Taiko's shareholders must appear in our Company's Record of Depositors as at the close of business at 5:00 p.m. in order to be entitled to the Bonus Shares
EPS	: Earnings per Share
ESG	: Environmental, Social and Governance
Exemptions	: The exemptions from complying with Rules 8.06(1)(c) and 8.06(1)(d) of the LEAP LR in connection with the Proposed Withdrawal which were approved by Bursa Securities <i>vide</i> its letter dated 15 January 2025
FPE	: Financial period ended
FYE	: Financial year ended
GP	: Gross Profit
Information Memorandum	: Information memorandum dated 20 May 2022 issued pursuant to our Company's listing on the LEAP Market
Interested Directors or Proposers or Offerors	: Collectively, Ng Soh Kian and Dato' Ng Lian Poh
IoT	: Internet of things

DEFINITIONS (Cont'd)

IPO Price	:	The issue price per IPO Share under the Proposed IPO. For illustrative purposes, an indicative issue price of RM0.20 per IPO Share has been adopted throughout this Circular.
IPO Share(s)	:	Collectively, the Issue Share(s) and Offer Share(s)
Issue Share(s)	:	280,303,000 new Shares to be issued pursuant to the Proposed Public Issue
kg	:	kilogramme
LAT	:	Loss after taxation
LATNCI	:	Loss after taxation which is attributable to the owners of our Company
LBT	:	Loss before taxation
LEAP LR	:	LEAP Market Listing Requirements of Bursa Securities
LEAP Market	:	LEAP Market of Bursa Securities
LPD	:	31 March 2025, being the latest practicable date prior to the issuance of this Circular
Malaysian Public	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Minority Shareholders	:	The minority shareholders of DSR Taiko (excluding the Proposers), who collectively hold the remaining 112,799,000 DSR Taiko Shares, representing 34.55% of the total number of issued DSR Taiko Shares as at the LPD
MIS	:	Malaysia Iconic Station which comprises our Musang King durian gelato dispenser and freezer containing our other durian product offerings
MITI	:	Ministry of Investment, Trade and Industry, Malaysia
MKITS	:	Malaysia Musang King Integrated System, which is an integrated tracking system that monitors the entire supply chain of our operations, from the harvesting of fresh durians to the processing of downstream durian-based products, and the delivery of fresh durians and durian-based products to end-consumers
NA	:	Net assets attributable to the equity holders of our Company
Offer Share(s)	:	150,000,000 Shares to be offered pursuant to the Proposed Offer for Sale
Official List	:	A list specifying all the securities listed on Bursa Securities
OMSA	:	Origin Matters Seamless App
PAT	:	Profit after taxation
PATNCI	:	Profit after taxation which is attributable to the owners of our Company

DEFINITIONS (Cont'd)

PB Multiple	:	Price-to-book multiple
PBT	:	Profit before taxation
PE Multiple	:	Price-to-earnings multiple
PRC	:	The People's Republic of China
Proposal Letter	:	The proposal letter dated 12 November 2024 from the Proposers to our Board requesting our Board to consider undertaking the Proposed Transfer
Proposals	:	Collectively, Proposed Bonus Issue, Proposed Transfer and Proposed Adoption
Proposed Adoption	:	Proposed adoption of a new Constitution of DSR Taiko to facilitate the implementation of the Proposed Transfer
Proposed Bonus Issue	:	Proposed bonus issue of 1,632,385,100 new Shares on the basis of 5 Bonus Shares for every 1 existing DSR Taiko Share held on the Entitlement Date
Proposed IPO	:	Collectively, the Proposed Public Issue and Proposed Offer for Sale
Proposed Listing	:	Proposed listing of DSR Taiko on the ACE Market pursuant to Rules 3A.02(1) and 3A.02(2) of the ACE LR
Proposed Offer for Sale	:	Proposed offer for sale of 150,000,000 Offer Shares by the Offerors, representing approximately 6.70% of the enlarged total number of issued Shares upon completion of the Proposed Listing
Proposed Public Issue	:	Proposed public issue of 280,303,000 Issue Shares representing approximately 12.52% of the enlarged total number of issued Shares upon completion of the Proposed Listing
Proposed Transfer	:	Collectively, the Proposed Withdrawal and Proposed Listing
Proposed Withdrawal	:	Proposed voluntary withdrawal of listing of DSR Taiko from the LEAP Market pursuant to Rules 8.05 and 8.06 of the LEAP LR
Sophisticated Investors	:	Sophisticated investors who fall within the Guidelines on Categories of Sophisticated Investors issued by the SC
RFID	:	Radio Frequency Identification
SC	:	Securities Commission Malaysia
TEBP	:	Theoretical ex-bonus price
VWAP	:	Volume-weighted average market price

DEFINITIONS (Cont'd)

References to “we”, “us”, “our” and “ourselves” are to our Company, and where the context otherwise requires, our subsidiary companies. All references to “you” are to our shareholders.

Words denoting the singular shall, where applicable, include the plural and *vice versa*. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Any reference to persons shall include corporations, unless otherwise stated.

Any reference in this Circular to any statutes, rules, regulations or rules of the stock exchange is a reference to such statutes, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time or date in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Any discrepancy in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY SETS OUT THE SALIENT INFORMATION OF THE PROPOSALS. YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE ENTIRE CONTENTS OF THIS CIRCULAR (INCLUDING THE APPENDICES) WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM

Key Information	Summary	Reference to Circular
Details of the Proposals	<p><u>Proposed Bonus Issue</u></p> <p>The Proposed Bonus Issue is undertaken as part of our Company's pre-listing reorganisation exercise which entails the bonus issue of 1,632,385,100 Bonus Shares on the basis of 5 Bonus Shares for every 1 existing DSR Taiko Share held by our Entitled Shareholders on the Entitlement Date.</p> <p><u>Proposed Transfer</u></p> <p>The Proposed Withdrawal entails the proposed voluntary withdrawal of listing of our Company from the LEAP Market pursuant to Rules 8.05 and 8.06(1) of the LEAP LR.</p> <p>We have applied for the exemptions from the requirements to comply with the following:</p> <ul style="list-style-type: none"> (i) to extend an Exit Offer (as defined in Section 2.2.1 of this Circular) to our Minority Shareholders pursuant to Rule 8.06(1)(c) of the LEAP LR; and (ii) for the IA Appointment (as defined in Section 2.2.1 of this Circular) pursuant to Rule 8.06(1)(d) of the LEAP LR. <p>Accordingly, Bursa Securities had vide its letter dated 15 January 2025 approved the Exemptions, subject to the condition that the Undertaking Letters (as defined in Section 2.2.1 of this Circular) by our Minority Shareholders remain valid and binding until the completion of the Proposed Withdrawal.</p> <p>The Proposed Listing entails the listing of and quotation for our enlarged issued share capital on the ACE Market pursuant to Rules 3A.02(1) and 3A.02(2) of the ACE LR through the Proposed IPO, which comprises the Proposed Public Issue and Proposed Offer for Sale.</p> <p><u>Proposed Adoption</u></p> <p>Our Company proposes to adopt a new Constitution to replace our existing Constitution in its entirety to facilitate the implementation of the Proposed Transfer and to ensure that our Constitution is in line with the ACE LR.</p>	Section 2
Utilisation of proceeds	<p>Based on the indicative IPO Price of RM0.20, the total gross proceeds to be raised from the Proposed Public Issue will be RM56.06 million and is proposed to be utilised for the following:</p> <ul style="list-style-type: none"> (i) Acquisition of new durian plantation land; (ii) Repayment of bank borrowings; (iii) Working capital; and (iv) Estimated expenses for the Proposals. 	Section 2

EXECUTIVE SUMMARY (Cont'd)

Key Information	Summary	Reference to Circular
Rationale and justifications for the Proposals	<p><u>Proposed Bonus Issue</u></p> <p>(i) As a pre-listing reorganisation exercise in conjunction with, and as an integral part of our Proposed Listing; and</p> <p>(ii) Our Company's enlarged share base is expected to enhance the marketability and trading liquidity of DSR Taiko Shares on the ACE Market.</p> <p><u>Proposed Withdrawal</u></p> <p>(i) Facilitate the implementation of the Proposed Transfer and to ensure our Company's compliance with the LEAP LR.</p> <p><u>Proposed Listing</u></p> <p>(i) Provide us with access to a bigger fund-raising platform to support our expansion plans in order to sustain our growth trajectory and realise our long-term growth potential.</p> <p>(ii) Enhance our Company's corporate profile, credibility and reputation, and accord our Company greater recognition and following from various stakeholders including our employees, customers, suppliers, business associates, financial institutions as well as the wider investor base given our enhanced profile as a company listed on the ACE Market; and</p> <p>(iii) Improve the liquidity and marketability of our Shares as the general public and a larger and wider pool of investors can participate in the equity of our Company in comparison to the LEAP Market.</p> <p><u>Proposed Adoption</u></p> <p>(i) Facilitate the implementation of the Proposed Transfer to ensure our Company's compliance with the ACE LR.</p>	Section 3
Risk factors in relation to the Proposals	<p><u>Proposed Bonus Issue</u></p> <p>(i) May be aborted or delayed if we are unable to obtain sufficient approval from the existing shareholders on the resolution for the Proposed Bonus Issue and Proposed Transfer or all requisite approvals from the authorities in relation to the Proposals.</p> <p><u>Proposed Withdrawal</u></p> <p>(i) Our existing shareholders (who have provided the undertakings) may dispose of, transfer or reduce their shareholdings in the Company before the completion of the Proposed Withdrawal which will result in Bursa Securities' approval for the Exemptions may become void and new undertakings would be required from such new shareholders and application for Exemptions would need to be re-submitted; and</p> <p>(ii) If we are unable to procure the undertakings from the new shareholders and obtain our shareholders' approval for the Proposed Withdrawal, then the Proposals cannot be implemented, thereby resulting in our Company being unable to transfer its listing status from the LEAP Market to the ACE Market.</p>	Section 5

EXECUTIVE SUMMARY (Cont'd)

Key Information	Summary	Reference to Circular
Risk factors in relation to the Proposals (Cont'd)	<p><u>Proposed Listing</u></p> <ul style="list-style-type: none"> (i) Potential paper loss upon the Proposed Listing; (ii) Existing shareholders will face the risk of dilution to their shareholdings in our Company; (iii) No prior market for our Shares on the ACE Market and there is no certainty that an active liquid market will be established for our Shares on the ACE Market; (iv) Our Share price and trading volume may be volatile following the Proposed Listing as a result of market vagaries; and (v) The Proposed Listing may be aborted or delayed. <p><u>Proposals</u></p> <ul style="list-style-type: none"> (i) Loss of cost incurred for the Proposals if the Proposed Listing is terminated; and (ii) Risk in the implementation of our Group's future plans. 	Section 5
Approvals required and conditionality	<p>The Proposals are subject to and conditional upon approvals being obtained from:</p> <ul style="list-style-type: none"> (i) our shareholders for the Proposals at the forthcoming EGM; (ii) Bursa Securities for the following: <ul style="list-style-type: none"> (a) Exemptions which were obtained on 15 January 2025, subject to the condition that the undertakings set out in the Undertaking Letters given by all our existing shareholders remain valid and binding until the completion of the Proposed Withdrawal; (b) listing of and quotation for 1,632,385,100 Bonus Shares on the LEAP Market pursuant to the Proposed Bonus Issue; (c) Proposed Withdrawal pursuant to Rules 8.05 and 8.06 of the LEAP LR; (d) admission of DSR Taiko to the Official List and for the listing of and quotation for our entire enlarged issued share capital on the ACE Market pursuant to Rule 3.02 of the ACE LR; (iii) Equity Compliance Unit of the SC, for the resultant equity structure after the Proposals; (iv) MITI for the Proposed Listing and the recognition of the Bumiputera investors in relation to the Proposed Listing; and (v) any other approval, consent or permission that may be required from any relevant authority, if required. 	Section 8

EXECUTIVE SUMMARY (Cont'd)

Key Information	Summary	Reference to Circular
Approvals required and conditionality (Cont'd)	<p>The Proposed Bonus Issue is not conditional upon the Proposed Transfer and Proposed Adoption. However, the Proposed Transfer and Proposed Adoption are inter-conditional upon each other and conditional upon the Proposed Bonus Issue. Nonetheless, the Proposed Bonus Issue will only be implemented after obtaining the approvals as set out in items (ii), (iii), (iv) and (v) above and will be completed prior to the Proposed Transfer.</p> <p>The effective date for the Proposed Adoption will be on the same date as the listing of and quotation for DSR Taiko's entire enlarged issued share capital on the ACE Market.</p> <p>Save for the above, the Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by our Company</p>	Section 8
Interests of directors, major shareholders, chief executive and/or persons connected with them	<p>Save as disclosed below, none of our Company's Directors, major shareholders, chief executive and/or persons connected with them have any interest in the Proposals:-</p> <p>(i) Ng Soh Kian</p> <p>(ii) Dato' Ng Lian Poh</p> <p>The Interested Directors have abstained and will continue to abstain from all Board deliberations and voting on matters relating to the Proposed Transfer. As the Proposals are inter-conditional upon each other, the Interested Directors will also abstain from all Board deliberations and voting on matters relating to the Proposals.</p> <p>However, since the Proposals affect the rights of all our shareholders and no specific shareholder or group of shareholders shall benefit from the Proposals, all our shareholders are entitled to vote in respect of their direct and indirect shareholdings on the resolutions for the Proposals.</p> <p>As such, the Proposals are not regarded as a related party transaction and no parties are conflicted under the provisions of the LEAP LR. Accordingly, the Proposers and persons connected to them are not required to abstain from voting in respect of their direct and/or indirect shareholdings, if any, on the resolutions for the Proposals to be tabled at our forthcoming EGM.</p>	Section 9
Directors' statement and recommendation	<p>Our Board (save for the Interested Directors), after having considered all aspects of the Proposals, including the rationale and justification, future prospects of our Group, risk factors, effects and impact of the Proposals, is of the opinion that the Proposals are in the best interest of our Company and our shareholders.</p> <p>Accordingly, our Board (save for the Interested Directors), recommends you to vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.</p>	Section 10



DSR TAIKO BERHAD
(Registration No.: 202101001462 (1401760-W))
(Incorporated in Malaysia)

Registered Office:

B-25-2, Block B, Jaya One
No. 72A, Jalan Prof.
Diraja Ungku Aziz
46200 Petaling Jaya
Selangor

30 April 2025

Board of Directors

Ng Soh Kian
Dato' Ng Lian Poh
Chan Kwai Cheong
Tan Fie Ping

Executive Chairman
Chief Executive Officer / Executive Director
Executive Director
Independent Non-Executive Director

To: The Shareholders of DSR Taiko

Dear Sir/Madam,

- (I) PROPOSED BONUS ISSUE;**
- (II) PROPOSED WITHDRAWAL;**
- (III) PROPOSED LISTING; AND**
- (IV) PROPOSED ADOPTION**

1. INTRODUCTION

On 12 November 2024, our Board had announced that our Company had received the Proposal Letter from the Proposers, requesting our Board to consider undertaking the Proposed Transfer.

On 19 November 2024, Affin Hwang IB had, on behalf of our Board (excluding the Interested Directors), announced that our Company had deliberated on the Proposal Letter and agreed to undertake the Proposed Transfer. To facilitate this, our Company had proposed to undertake the Proposed Adoption.

On 26 November 2024, Affin Hwang IB had, on behalf of our Board, announced that our Company had submitted an application to Bursa Securities to seek approval for the Exemptions.

On 15 January 2025, Affin Hwang IB had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 15 January 2025, resolved to approve the Exemptions, subject to the condition that the Undertaking Letters (as defined in Section 2.2.1 of the Circular) from the Minority Shareholders remain valid and binding until the Proposed Withdrawal is completed.

On 18 February 2025, Affin Hwang IB had, on behalf of our Board, announced that our Company proposes to undertake a bonus issue of 1,632,385,100 Shares on the basis of 5 Bonus Shares for every 1 existing DSR Taiko Share held by the Entitled Shareholders on the Entitlement Date as a pre-listing reorganisation exercise prior to the Proposed Transfer.

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

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

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

2. DETAILS OF THE PROPOSALS

2.1 Proposed Bonus Issue

In conjunction with, and as an integral part of our Company's listing of and quotation for its enlarged issued share capital on the ACE Market of Bursa Securities, our Company intends to undertake a pre-listing reorganisation exercise involving the Proposed Bonus Issue.

For avoidance of doubt, the Proposed Bonus Issue will be implemented prior to the Proposed Transfer but after the receipt of approvals for the Proposals, details as set out in Section 8 (ii), (iii), (iv) and (v) of this Circular.

2.1.1 Basis and number of Bonus Shares to be issued

As at the LPD, the issued share capital of our Company is RM60,563,400 comprising 326,477,020 Shares.

The Proposed Bonus Issue will entail the issuance of 1,632,385,100 Bonus Shares on the basis of 5 Bonus Shares for every 1 existing DSR Taiko Share held by the Entitled Shareholders on the Entitlement Date. Upon completion of the Proposed Bonus Issue, our Company's issued share capital will remain at RM60,563,400, while our Company's total number of issued Shares will increase to 1,958,862,120 Shares.

The basis of the Proposed Bonus Issue of 5 Bonus Shares for every 1 existing DSR Taiko Share was arrived at after taking into consideration the potential enhancement to the marketability and trading liquidity of the enlarged number of issued DSR Taiko Shares on the ACE Market pursuant to the Proposed Listing.

There will be an adjustment to the market price of DSR Taiko Shares as quoted on the LEAP Market pursuant to the Proposed Bonus Issue, but will not have any impact on the total market value of the DSR Taiko Shares held by our shareholders.

For illustrative purposes, based on the last traded price of DSR Taiko Shares on 24 July 2024 of RM1.18, the TEBP of DSR Taiko Shares is approximately RM0.20 following the Proposed Bonus Issue. For clarity, the TEBP of DSR Taiko Shares is calculated based on the following formula:

$$\text{TEBP of DSR Taiko Share} = \frac{\text{Last traded price of DSR Taiko Shares} \times 1 \text{ DSR Taiko Share}}{1 \text{ DSR Taiko Share} + 5 \text{ Bonus Shares}}$$

The Proposed Bonus Issue will not be implemented on a staggered basis over a period of time.

The Proposed Bonus Issue will be implemented and completed prior to the Proposed Transfer. Hence, the Bonus Shares will be listed on the LEAP Market and its listing will be transferred to the ACE Market together with the other existing Shares upon the completion of the Proposed Transfer.

The Entitlement Date will be determined by our Board and announced by our Company after all requisite approvals have been obtained from Bursa Securities, SC, MITI and any other relevant authorities in relation to the Proposed Transfer, and prior to the issuance of the prospectus to be issued for the Proposed Listing.

2.1.2 No capitalisation of reserves

The Bonus Shares will be issued as fully paid, at no consideration and without capitalisation of our Company's reserves. Therefore, Rule 5.13(2) of the LEAP LR which requires our Company to ensure that we have sufficient reserves for the capitalisation of the bonus issue does not apply to the Proposed Bonus Issue.

For avoidance of doubt, the Proposed Bonus Issue will increase our total number of issued Shares but will not increase the total value of our Company's issued share capital.

2.1.3 Ranking of the Bonus Shares

The Bonus Shares will, upon allotment and issuance, rank equally in all respects with the existing DSR Taiko Shares, save and except that such Bonus Shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid where the entitlement date is before the date of allotment and issuance of the Bonus Shares.

2.1.4 Listing of and quotation for the Bonus Shares

Bursa Securities had, vide its letter dated 24 April 2025, noted the listing of and quotation for 1,632,385,100 Bonus Shares on the LEAP Market on the next market day after the Entitlement Date. The notice of allotment of the Bonus Shares will be issued and despatched to the Entitled Shareholders no later than 4 market days after the date of listing of and quotation for the Bonus Shares, or such other period as Bursa Securities may prescribe.

2.2 Proposed Transfer

Subsequent to the completion of the pre-listing reorganisation exercise (i.e. the Proposed Bonus Issue), our Company will undertake the Proposed Transfer, which comprises the Proposed Withdrawal and Proposed Listing.

2.2.1 Proposed Withdrawal

The Proposed Withdrawal entails the proposed voluntary withdrawal of listing of our Company from the LEAP Market pursuant to Rule 8.05 of the LEAP LR.

Pursuant to Rule 8.05 of the LEAP LR, Bursa Securities may grant a listed corporation's request to withdraw its listing status from the LEAP Market. In accordance with Rule 8.06(1) of the LEAP LR, a listed corporation may not request to withdraw its listing from the LEAP Market unless:

- (a) the listed corporation convenes a general meeting to obtain its shareholders' approval and the circular to be sent to the shareholders includes the information set out in Appendix 8B of the LEAP LR;
- (b) the passing of the resolution for the withdrawal of listing is subject to the following conditions:

- (i) the resolution is approved by a majority of shareholders, in number, representing 75.00% of the total number of issued securities held by the shareholders, present and voting either in person or by proxy at each meeting; and
 - (ii) the number of votes cast against the resolution, if any, is not more than 10.00% of the total number of issued securities held by the shareholders, present and voting either in person or by proxy at each meeting;
- (c) the shareholders are offered a reasonable cash alternative or other reasonable alternatives (“**Exit Offer**”); and
 - (d) the listed corporation appoints an independent adviser to advise and make recommendations for the consideration of the shareholders in connection with the withdrawal of its listing as well as the fairness and reasonableness of the Exit Offer (“**IA Appointment**”).

Our Company will comply with the requirements of (a) and (b) above. However, we have sought exemptions from complying with the requirements under (c) and (d) above.

Our Company has applied for the exemptions from the requirements to comply with the following:

- (i) to extend an Exit Offer to the Minority Shareholders pursuant to Rule 8.06(1)(c) of the LEAP LR; and
- (ii) for the IA Appointment pursuant to Rule 8.06(1)(d) of the LEAP LR.

To facilitate the application for the Exemptions, our Company has procured written undertakings from all of our Minority Shareholders (“**Undertaking Letters**”) whereby they irrevocably and unconditionally undertake the following:

- (i) to waive all their respective rights in respect of the Exit Offer and the IA Appointment pursuant to the Proposed Withdrawal;
- (ii) to continue to hold and not dispose of, transfer or reduce their existing shareholdings in our Company and will not withdraw their written undertakings until the completion of the Proposed Transfer*; and
- (iii) to vote in favour of the resolution for the Proposed Transfer to be tabled at our forthcoming EGM.

Note:

- * *For avoidance of doubt, the Offerors have also provided written undertakings that they will continue to hold and will not dispose of, transfer or reduce their shareholdings in our Company until the completion of the Proposed Transfer, save for the Offer Shares pursuant to the Proposed Offer for Sale which will be undertaken in conjunction with the Proposed Listing.*

Bursa Securities had vide its letter dated 15 January 2025 approved the Exemptions, subject to the condition that the Undertaking Letters remain valid and binding until the completion of the Proposed Withdrawal.

2.2.2 Proposed Listing

The Proposed Listing will entail the listing of and quotation for our Company's enlarged issued share capital on the ACE Market. As at the LPD, our Company's issued share capital is RM60,563,400, comprising 326,477,020 DSR Taiko Shares. As detailed in Section 2.1.4 of this Circular, upon completion of the Proposed Bonus Issue and prior to the Proposed Listing, the total number of issued DSR Taiko Shares will increase from 326,477,020 Shares to 1,958,862,120 Shares.

In conjunction with the Proposed Listing, 280,303,000 Issue Shares will be issued under the Proposed Public Issue. Therefore, upon completion of the Proposed Bonus Issue and the Proposed Listing, our Company's issued share capital will increase to RM116,624,000 comprising 2,239,165,120 Shares.

Additionally, 150,000,000 Offer Shares will be offered by the Offerors under the Proposed Offer for Sale.

For illustrative purposes, throughout this Circular, the effects of the Proposed Listing shall be illustrated based on the indicative IPO Price of RM0.20 per IPO Share. The final issue price of the IPO Shares will be determined by our Board at a later date after receipt of all the relevant approvals, at a price that is deemed appropriate after taking into consideration, among others, the price discovery mechanism for the issue price of IPO Shares as set out in Section 2.2.2.9 of this Circular.

2.2.2.1 Requirements for the Proposed Listing pursuant to Rules 3A.02(1) and 3A.02(2) of the ACE LR

As part of the transfer to the ACE Market, a transfer applicant must comply with Rule 3A.02(1) of the ACE LR. The status of our Company's compliance is as follows:

Requirements	Status of compliance
(a) have been listed for at least 2 years on the LEAP Market at the time of application for transfer of listing;	Complied. As at the date of this Circular, our Company has been listed on the LEAP Market for more than 2 years i.e. since 6 July 2022.
(b) be considered as suitable for listing after the assessment by a Sponsor or both the Sponsor and Recognised Approved Adviser as Joint Transfer Sponsor pursuant to Rule 4.07 of the ACE LR	Complied. Affin Hwang IB being the Sponsor for the Proposed Transfer has assessed our Company's suitability for listing and considers our Company suitable for listing pursuant to Rule 4.07 of the ACE LR.
(c) comply with Chapters 3 and 3A of the ACE LR, as the case may be, subject to the additional requirements, modifications on exceptions set out in Chapter 3A of the ACE LR;	Our Company will comply with Chapters 3 and 3A of the ACE LR.
(d) undertake an issue of shares to the general public as part of its transfer of listing; and	In conjunction with the Proposed Listing, our Company will undertake the Proposed Public Issue to issue Shares to the general public as part of the Proposed Transfer.
(e) Comply with the relevant admission procedures and requirements as may be prescribed by Bursa Securities	Our Company will comply with the relevant admission procedures and requirements as may be prescribed by Bursa Securities.

2.2.2.2 Proposed IPO

The Proposed IPO will comprise the following:

(a) Proposed Public Issue

The Proposed Public Issue entails the issuance of 280,303,000 Issue Shares, representing approximately 12.52% of our Company's enlarged issued share capital upon completion of the Proposed Listing.

(b) Proposed Offer for Sale

Concurrent with the Proposed Public Issue, the Offerors propose to undertake an offer for sale of 150,000,000 Offer Shares, representing approximately 6.70% of our total number of issued Shares upon completion of the Proposed Listing.

The Proposed IPO consists of the Public Issue and Offer for Sale, totalling 430,303,000 IPO Shares, representing approximately 19.22% of our enlarged total number of issued Shares and will be issued in the following manner:

	Public Issue		Offer for Sale		Total IPO Shares	
	No. of Shares	(1) %	No. of Shares	(1) %	No. of Shares	(1) %
Malaysian Public (via balloting):						
• Bumiputera	55,979,500	2.50	-	-	55,979,500	2.50
• Non-Bumiputera	55,979,500	2.50	-	-	55,979,500	2.50
Private placement to selected investors	38,448,000	1.72	-	-	38,448,000	1.72
Private placement to Bumiputera investors approved by MITI	129,896,000	5.80	150,000,000	6.70	279,896,000	12.50
Total	280,303,000	12.52	150,000,000	6.70	430,303,000	19.22

Note:

(1) Based on our enlarged total number of issued Shares of 2,239,165,120 Shares after our IPO.

Details of the allocation and allotment of the IPO Shares are as follows:

(i) Malaysian Public

111,959,000 IPO Shares, comprising entirely of Issue Shares and representing approximately 5.00% of our total number of issued Shares upon completion of the Proposed Listing, will be made available for application by the Malaysian Public via balloting, of which 50.00% will be set aside for Bumiputera investors.

The IPO Shares to be made available to the Malaysian Public herein will be fully underwritten subject to an underwriting arrangement to be agreed between the underwriter and our Company.

Any IPO Shares reserved under the Malaysian Public balloting portion which are not fully subscribed for by the Malaysian Public will be clawed-back and made available for subscription on a fair and equitable manner as follows:

- (a) firstly, by the selected investors as described in Section 2.2.2.2(ii) of this Circular; and
- (b) secondly, by an underwriter to be appointed based on the terms of the underwriting agreement to be agreed between the underwriter and our Company.

(ii) Private placement to selected investors

38,448,000 IPO Shares, comprising entirely of Issue Shares and representing approximately 1.72% of our total number of issued Shares upon completion of the Proposed Listing, will be made available by way of private placement to selected investors where written irrevocable undertakings to subscribe for these IPO Shares will be obtained from the respective identified investors.

In the event of under-subscription of the IPO Shares reserved under the private placement to selected investors and subject to a corresponding over-subscription by the Malaysian Public, the remaining unsubscribed portion will be clawed-back and reallocated to the Malaysian Public as part of the balloting process on a fair and equitable manner.

In the event of under-subscription of the IPO Shares reserved under the private placement to selected investors and under-subscription by the Malaysian Public as well, the IPO Shares will then be taken up by an underwriter to be appointed based on the terms of the underwriting agreement to be agreed between the underwriter and our Company.

(iii) Private placement to Bumiputera investors approved by MITI

279,896,000 IPO Shares, comprising 129,896,000 Issue Shares and 150,000,000 Offer Shares, and representing approximately 12.50% of our total number of issued Shares upon completion of the Proposed Listing, will be made available by way of private placement to Bumiputera investors approved by MITI.

The IPO Shares reserved under the private placement to Bumiputera investors approved by the MITI will not be underwritten as written irrevocable undertakings to subscribe for these IPO Shares will be obtained from the respective Bumiputera investors.

In the event of under-subscription of the IPO Shares reserved under the private placement to Bumiputera investors approved by MITI and subject to a corresponding over-subscription by selected investors or the Malaysian Public, the remaining unsubscribed portion will be clawed-back and reallocated on a fair and equitable manner as follows:

- (a) firstly, to the Bumiputera public investors under Section 2.2.2.2(i) of this Circular; and
- (b) secondly, to the Malaysian institutional investors under Section 2.2.2.2(ii) of this Circular.

Any remaining portion from the IPO Shares reserved under the private placement to Bumiputera investors approved by MITI which are not taken up by the Bumiputera public investors under Section 2.2.2.2(i) of this Circular and Malaysian institutional investors Section 2.2.2.2(ii) of this Circular will then be made available to the other selected investors under Section 2.2.2.2(ii) of this Circular.

The clawback and reallocation provisions will not apply in the event there is an over-subscription in all of the allocations of the IPO Shares at the closing date of the Proposed IPO.

As at the LPD, the terms of the underwriting arrangement and commission have not been finalised and will be disclosed in the prospectus to be issued for the Proposed Listing at a later date. Our Company will bear the underwriting commission for the underwritten Issue Shares.

Our Company will also bear the placement fees for the Issue Shares while the Offerors will bear all incidental expenses and fees in relation to the Offer Shares.

The indicative IPO Price of RM0.20 is arrived at after taking into consideration the factors as enclosed in Section 2.2.2.9 of this Circular. Nonetheless, the final details of the Proposed IPO and the issue price will be disclosed in the prospectus to be issued for the Proposed Listing.

The basis of allocation of the IPO Shares takes into account our Board's intention to distribute the IPO Shares to a reasonable number of applicants to broaden our Company's shareholder base to meet the public shareholding spread requirements and to establish a liquid and adequate market for our Shares.

For clarity, no IPO Shares will be allotted to the Directors of DSR Taiko or persons connected to them.

There is no minimum subscription in terms of proceeds to be raised from the Proposed IPO. However, the minimum subscription in terms of IPO Shares will be the number of IPO Shares required to be held by public shareholders for our Company to comply with the public shareholding spread requirement pursuant to Rule 3.10 of the ACE LR. Please refer to Section 7.1 of this Circular for further details on the Company's public shareholding spread.

2.2.2.3 Underwriting arrangement

Affin Hwang IB will be one of the underwriters for the Proposed IPO. Details of the underwriting arrangement to be entered into will be announced in due course.

2.2.2.4 Ranking of the IPO Shares

Our Issue Shares will, upon allotment and issuance, rank equally in all respects with our existing Shares including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment of our Issue Shares, subject to any applicable rules of Bursa Depository.

Our Offer Shares will rank equally in all respects with our existing issued Shares, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of transfer of our Offer Shares.

2.2.2.5 Listing of and quotation for the IPO Shares

An application for the Proposed Listing will be submitted to Bursa Securities at a later date subject to our shareholders' approval for the Proposals at our forthcoming EGM and upon completion of, among others, the due diligence as well as other preparatory works.

Upon completion of the Proposed Listing, DSR Taiko will be admitted to the Official List and our entire enlarged issued share capital of RM116,624,000 comprising 2,239,165,120 Shares shall be listed and quoted on the ACE Market of Bursa Securities.

2.2.2.6 Details of the utilisation of proceeds from the Proposed Public Issue

The total gross proceeds to be raised by our Company pursuant to the Proposed Public Issue will depend on the final IPO Price for our IPO Shares.

For illustration purposes, based on the indicative IPO Price of RM0.20, the total gross proceeds to be raised from the Proposed Public Issue will be RM56.06 million. We expect to use the proceeds in the following manner:

Details of utilisation	Gross proceeds		Estimated timeframe for utilisation completion of the Proposed Listing
	RM'000	%	
Acquisition of new durian plantation land ⁽¹⁾	25,000	44.60	Within 3 years
Repayment of bank borrowings ⁽²⁾	16,000	28.54	Within 1 year
Working capital ⁽³⁾	9,061	16.16	Within 1 year
Estimated expenses for the Proposals ⁽⁴⁾	6,000	10.70	Within 6 months
Total	56,061	100.00	

Notes:

- (1) *Our Group is planning to acquire 40 acres of new durian plantation land, with an estimated cost of RM600,000 per acre. We are actively identifying potential new durian plantation land to be acquired around the Bentong and Raub regions. The acquisition of additional durian plantation land will boost our Group's plantation landbank to ensure the continuation and sustainability of our Group's durian supply. As at the LPD, we have yet to enter into any agreement for the aforesaid acquisition of durian plantation land.*
- (2) *As at the LPD, our Group's total borrowings are RM25,483,543. The repayment of bank borrowings is expected to have a positive financial impact on our Group with interest savings of approximately RM1.11 million per annum based on the prevailing interest rate of 6.50% to 7.85% per annum as at the LPD. Notwithstanding, the actual interest savings may vary depending on the prevailing interest rates and the final amount to be repaid.*

- (3) *Includes, among others, costs to upkeep our durian orchards such as repair and maintenance of machinery, which includes grass cutters, water pumps, air blowers, diesel generators, water spray guns and pruning machines, durian processing fee, staff costs which includes salaries, employer's contribution to Employees' Provident Fund and travelling allowances, advertisement fees and utilities expenses. The breakdown of the allocation of the proceeds for working capital is as follows:*

Details of utilisation	Gross proceeds		Estimated timeframe for utilisation upon completion of the Proposed Listing
	RM'000	%	
<i>Cost to upkeep durian orchards</i>	<i>3,171</i>	<i>35.00</i>	<i>Within 1 year</i>
<i>Durian processing fee</i>	<i>906</i>	<i>10.00</i>	<i>Within 1 year</i>
<i>Staff costs</i>	<i>4,078</i>	<i>45.00</i>	<i>Within 1 year</i>
<i>Advertisement fees</i>	<i>725</i>	<i>8.00</i>	<i>Within 1 year</i>
<i>Utilities fees</i>	<i>181</i>	<i>2.00</i>	<i>Within 1 year</i>
Total	9,061	100.00	

- (4) *Includes, among others, professional fees, underwriting, placement and brokerage fees, fees to authorities, printing, translator, investor relations and other incidental expenses in relation to our Proposed Listing.*

In the event the actual listing expenses are higher than estimated, such deficit will be funded through our Group's working capital. Conversely, if the actual listing expenses are less than estimated, such surplus will be allocated towards our Group's working capital requirements as per note (3) above.

In the event the amount required for the acquisition of the new durian plantation land are higher than estimated, any deficit will be funded through our Group's gross proceeds allocated for the repayment of bank borrowings. Conversely, if the amount required for the acquisition of the new durian plantation land are less than estimated, any surplus will be allocated towards the repayment of bank borrowings as per note (2) above and our Group's working capital requirements as per note (3) above.

At this juncture, the percentage of allocation for the utilisation of proceeds is merely indicative and the final allocation may differ from the above as it will depend on, among others, the amount to be raised based the final IPO Price, any acquisition of new durian plantation land in the future and our Group's requirements for working capital and capital expenditure.

Pending utilisation of the proceeds, we will place such proceeds with licensed financial institution(s) or in short-term money market instruments. Any interest income earned from deposits or gains arising from the short-term money market instruments will be utilised for our Group's working capital requirements as per note (3) above.

Our Company will not receive any proceeds from the Proposed Offer for Sale. Based on the IPO Price, the gross proceeds from the Proposed Offer for Sale will be RM30.00 million and will accrue entirely to the Offerors. The Offerors will bear all incidental expenses and fees in relation to the Proposed Offer for Sale.

The final details of the Proposed Listing, including the listing scheme, IPO Price, utilisation of proceeds arising from the Proposed Public Issue and underwriting arrangement as referred to in Section 2.2.2.2(i) above will be set out in the prospectus to be issued for the Proposed Listing in due course.

2.2.2.7 Details and status of utilisation of proceeds raised since our Company's listing on the LEAP Market

Listing on the LEAP Market

Our listing on the LEAP Market was implemented by way of introduction. Prior to our LEAP Listing, our Company had raised total gross proceeds of RM25.75 million from 54 pre-listing investors. The details of the utilisation of the aforesaid proceeds raised are as follows:

Details of utilisation	Proceeds raised	Variation to the utilisation of the proceeds	Utilisation of the proceeds as at the LPD	Balance proceeds unutilised
	RM'000	RM'000	RM'000	RM'000
(i) Business expansion ⁽¹⁾				
(a) Acquisition of durian plantation land in Bentong	20,751	-	20,751	-
(b) Introduction of IoT solutions	1,000	-	1,000	-
(c) Research and development ("R&D") on D.MASKING durian based products	500	-	500	-
(d) Retail expansion	450	-	450	-
(ii) Working capital ⁽²⁾	1,750	-	1,750	-
(iii) Estimated listing expenses ⁽³⁾	1,300	-	1,300	-
	25,751	-	25,751	-

Notes:

(1) *Business expansion*

Our Company had utilised RM20.75 million of the proceeds to finance the acquisition of durian plantation lands located in Bentong. The acquisition of durian plantation lands has allowed our Company to harvest a larger quantity of durians, thus increasing our supply to meet the demand for our fresh durians and downstream durian-based products. The durian plantation lands acquired comprised a mixture of mature and immature durian trees, of which approximately 95% were mature trees.

Our Group had spent a total of RM34.64 million to acquire plantation lands as detailed below, of which RM20.75 million was utilised from the proceeds allocated whilst the remaining RM13.89 million was financed through bank borrowings.

Date of agreement	Title No.	Address	Land Area Hectares	Purchase Consideration ^(v) RM
18 May 2021	Geran 8940 ⁽ⁱ⁾	Geran 8940 Lot 1174, Mukim Sabai, District of Bentong, State of Pahang	3.85	7,095,000
18 May 2021	GM 4173 ⁽ⁱ⁾	GM 4173 Lot 3711, Mukim Sabai, District of Bentong, State of Pahang	0.90	1,662,000
18 May 2021	GM 4174 ⁽ⁱ⁾	GM 4174 Lot 3712, Mukim Sabai, District of Bentong, State of Pahang	0.85	1,565,000
18 May 2021	GM 4172 ⁽ⁱ⁾	GM 4172 Lot 3710, Mukim Sabai, District of Bentong, State of Pahang	0.82	1,506,000
29 May 2021	GM 2719 ⁽ⁱⁱ⁾	GM 2719 Lot 5631, Mukim Bentong, District of Bentong, State of Pahang	2.54	3,325,750
29 May 2021	GM 2722 ⁽ⁱⁱ⁾	GM 2722 Lot 5691, Mukim Bentong, District of Bentong, State of Pahang	3.56	4,657,110
10 August 2021	GM 2040 ⁽ⁱⁱⁱ⁾	GM 2040 Lot 5061, Mukim Bentong, District of Bentong, State of Pahang	3.64	6,120,000
25 August 2021	Geran 6832 ^(iv)	Geran 6832 Lot 1523, Mukim Sabai, District of Bentong, State of Pahang	5.78	8,711,410
Total			21.94	34,642,270

Notes:

- (i) The plantation lots were acquired from our Executive Director, Chan Kwai Cheong for a total purchase consideration of RM11,828,000, which comprised RM10,328,000 cash consideration paid from the gross proceeds and the remaining of RM1,500,000 was settled via the allotment of 5,000,000 new DSR Taiko Shares at RM0.30 per Share pursuant to the sale and purchase agreements dated 18 May 2021. The four agreements were completed on 17 June 2021.
- (ii) The sale and purchase agreements were completed on 1 October 2021.
- (iii) The sale and purchase agreement was completed on 11 January 2022.
- (iv) The sale and purchase agreement was completed on 1 December 2021.
- (v) The basis of the purchase consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration of the combined fair value of the "basic land value" and "biological asset value" of the plantation lands. Our management had determined the fair value of basic land based on recent selling price of similar plantation lands within the proximity and the type of land title (e.g., freehold), whereas the fair value of biological asset is based on expected future cashflows to be generated from the biological assets (produce growing on bearer plants). In determining the fair value of the biological assets, our management had taken into consideration the number, age, and type of bearer plants. An independent valuer was not appointed for the valuation of these lands for the purpose of acquisition.

Our Company utilised RM1.00 million of the gross proceeds for the introduction of IoT solutions in our operations as intended in our business strategies and future plans as shown in the table below:

IoT solutions	RM'000
Sensors	5
MKITS	371
Radio frequency identification technology	371
Delivery tracking system	20
Human resource monitoring system	10
Automation irrigation system	13
Big Data and Analytical System	35
Drone and robotic technology	25
DSR application	150
Total	1,000

Our Company had utilised RM0.50 million of the gross proceeds for the R&D on D-MASKING durian-based products such as durian flavoured ice cream, durian truffle popcorn, Musang King durian flavoured coffee, durian pizza, durian flavoured bun, and durian cheesecake that would enable the further promotion of our brand in tandem with our business strategies and future plans. Our Company had utilised RM0.45 million of the gross proceeds allocated for retail expansion for the renovation of our rented shop lot in Bentong (which was subsequently relocated to Bukit Tinggi) and for the design fees and renovation of our D-MASKING retail shop in Lot 10 Shopping Centre in Bukit Bintang, Kuala Lumpur which we have rented since October 2021.

(2) *Working Capital*

Our Company had utilised RM1.75 million of the gross proceeds for the working capital of our Group as follows:

Description	RM'000
Purchases of fresh durians from external parties (which are used in the manufacturing process of our durian-based products)	1,300
Cost to upkeep our durian plantations	300
Administrative expenses ⁽ⁱ⁾	150
Total	1,750

Note:

(i) *Administrative expenses include staff costs, advertisement fees and utilities expenses.*

(3) *Estimated listing expenses*

Our Company had utilised RM1.30 million of the gross proceeds for the listing expenses in relation to the listing of DSR Taiko on the LEAP Market, including professional fees, fees payable to relevant authorities, printing costs and other miscellaneous costs.

Our Company has fully utilised the proceeds above since 31 December 2022. There has been no variation to the utilisation of the proceeds.

Private placement

Subsequent to our listing on the LEAP Market, we have completed a private placement of our Shares to independent third-party investors as follows:

No. of Shares issued	Proceeds raised RM'000	Listing Date / Date of completion
11,830,000	9,701	21 June 2023
1,709,000	1,401	1 August 2023

The details of the proceeds raised from the private placement are as follows:

Details of utilisation		Proceeds raised RM'000	Variation to the utilisation of the proceeds RM'000	Utilisation of the proceeds as at the LPD RM'000	Balance proceeds unutilised RM'000
(i)	Acquisition of durian plantation land ⁽¹⁾	6,528	-	6,528	-
(ii)	Working capital ⁽²⁾	4,137	-	4,137	-
(iii)	Expenses for the private placement ⁽³⁾	437	-	437	-
		11,102	-	11,102	-

Notes:

- (1) Our Company had utilised RM6.53 million of the gross proceeds to finance the acquisition of durian plantation lands, which has been fully utilised within 24 months from completion of the private placement. To ensure the growth and sustainability of the business, it was vital for our Group to grow our durian plantation landbank. Therefore, our Group has been continuously identifying and evaluating potential durian plantation lands, particularly in the Raub and Bentong regions for potential acquisition. The proceeds raised from the private placement allowed our Group to capitalise on such investment opportunities as and when they arose, which in turn, generated positive returns to our Group, thereby increasing our shareholders' value.

The details of the durian plantation lands acquired are as follows:

Date of agreement	Title No.	Address	Land Area Hectares	Purchase Consideration RM	Funded by private placement RM	Funded by bank borrowings RM
14 November 2022	GRN4571 ⁽ⁱ⁾	Geran 4571, Lot 11310, Mukim Bentong, District of Bentong, State of Pahang	1.26	2,600,000	600,000	2,000,000
14 November 2022	GRN4572 ⁽ⁱ⁾	Geran 4572, Lot 11311, Mukim Bentong, District of Bentong, State of Pahang	1.26	2,600,000	600,000	2,000,000
23 December 2023	GM4024 ⁽ⁱⁱ⁾	GM4024 Lot 4871, Mukim Sabai, District of Bentong, State of Pahang	2.49	2,130,000	2,130,000	-

Date of agreement	Title No.	Address	Land Area	Purchase Consideration	Funded by private placement	Funded by bank borrowings
			Hectares	RM	RM	RM
25 January 2024	GM7375 ⁽ⁱⁱⁱ⁾	GM7375 Lot 42980, Mukim Bentong, District of Benteng, State of Pahang	1.39	1,850,000	1,850,000	-
Total			6.40	9,180,000	5,180,000	4,000,000

Notes:

- (i) The sale and purchase agreements were completed on 8 March 2023.
- (ii) The sale and purchase agreement was completed on 29 March 2024.
- (iii) The sale and purchase agreement was completed on 18 March 2024.

We had utilised RM5.18 million as payment towards the purchase consideration whilst the remaining purchase consideration of RM4.00 million was funded through bank borrowings. The remaining gross proceeds raised of RM0.42 million was utilised as professional fees in relation to this acquisition whilst RM0.93 million was utilised towards the upkeep and maintenance of the newly acquired durian plantation lands such as setting up fences, cutting off grass, de-weeding and others.

- (2) Our Company had utilised RM4.14 million of the gross proceeds for working capital purposes in the following manner:

Utilisation	RM'000
Durian plantation infrastructure ⁽ⁱ⁾	1,000
Maintenance of durian plantations ⁽ⁱⁱ⁾	1,000
Advertising and promotion ⁽ⁱⁱⁱ⁾	1,000
Staff salaries	700
Other operating and administrative expenses ^(iv)	437
Total	4,137

Notes:

- (i) Our Company had utilised RM1.00 million of the gross proceeds for working capital to commission the building of infrastructure in our Group's durian plantations such as erecting fences around the boundaries of the durian plantations, constructing road/pavement in the durian plantations, and improving the drainage system in the durian plantations for the soil to have better water retention.
- (ii) Our Company had utilised RM1.00 million of the gross proceeds allocated for working capital to maintain the durian plantations. The maintenance cost included, among others, payment of labour for the upkeep of the durian plantations and fertiliser costs.
- (iii) Our Company had utilised RM1.00 million of the gross proceeds for the advertising and promotion of our Group, our brand and our products which included participating in exhibitions that featured and exposed the Company's brand and products to potential markets as well as the setting up of pop-up stores in strategic locations to introduce and sell our products.
- (iv) These expenses included, among others, utilities, transportation costs, development of downstream durian-based products and other miscellaneous items such as consultancy fees and professional fees.

(3) *The breakdown of the expenses is illustrated below:*

Expenses	RM'000
<i>Professional fees ⁽ⁱ⁾</i>	422
<i>Fees to relevant authorities</i>	6
<i>Miscellaneous expenses and contingencies</i>	9
Total	437

Note:

- (i) *These include advisory fees payable to the principal adviser for the private placement, management fees and placement commission payable to the placement agent for the management of the placement process and identification of placees respectively, and other professional fees payable to solicitors, company secretary, and share registrar in relation to the private placement.*

Our Company has fully utilised the proceeds raised from the private placement since 30 June 2024. As stated above, there has been no variation to the utilisation of the proceeds.

2.2.2.8 Fund-raising exercises in the past 12 months

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

2.2.2.9 Basis and justification of arriving at the issue price for the IPO Shares

In accordance with Rule 3A.03 of the ACE LR, a transfer applicant and its sponsor must ensure that there is a clear price discovery mechanism for the Shares which will be transferred to the ACE Market. The final issue price of the IPO Shares will be determined by our Board at a later date after receipt of all relevant approvals but prior to the issuance of the prospectus for the Proposed Listing, after taking into consideration, amongst others, the following factors:

- (i) our historical financial performance as set out in Section 5 of Appendix II of this Circular;
- (ii) prospects and future plans as set out in Section 4 of this Circular;
- (iii) gross proceeds to be raised as set out in Section 2.2.2.6 of this Circular; and
- (iv) prevailing equity market and economic conditions.

We wish to highlight that there is currently no publicly listed company in Malaysia and the Southeast Asian region that is identical to us in terms of, amongst others, business operations, composition of products sold, plantation type and size, risk profile and future prospects. Hence, we are unable to provide any publicly listed company that is comparable to us for the purposes of providing a peer analysis and benchmark valuation in arriving at the IPO Price, whether the valuation methodology is based on PE Multiple or PB Multiple.

As such, the asset-based valuation methodology is considered the most appropriate method of valuation in ascribing value to DSR Taiko Shares as there is no identical publicly listed company in Malaysia and Southeast Asian region and DSR Taiko is an asset-backed company as illustrated below.

Our Group's main assets are the freehold plantation land and the bearer plants that are planted on the plantation land. The composition of the freehold plantation land and bearer plants in comparison to our Group's audited total assets and net assets as at 30 June 2022, 30 June 2023 and 30 June 2024 (being the latest available audited consolidated financial statements) are as follows:

As at 30 June	2022	2023	2024
Total freehold land and bearer plants (RM'000)	57,051	61,872	65,572
Total assets (RM'000)	65,932	84,562	90,954
<i>% over total assets (%)</i>	<i>86.53</i>	<i>73.17</i>	<i>72.09</i>
Net assets (RM'000)	48,356	59,188	64,157
<i>% over net assets (%)</i>	<i>117.98</i>	<i>104.53</i>	<i>102.21</i>

The freehold land is stated at cost. The bearer plants are stated at cost less accumulated depreciation. Both the freehold land and bearer plants are subject to annual impairment assessment.

Premised on the above, it can be concluded that we are an asset-backed company as the freehold land and bearer plants are our main assets which generate the revenue of our Company. Hence, apart from the earnings-based valuation methodology, our valuation can also be based on the asset-based valuation methodology which is based on net assets per Share. For your information, our Group's audited net assets per Share as at 30 June 2024 is RM0.20.

For illustration purposes, our Board has ascribed an indicative IPO Price of RM0.20 per IPO Share after taking into consideration, amongst others, the following:

- (i) as at 30 June 2024 and prior to the implementation of the Proposals, our Group's latest audited net assets per Share is RM0.20;
- (ii) minimum gross proceeds to be raised from the Proposed Public Issue, which will be channelled towards the proposed utilisation of proceeds (as set out in Section 2.2.2.5 of this Circular);
- (iii) our Group's competitive advantages, future plans and strategies, further details of which will be disclosed in the prospectus to be issued for the Proposed Listing; and
- (iv) the overview and outlook of the durian agribusiness, specifically the long-term prospects of our Group and the durian industry arising from the growing demand for durians in the Malaysian and the PRC markets (as set out in Section 4.3 of this Circular).

For information purposes, the indicative IPO Price of RM0.20 per IPO Share represents PB Multiple of 6.67 times based on pro forma NA per Share of approximately RM0.03 pursuant to the Proposed Listing (as set out in Section 6.3 of this Circular), which is computed based on our pro forma NA as at 30 June 2024 after taking into consideration our enlarged issued share capital of 2,239,165,120 Shares upon completion of the Proposed Bonus Issue and Proposed Listing.

2.3 Proposed Adoption

Our Company proposes to adopt a new Constitution to replace our existing Constitution in its entirety to facilitate the implementation of the Proposed Transfer and to ensure that the Constitution is in line with the ACE LR. The adoption of the new Constitution will be subject to our shareholders' approval at our forthcoming EGM and is set out in Appendix I of this Circular.

3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSALS

3.1 Proposed Bonus Issue

Our Company intends to undertake the Proposed Bonus Issue as a pre-listing reorganisation exercise in conjunction with, and as an integral part of our Company's listing of and quotation for our enlarged issued share capital on the ACE Market pursuant to the Proposed Listing.

Upon the listing of the Bonus Shares and subject to the completion of the Proposed Transfer, our Company's enlarged share base is expected to enhance the marketability and trading liquidity of DSR Taiko Shares on the ACE Market.

3.2 Proposed Withdrawal

The Proposed Withdrawal is undertaken to facilitate the implementation of the Proposed Transfer and to ensure our Company's compliance with the LEAP LR.

3.3 Proposed Listing

Our Company has been listed on the LEAP Market of Bursa Securities since 6 July 2022 and has since provided opportunities to Sophisticated Investors i.e. investors who fall within the Guidelines on Categories of Sophisticated Investors issued by the SC and through excluded offers or invitations and excluded issues set out in Schedules 6 or 7 of the CMSA to invest and participate in the equity of our Company through excluded offers or invitations and excluded issues.

Our Board is of the view that the Proposed Listing will provide our Company with access to a bigger fund-raising platform to support its expansion plans in order to sustain its growth trajectory and realise its long-term growth potential. We intend to acquire new durian plantation land from the proceeds to be raised from the Proposed Public Issue (details as set out in Section 2.2.2.6 of this Circular) and to expand of our retail operations via the introduction of MIS at various locations and overseas market expansion (details as set out in Section 4.4 of this Circular). As such, our Board has decided to undertake the Proposed Listing after taking into consideration, among others, our Company's financial performance and growth prospects.

Our Board believes that the Proposed Listing will enhance our Company's corporate profile, credibility and reputation, and accord our Company greater recognition and following from various stakeholders including our employees, customers, suppliers, business associates, financial institutions as well as the wider investor base given its enhanced profile as a company listed on the ACE Market. This, in turn, is expected to improve the liquidity and marketability of our Shares as the general public and a larger and wider pool of investors are able to participate in the equity of our Company in comparison to the LEAP Market.

3.4 Proposed Adoption

The Proposed Adoption is necessary to facilitate the implementation of the Proposed Transfer to ensure our compliance with the ACE LR. The Proposed Adoption will be implemented and effected simultaneously with the implementation of the Proposed Transfer.

4. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS OF OUR GROUP

4.1 Overview and outlook of the Malaysian economy

The Malaysian economy registered a gross domestic product (“GDP”) growth of 5.1% in 2024 (2023: 3.6%). The growth is supported by robust domestic demand, strong investments and a rebound in exports supported by the global technology upcycle.

In 2024, domestic inflation moderated with both headline and core inflation averaging 1.8% (2023: 2.5% and 3.0% respectively). This was due to easing cost pressures as a result of declining global commodity prices, improvement in global supply chain conditions, and the ringgit’s appreciation against major currencies. Despite stronger domestic demand, household spending remained below trend, indicating the absence of excessive demand pressures and preventing inflationary pressures.

(Source: BNM Annual Report 2024, Bank Negara Malaysia)

Malaysia’s economy continued its growth momentum, supported by favourable economic performance, amid persistent challenges in the external environment. This signifies the country’s strong fundamentals and diversified economic activities as well as investor confidence in the domestic market, anchored by sound Government policies. Furthermore, the Ekonomi MADANI framework, which focuses on restructuring and reforming Malaysia’s economic agenda, coupled with the implementation of key policy plans such as the National Energy Transition Roadmap and New Industrial Master Plan 2030, have started to yield positive results.

For 2025, the economy is projected to grow between 4.5% and 5.5%. On the supply side, the services sector continues to uphold its position as the main driver of growth contributed by tourism activities, sustained exports and acceleration of information and communication technology related activities. Tourism-related industries, particularly food & beverages, accommodation and retail trade segments, are expected to increase further, while the wholesale trade as well as air and water transportations segments will benefit from sustained trade-related activities.

On the demand side, growth will be buoyed by strong private sector expenditure and stable global trade. Accounting for about 60% of the economy, private consumption is projected to continue spearheading growth, backed by firm labour market conditions and income growth amid manageable inflation. Gross fixed capital formation or total investment remains high, underpinned by the realisation of private investment, acceleration of public sector strategic projects and initiatives under the Government-linked Enterprises Activation and Reform Programme (GEAR-uP) as well as new and ongoing multi-year projects in the services and manufacturing sectors.

(Source: Economic Outlook 2025, Ministry of Finance Malaysia)

In 2025, like many other economies, the Malaysian economy is expected to face challenges arising from global developments. This is against a backdrop of uncertainties surrounding tariffs and other policies from major economies, as well as geopolitical conflicts. Malaysia's resilient domestic demand, however, will serve as an important buffer against these external shocks. Investment activity is expected to remain robust and household spending will stay resilient. At the same time, inflation is also expected to remain manageable in 2025. The favourable domestic economic conditions in 2025 provide a firm foundation for the ongoing implementation of structural policy reforms as announced by the Malaysian government. Although they may impact inflation and economic growth in the near term, advancing these efforts is necessary to strengthen Malaysia's economic resilience and ensure a sustained development of our economy over time.

(Source: Annual Report 2024, Bank Negara Malaysia)

4.2 Overview and outlook of the agriculture sector in Malaysia

The agriculture sector will be strengthened through innovation and reengineering along the agrofood value chain, maximising resource efficiency and minimising waste, thereby contributing to the nation's food security. The Government will enhance water irrigation infrastructure as well as encourage the adoption of technology and sustainable agriculture practices to increase crop yield and resilience. Continuous efforts to increase preparedness in facing natural disasters will be undertaken to reduce the risk on farmers. Furthermore, improved infrastructure and supply chains, such as better roads and storage facilities, will enhance the distribution and marketing of agricultural products. In addition, regional and international cooperation will be leveraged to intensify the sharing of knowledge, resources, and technologies, making the agriculture sector more robust and less vulnerable to global market fluctuations. These combined efforts will help Malaysia achieve greater food security and self-sufficiency.

Overall, the agriculture sector has expanded by 3.1% in 2024, as all subsectors are poised to record positive growths except for forestry and logging. The oil palm subsector, which contributes more than 36% of the agriculture sector, is estimated to expand, largely supported by improvements in labour supply and better fertiliser application as well as strong performance recorded during the first half. The agriculture sector is expected to expand by 2.2% in 2025. Improved domestic spending and higher tourist arrivals will also stimulate its growth to cater to the growing demand for food products.

(Sources: Economic Outlook 2025, Ministry of Finance Malaysia and Economic & Monetary Review 2024, Bank Negara Malaysia)

4.3 Overview and outlook of the durian industry in Malaysia

Once a minor crop, durian is now an important tropical fruit crop. Increasingly viewed as a golden crop in Malaysia, more and more entrepreneurs and investors have been venturing into the multi-billion Ringgit durian industry. The Musang King durian has gained international recognition for its rich, creamy texture and distinct flavour. It stands out with its sweet taste with a hint of bitterness, partly due to the soil and climate conditions in Malaysia. The taste varies according to the age of the tree, with older trees producing fruits that taste more bitter. The Raub district in Pahang is considered to be the home of Musang King durian cultivation in Malaysia.

The suitability of land for durian cultivation in Malaysia involves a complex interplay of factors. While expanding the available land for durian plantations may seem like a solution, not all land is conducive to durian growth. Durian trees grow best on well-drained slopes of less than 30 degrees with soils rich in organic matter.

The soil must consist of either sandy clay or clay loams, or a mixture of both. However, loamy soils are black and contain more nutrients than sandy soils. Due to limited land, hill slopes are terraced to maximise arable land area. Soil texture, moisture retention and nutrient contents are critical factors influencing the success of durian trees. Pahang, with its higher altitudes and nutrient-rich soil, has become a hub for durian cultivation, meeting these specific requirements.

Durians have been identified as high value commodities under the National Agrofood Policy 2021-2030 and promoted for further growth, including exports, by the Malaysian Government. The National Agrofood Policy is a policy framework formulated with the vision of developing a sustainable, resilient, and high technology agrofood industry in efforts to drive economic growth, enhance the well-being of the people, and prioritise food and nutrition security.

Durian is the most widely planted and harvested fruit crop in Malaysia. In terms of hectareage among all the major fruit crops, planted areas of durians rose from 38.1% in 2019 to 44.4% in 2023. Between 2019 and 2023, durian plantation hectareage expanded by a CAGR of 6.2%, from 70,286.0 hectares to 89,547.0 hectares. The production of durians in Malaysia increased by a CAGR of 11.9% between 2019 and 2023, from 377,251.0 metric tonnes to 592,053.0 metric tonnes in 2023. The production of durians was estimated at 613,130 metric tonnes in 2024 by the Department of Agriculture, representing a growth rate of 3.6% over the previous year. The production of durians is forecasted to further increase to 708,123.0 metric tonnes in 2025, generating an increase of 15.5%.

Many entrepreneurs have begun to recognise the huge opportunity overseas, particularly in the PRC market. Durians can be exported by land, air and sea. The global exports of durians from Malaysia registered a CAGR of 7.1% from 16,967.7 metric tonnes in 2020 to 22,365.3 metric tonnes in 2024. In the case of the exports of durians to the PRC market (encompassing mainland China, the Hong Kong Special Administrative Region and the Macao Special Administrative Region) from Malaysia, Malaysian durian exports have expanded by a CAGR of 37.8%, rising from 759.6 metric tonnes in 2020 to 2,741.2 metric tonnes in 2024. With global exports of durians amounting to 970,828.2 metric tonnes to the PRC market in 2023 (the figure for 2024 is not available yet), this works out to a per capita consumption of around 1.4 kg per year for the middle class in the PRC market, as opposed to a per capita consumption of 16.6 kg per year in Malaysia. This shows the potential for durian exports to the PRC market to further expand.

In Malaysia, whole durians are sold fresh while some durians are processed into pulps and pastes, as well as into powder forms. As fresh durians are highly perishable products, both durian pulps and durian pastes are prepared in the frozen form to preserve their shelf lives, while durian powder, in both fine and coarse forms, is available in sachets. The food and beverages industry in Malaysia is anticipated to increase from RM114.2 billion in 2024 to RM122.9 billion in 2025, and in the PRC from RM4,085.0 billion in 2024 to RM4,486.3 billion in 2025, representing increases of 7.6% and 9.8%, respectively. The food and beverages industry is expected to grow from RM114.2 billion in 2024 to RM156.5 billion in 2029 in Malaysia, registering a CAGR of 6.5%; and from RM4,085.0 billion in 2024 to RM5,987.0 billion in the PRC in 2029, recording a CAGR of 7.9%. This encompasses food and beverages that can potentially contain durian products such as bread and cereal products, confectionery and snacks, convenience food, fruits and nuts, sauces and spices, and spreads and sweeteners.

(Source: Infobusiness Research & Consulting Sdn Bhd)

4.4 Prospects of our Group

Our Group is an integrated plantation-to-market durian producer. We are involved in the full spectrum of the durian agribusiness value chain, from the upstream durian plantation to the downstream production and distribution of durians and durian-related products. Our management views that our Group's prospects will remain positive in view of the popularity of fresh durians and downstream durian products among a large segment of the local population.

The production of durians in Malaysia is anticipated to increase at a CAGR of 7.2% between 2023 and 2028, from 592,053 metric tonnes to 837,308 metric tonnes. The production of durians in 2024 was estimated at 613,130 metric tonnes by the Department of Agriculture, Malaysia, representing a growth rate of 3.6% over the previous year. (Source: Infobusiness Research & Consulting Sdn Bhd)

There is also rising demand for various downstream durian products such as ice cream, candies, cakes, chips, cookies, crepes, moon cakes, pies, pizzas, popcorns, puffs, tarts, yoghurt, coffee and tea in both the Malaysian and the PRC markets (encompassing mainland China, the Hong Kong Special Administrative Region and the Macao Special Administrative Region). As such, there is potential for our Group to tap into the downstream durian products market, which is part of the food and beverage industry, to cater for the varying palates of consumers.

Further, advancements in logistics and food preservation technologies have made it possible to transport durians to distant overseas markets without compromising much of their quality and extend the shelf lives of durians. Such developments have opened new markets for the durian industry in Malaysia.

The appetite of the PRC population for durians has been growing rapidly, driven by its expanding middle class population which presently stands at around 700 million, representing roughly half of the country's population. This has led to increased spending power, with some consumers willing to pay premium prices for high quality durians, such as the Musang King and Black Thorn varieties.

The above demonstrates the potential for expansion in durian exports to the PRC market. Hence, our management is of the opinion that the long-term prospects of the durian industry will remain healthy due to the growing demand in both the Malaysian and the PRC markets. Further, our Company will explore other regions in the future for our business growth and market opportunities as and when such possibility arises.

Given the expected growth of the durian industry, our Group is well-positioned to benefit from this growth opportunity through our various strategic initiatives such as expansion of our durian plantations, research and development and commercialisation of new durian-based products, introduction of IoT solutions in our operations, expansion of our retail operations via the introduction of MIS at various locations and overseas market expansion, especially in the PRC market. As at the LPD, our Group has 73 MIS at various locations throughout Malaysia, including Kuala Lumpur, Selangor, Johor, Penang, Pahang, Negeri Sembilan, Melaka and Terengganu, as well as 1B Fullerton Road in Singapore and Bei Hai, Guangxi in China. Our Group is currently looking to further introduce 24 MIS in Malaysia, which will include new regions such as Perak and Perlis. We hope to introduce and commence operations of the 24 MIS by the end of the 2nd quarter of 2025.

Further details on our strategic initiatives are set out under Section 4.5 of this Circular.

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4.5 Details and status of our business plans as disclosed in our Information Memorandum

Section	Disclosures in the Information Memorandum	Current status																																																																																																
<p><u>Section 5.14.1</u></p> <p>Short-term Plan (2021 to 2022)</p>	<p>• Expansion of our durian plantations</p> <p>To ensure growth and sustainability of our business, it is vital for us to grow our plantation landbank. By having our own plantations, we are able to ensure the continuous supply of durian fruits for distribution as fresh, frozen and production of downstream durian-based products. Therefore, we intend to acquire more plantation land to increase the supply of fresh durians for our customers and the production of downstream durian-based products.</p> <p>As at 29 April 2022, we have completed the acquisition of eight (8) durian plantation land in Bentong with a combined land area of 21.94 hectares from their respective landowners as set out in the table below:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Title No.</th> <th>Land Size Hectares</th> <th>No. of tree planted</th> <th>Maturity of tree</th> <th>Expected annual yield kg</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Geran 8940</td> <td>3.85</td> <td>330</td> <td>Matured (88%) / Immature (12%)</td> <td>52,200</td> </tr> <tr> <td>2</td> <td>Geran 4173</td> <td>0.90</td> <td>105</td> <td>Matured (93%) / Immature (7%)</td> <td>17,460</td> </tr> <tr> <td>3</td> <td>Geran 4174</td> <td>0.85</td> <td>100</td> <td>Matured (93%) / Immature (7%)</td> <td>16,740</td> </tr> <tr> <td>4</td> <td>Geran 4172</td> <td>0.82</td> <td>95</td> <td>Matured (94%) / Immature (6%)</td> <td>16,020</td> </tr> <tr> <td>5</td> <td>GM 2709</td> <td>2.54</td> <td>252</td> <td>Matured (100%)</td> <td>45,360</td> </tr> <tr> <td>6</td> <td>GM 2722</td> <td>3.56</td> <td>348</td> <td>Matured (100%)</td> <td>62,640</td> </tr> <tr> <td>7</td> <td>Geran 6832</td> <td>5.78</td> <td>500</td> <td>Matured (100%)</td> <td>90,000</td> </tr> <tr> <td>8</td> <td>GM 2040</td> <td>3.64</td> <td>268</td> <td>Matured (85%) / Immature (15%)</td> <td>40,860</td> </tr> <tr> <td colspan="2">Total</td> <td>21.94</td> <td>1,998⁽¹⁾</td> <td></td> <td>341,280</td> </tr> </tbody> </table> <p>Note: (1) Of the 1,998 durian trees planted, 1,896 durian trees are matured.</p>	No.	Title No.	Land Size Hectares	No. of tree planted	Maturity of tree	Expected annual yield kg	1	Geran 8940	3.85	330	Matured (88%) / Immature (12%)	52,200	2	Geran 4173	0.90	105	Matured (93%) / Immature (7%)	17,460	3	Geran 4174	0.85	100	Matured (93%) / Immature (7%)	16,740	4	Geran 4172	0.82	95	Matured (94%) / Immature (6%)	16,020	5	GM 2709	2.54	252	Matured (100%)	45,360	6	GM 2722	3.56	348	Matured (100%)	62,640	7	Geran 6832	5.78	500	Matured (100%)	90,000	8	GM 2040	3.64	268	Matured (85%) / Immature (15%)	40,860	Total		21.94	1,998⁽¹⁾		341,280	<p>As at the LPD, we have completed the acquisition of 4 additional freehold durian plantation land located in Bentong and Karak with a combined land area of 6.40 hectares from the respective landowners as set out in the table below:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Title No.</th> <th>Land Size Hectares</th> <th>Estimated no. of tree planted</th> <th>Maturity of tree⁽ⁱ⁾</th> <th>Expected annual yield⁽ⁱⁱ⁾ kg</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>GM 4571</td> <td>1.26</td> <td>162</td> <td>Matured (97%) / Immature (3%)</td> <td>18,660</td> </tr> <tr> <td>2</td> <td>GM 4572</td> <td>1.26</td> <td>171</td> <td>Matured (97%) / Immature (3%)</td> <td>18,660</td> </tr> <tr> <td>3</td> <td>GM 4024</td> <td>2.49</td> <td>295</td> <td>Matured (99%) / Immature (1%)</td> <td>29,520</td> </tr> <tr> <td>4</td> <td>GM 7375</td> <td>1.39</td> <td>244</td> <td>Matured (100%)</td> <td>16,464</td> </tr> <tr> <td colspan="2">Total</td> <td>6.40</td> <td>872⁽ⁱⁱⁱ⁾</td> <td></td> <td>83,304</td> </tr> </tbody> </table> <p>Notes:</p> <p>(i) A durian tree is deemed as matured if it is planted for more than 7 years.</p> <p>(ii) Expected annual yield is computed by multiplying the number of trees planted on the plantation land with the historical durian fruits yield per tree.</p> <p>(iii) Of the 872 durian trees planted, 859 durian trees are matured.</p> <p>Combined with our existing 33 parcel of durian plantation land, as at the LPD, we have a cumulative 37 parcels of durian plantation land of 46.49 hectares which are planted with 5,137 durian trees, of which 4,132 are matured trees. Please refer to Section 2 of Appendix II for further details.</p>	No.	Title No.	Land Size Hectares	Estimated no. of tree planted	Maturity of tree ⁽ⁱ⁾	Expected annual yield ⁽ⁱⁱ⁾ kg	1	GM 4571	1.26	162	Matured (97%) / Immature (3%)	18,660	2	GM 4572	1.26	171	Matured (97%) / Immature (3%)	18,660	3	GM 4024	2.49	295	Matured (99%) / Immature (1%)	29,520	4	GM 7375	1.39	244	Matured (100%)	16,464	Total		6.40	872⁽ⁱⁱⁱ⁾		83,304
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Section	Disclosures in the Information Memorandum	Current status
	<p>Combined with our existing owned plantation, as at 29 April 2022, we have an accumulative of 40.08 hectares of durian plantation land which are planted with 4,093 durian trees, of which 2,038 are matured trees.</p> <p>As at 29 April 2022, we have not identified any new durian plantation land for acquisition. However, we are continuously exploring for potential and new durian plantation land with matured durian trees in Raub and Bentong regions to increase our plantation landbank. We intend to use bank borrowing for the acquisition of new durian plantation land in our short-term expansion plan.</p>	<p>We will continuously explore opportunities to acquire new durian plantation land with matured durian trees, specifically in the Raub and Bentong regions. Any future acquisition of durian plantation land will be financed through bank borrowings as part of our Group's strategy to increase our Group's plantation landbank.</p> <p>Please refer to Section 2, Appendix II of this Circular for the details of our Group's durian plantation lands.</p>
	<ul style="list-style-type: none"> • Research and development (“R&D”) and commercialisation of new durian-based products <p>We ventured into the development and production of durian-based products with Daily Fresh Foods Sdn Bhd (“Daily Fresh Foods”) in 2021.</p> <p>In April 2021, we opened our first D·MASKING Flagship Store in Bentong to commercialise our D·MASKING durian-based products to the Malaysian market. We believe the downstream sector in the durian industry will continue to remain positive for many years. Therefore, we intend to grow our downstream business and operation. Our R&D division comprises our Ng Soh Kian (Executive Chairman), Tong Shiou Wen (Chief Marketing Officer), and Daily Fresh Foods. They will work together to develop and formulate more new and innovative downstream durian-based products.</p> <p>Our R&D activities include:</p> <ul style="list-style-type: none"> - Research on market demand for our new products; - Continuous development and introduction of new product range; - Improving the nutritional content, taste or texture of our durian-based products; - Improve production efficiency to reduce costs without compromising product quality; - Developing healthier product lines, i.e., products with less fat or sugar contents; - Development of sustainable product packaging; - Research on extending our products' shelf life; and - Design new packaging for our durian-based products. 	<p>In addition to our existing collaboration with Daily Fresh Foods through DSR Daily Fresh, we have also established collaborations, amongst others, with Michigan Pastries Sdn Bhd (“Michigan Pastries”) since April 2021 and Ideal Beverage Marketing Sdn Bhd (“Ideal Beverage”) since January 2024 for the product development and commercialisation of durian-based products. We have also appointed Tn Ts Ajmain Kasim who has prior working experience in R&D and innovation field that includes technology commercialisation sector as our Group's Chief Technical Officer to further our collaborative efforts together with our Group's Executive Chairman, Ng Soh Kian. These efforts underscore our commitment to innovation in the development and improvement of our downstream durian-based product offerings to meet evolving consumer preferences.</p> <p>Our collaboration with Michigan Pastries has resulted in the production of the Musang King pizza, durian cheesecake, durian dodol, durian and mango pudding and durian fruit cake. Such products are manufactured by Michigan Pastries using durian paste supplied by our Group, which is derived from fresh durians from our durian orchards. Michigan Pastries has started selling the abovementioned products under the D·MASKING brand since December 2024. These products are sold locally at our D·MASKING Flagship Stores as well as exported abroad to retailers in China and Singapore. Our collaboration with Ideal Beverage has produced the Musang King coffee where Ideal Beverage uses durian powder supplied by our other 3rd-party food processor to manufacture the Musang King coffee. The durian powder is derived from durians produced at our orchards.</p>

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		<p>These collaborations leverage on our expertise in durian cultivation and the expertise of our partners in food product development and distribution channels, thus allowing us to offer a diverse range of durian-based food products and expand our market reach. We are continuously exploring opportunities to collaborate and expand our offering of durian-based products.</p> <p>Please refer to Section 3, Appendix II of this Circular for further details on our product collaborations.</p>										
	<ul style="list-style-type: none"> Introduction of IoT solutions in our operations <p>We intend to invest in modern IoT solutions for better farming applications which will help to enhance productivity and promote efficient and effective estate management practices. IoT solutions allow us to implement smart farming which leverages advanced technologies such as sensors, tracking systems, data analytic tools, automation systems for tracking, monitoring, automating, and analysing our operations and fresh durian outputs.</p> <p>Some of the IoT solutions which we intend to invest in and implement into our estate management and distribution operations are set out below:</p> <table border="1" data-bbox="405 788 1279 1225"> <thead> <tr> <th data-bbox="405 788 607 839">IoT solutions</th> <th data-bbox="607 788 1279 839">Purposes</th> </tr> </thead> <tbody> <tr> <td data-bbox="405 839 607 922">Sensors</td> <td data-bbox="607 839 1279 922">To install sensors in our plantations to track and monitor weather, water, pH level, fertigation, and fruit outputs, etc.</td> </tr> <tr> <td data-bbox="405 922 607 1225">MKITS</td> <td data-bbox="607 922 1279 1225">This is an integrated tracking system that monitors the entire supply chain of our operations, from harvesting of fresh durians to processing of downstream durian-based products, and delivery of fresh durians and durian-based products to end-consumers. There is a built-in dashboard that captures and displays information for management to carry out our analytic and monitoring operations. All data captured from our plantations, processing factories, packaging, storage, delivery, etc, will be stored in our database which can be accessed and managed by our MKITS.</td> </tr> </tbody> </table> 	IoT solutions	Purposes	Sensors	To install sensors in our plantations to track and monitor weather, water, pH level, fertigation, and fruit outputs, etc.	MKITS	This is an integrated tracking system that monitors the entire supply chain of our operations, from harvesting of fresh durians to processing of downstream durian-based products, and delivery of fresh durians and durian-based products to end-consumers. There is a built-in dashboard that captures and displays information for management to carry out our analytic and monitoring operations. All data captured from our plantations, processing factories, packaging, storage, delivery, etc, will be stored in our database which can be accessed and managed by our MKITS.	<p>As at the LPD, we have successfully implemented a majority of our IoT solutions across our business operations, and we are constantly developing and upgrading our solutions to meet changing economic and operational requirements.</p> <p>Details on the status of implementation of our Group's IoT solutions as at the LPD are as follows:</p> <table border="1" data-bbox="1310 675 2018 1059"> <thead> <tr> <th data-bbox="1310 675 1496 726">IoT solutions</th> <th data-bbox="1496 675 2018 726">Status of implementation</th> </tr> </thead> <tbody> <tr> <td data-bbox="1310 726 1496 1059">Sensors</td> <td data-bbox="1496 726 2018 1059"> <p>On 10 February 2025, we have completed the installation of weather monitors at our plantations to monitor temperature, humidity and rainfall which will affect the growth of our trees.</p> <p>On 13 January 2025, we have also purchased 50 units of soil testing devices which can measure soil parameters such as pH level, moisture and nutrient content and are in the midst of deployment.</p> </td> </tr> </tbody> </table>	IoT solutions	Status of implementation	Sensors	<p>On 10 February 2025, we have completed the installation of weather monitors at our plantations to monitor temperature, humidity and rainfall which will affect the growth of our trees.</p> <p>On 13 January 2025, we have also purchased 50 units of soil testing devices which can measure soil parameters such as pH level, moisture and nutrient content and are in the midst of deployment.</p>
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		IoT solutions	Purposes
		Drone and robotic technology	<p>We have purchased 1 drone to assist our orchard managers in monitoring and analysing the conditions of our plantations for, among others, leaf diseases and pests through real-time coverage, and photos and videos of our trees.</p> <p>Additionally, as at 28 April 2025, we have installed 9 units of remote closed-circuit television in some of our durian plantations for real-time monitoring.</p>
		DSR application	<p>We had successfully launched our OMSA application on 31 August 2024 to facilitate online ordering and delivery of our durian offerings to customers based in Malaysia. We have since received orders for our products through the app and are currently building awareness for our OMSA application through social media advertising.</p> <p>The OMSA application has been integrated with our product catalogue and has secured customer data protection to facilitate online ordering and delivery. We are constantly exploring the improvement and integration of new features to improve our user interface. In the next phase of development, we intend to integrate our delivery tracking system to provide real-time updates through the OMSA application.</p>

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<p data-bbox="197 180 358 209"><u>Section 5.14.2</u></p> <p data-bbox="197 252 358 344">Medium-term Plan (2022 to 2024)</p>	<ul style="list-style-type: none"> <li data-bbox="405 180 837 209">• Expansion on our retail operations <p data-bbox="443 236 757 264">D·MASKING Flagship Store</p> <p data-bbox="443 292 1283 403">As at the 29 April 2022, we have 2 D·MASKING Flagship Stores located at Bentong and Kuala Lumpur, respectively. We intend to grow our retail presence by establishing more D·MASKING flagship stores in the identified geographical locations either by state or prominent district.</p> <p data-bbox="443 430 1283 571">Currently, we have identified a new location in Kulai, Johor to setup our third D·MASKING Flagship Stores to promote and sell DSR Durians and D·MASKING durian-based products to customers in Johor, as well as Singapore tourists visiting Johor. We are in the process of securing a tenancy with the property owner to utilise the shop for our Flagship Store.</p> <p data-bbox="443 598 1283 710">Moving forward, we will also continue to identify and open more D·MASKING Flagship Stores in other major cities and towns across Malaysia such as Penang and Melaka to promote and build our brand awareness as well as to market and sell our complete range of D·MASKING durian-based products.</p> <p data-bbox="443 737 667 766">D·MASKING Kiosks</p> <p data-bbox="443 793 1283 984">We are also planning to setup up our own D·MASKING kiosks in shopping malls to sell selected ready-to-eat products. Our D·MASKING kiosks, which is an open-fronted, over the counter, and/or stand-alone booth used for the marketing and selling of our selected durian-based products. We intend to set up a business licensing model where we operate several D·MASKING kiosks and licence the rest to individuals who are interested in operating a food and beverages outlet.</p> <p data-bbox="443 1011 1283 1235">We will identify and licence our D·MASKING kiosks business to prospective licensees, starting in Malaysia and eventually to the overseas markets. In this arrangement, we will grant our licensees access to our proprietary business knowledge, retail operation processes and trademarks, thus allowing our licensees to sell our selected durian-based products and services under our D·MASKING brand name in their respective marketplace. In exchange for acquiring our licensing business, our licensees will pay us an initial startup fee and annual licensing and/or loyalty fees.</p>	<p data-bbox="1310 236 1624 264">D·MASKING Flagship Store</p> <p data-bbox="1310 292 2038 515">As at the LPD, we have not opened any additional D·MASKING flagship stores. Our Group have maintained our Kuala Lumpur flagship store at Lot 10 Shopping Centre in Bukit Bintang and had relocated our D·MASKING Flagship Store in Bentong to the DSR Bukit Tinggi Orchard, also known as Forest Orchard Café, which is located at Lot 11311 & 11310, Batu 15, Jalan Lama Kuala Lumpur, Bukit Tinggi, 28750 Bentong, Pahang. The relocation allows us to offer our customers an orchard-to-table experience.</p> <p data-bbox="1310 542 2038 683">As mentioned previously, we had an intention for a 3rd flagship store in Kulai, Johor. Since then, we have deliberated and decided to collaborate with Michigan Pastries which itself is based in Kulai, Johor, to be an authorised reseller of our Group. We have also allowed Michigan Pastries to use our D·MASKING brand.</p> <p data-bbox="1310 710 2038 869">Moving forward, we will focus on maximising the potential of our existing flagship stores by enhancing our durian-based product offerings so as to improve customers' in-store experience and enable us to attract new customers and boost sales. As such, our Group has currently put our plans to open additional D·MASKING Flagship Stores on-hold.</p> <p data-bbox="1310 896 1534 925">D·MASKING Kiosks</p> <p data-bbox="1310 952 2038 1176">As at the LPD, we have yet to roll-out any D·MASKING Kiosks. Upon further evaluation, we decided to channel our resources and strategic efforts on increasing our brand presence through the placement of MIS containing our durian product offerings at various strategic locations. In this manner, the MIS will allow us to respond to market demand promptly in a resource-light manner while improving our product accessibility in a flexible and scalable manner to ensure a sustainable expansion plan.</p>

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	<p>We intend to rollout our D·MASKING kiosks expansion by 2023. This expansion will be an on-going process, as we intend to expand progressively.</p> <p>Daily Fresh Foods' Kiosks</p> <p>On 17 January 2022, we began to market and sell selected D·MASKING durian-based products through Daily Fresh Foods' kiosks, starting in Meru Klang. Daily Fresh Foods has a huge distribution network of 1,600 retail kiosks in Malaysia and overseas. We are targeting to expand our retail presence in up to forty (40) Daily Fresh Foods' kiosks in Malaysia by end 2022. Thereafter, we will progressively expand our distribution network to other Daily Fresh Foods' kiosks in Malaysia and overseas. As at the 29 April 2022, our D·MASKING durian-based products are being retailed at sixteen (16) Daily Fresh Foods' kiosks in Malaysia.</p>	<p>D·MASKING Malaysia Iconic Station</p> <p>The MIS project is strategically positioned to introduce and popularise Musang King gelato among tourists and locals. We have officially launched our MIS in November 2024 to introduce the MIS to the public and retailers.</p> <p>As at the LPD, we have 73 MIS that are positioned in popular tourist attractions in Malaysia and Singapore such as Jonker Walk in Melaka, Genting Highlands, Cameron Highlands, Grand Hyatt Pahang in Pahang, Pulau Redang in Terengganu, Central Market and KL City Walk in Kuala Lumpur, Penang Airport and near the Merlion statue in Singapore as well as in China. Please refer to Section 4.4 of this Circular for further information on our Group's plans to deploy more MIS.</p> <p>Daily Fresh Foods' Kiosks</p> <p>As at the LPD, there has been no change to the number of Daily Fresh Foods' kiosks in view of our shift in focus to the placement of MIS to market our durian product offerings as stated above. The shift toward MIS placement refocuses the strategy on consumer engagement and brand experience, using high-traffic tourist spots to showcase DSR Taiko's durian products. As the MIS incorporates a freezer that will contain our Group's other durian product offerings, this enhances our brand visibility, driving direct retail sales of our products and builds market awareness, creating stronger demand both locally and abroad.</p>

Section	Disclosures in the Information Memorandum	Current status
	<ul style="list-style-type: none"> Overseas market expansion <p>As at 29 April 2022, DSR Durians and D·MASKING durian-based products are distributed to overseas customers in the Hong Kong Special Administrative Region, the United Arab Emirates (“UAE”), Bahrain, Canada and Australia through Daily Fresh Foods, who is a licensed exporter. At the moment, we are leveraging on Daily Fresh Foods to distribute our products through its distribution networks in the overseas markets. We sell our downstream durian-based products directly to Daily Fresh Foods and they in turn export the said products to their customers overseas. However, we intend to export our own products directly after we obtained our export permit from the authorities. Our targeted export markets are the PRC and selected Middle Eastern countries, such as the Gulf Cooperation Council in the Middle East, comprises Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE.</p> <p>The Gulf Cooperation Council in the Middle East is a new market for Malaysia durian producers, and we are hoping to generate orders from these new markets. The total export of fresh durians into the Gulf Cooperation Council have been growing from 77.4 metric tonnes in 2016 to 166.2 metric tonnes in 2019, before declining to 66.0 metric tonnes in 2020 due to supply chain disruptions during the COVID-19 pandemic. In 2019 and 2020, Malaysia only accounts for 0.4 metric tonnes and 0.5 metric tonnes of these exports, respectively. Hence, our Group believes that there is an opportunity to penetrate the growing market in the Gulf Cooperation Council.</p> <p>Furthermore, over the last few years, there has been a huge demand for durians in the PRC. According to the independent market research report dated 6 May 2022 prepared by Infobusiness Research & Consulting Sdn Bhd, durian exports to the PRC market increased from 398,147.5 metric tonnes in 2016 to 543,745.7 metric tonnes in 2020, representing a compound annual growth rate of 8.1%. Presently, the PRC has a population of about 1.4 billion people, representing a large potential for us to expand our business. We intend to explore the possibilities in these overseas countries on the large potential they represent.</p> <p>We plan to also work with other wholesalers/distributors in the PRC and the Gulf Cooperation Council to market and distribute our products to their respective mass market.</p>	<p>We have identified strong growth potential in the Chinese consumers’ demand for Musang King durians and as such, decided to shift the focus of our overseas expansion to the PRC instead of the Middle East as previously disclosed in the Information Memorandum. As at the LPD, we have obtained an export permit which has allowed us to expand our footprint to the PRC to tap on opportunities in the PRC’s food and beverage industry. We had begun selling our products in the PRC on 1 August 2023 by collaborating with authorised resellers in Zhejiang, Guangxi, Beijing and Shanghai to market our products via our MIS. We have also allowed the resellers to use our D·MASKING brand. Through the resellers, our products have also been distributed to other regions in the PRC. We have also collaborated with an authorised reseller in Cambodia to similarly market our products in Cambodia.</p>

5. RISK FACTORS IN RELATION TO THE PROPOSALS

Save as disclosed below, which are by no means exhaustive, our Board does not foresee any other risks arising from the Proposals:

5.1 Proposed Bonus Issue

The implementation of the Proposed Bonus Issue may be aborted or delayed if we are unable to obtain approval from our existing shareholders on the resolution for the Proposed Bonus Issue and Proposed Transfer or all requisite approvals from the authorities in relation to the Proposals.

In the event the Proposed Bonus Issue does not materialise or is not approved, our Company does not intend to proceed with the Proposals. Notwithstanding the above, our Company will take all reasonable steps to ensure that we will obtain all the necessary approvals to implement the Proposals in a timely manner.

5.2 Proposed Withdrawal

Our Company has procured written undertakings from all our existing shareholders to support the Exemptions whereby they irrevocably and unconditionally undertake that they will continue to hold and not dispose of, transfer or reduce their respective shareholdings in our Company until the completion or termination of the Proposed Transfer. The undertakings also indicate that all our existing shareholders will vote in favour of the resolution for the Proposed Transfer at our forthcoming EGM.

However, there may be a risk that any of our existing shareholders (who has provided the undertakings) subsequently dispose of, transfer or reduce their shareholdings in our Company before the completion of the Proposed Withdrawal. This will result in changes to our existing shareholders' shareholdings and lead to new shareholders in our Company. In such an event, Bursa Securities' approval for the Exemptions may become void and our Company may need to procure new undertakings from such new shareholders, re-submit the application for the exemptions from complying with Rules 8.06(1)(c) and 8.06(1)(d) of the LEAP LR and convene a new EGM to obtain our shareholders' approval for the Proposed Withdrawal.

Additionally, if we are unable to procure the undertakings from the new shareholders and obtain our shareholders' approval for the Proposed Withdrawal, then the Proposals cannot be implemented, thereby resulting in our Company being unable to transfer its listing status from the LEAP Market to the ACE Market. Notwithstanding the above, our Company will take all reasonable steps to ensure that the shareholdings of our existing shareholders will remain the same until the completion of the Proposed Transfer.

5.3 Proposed Listing

5.3.1 Potential paper loss upon the Proposed Listing

The final IPO Price will be determined after taking into consideration, among others, our historical financial performance, prospects, future plans, gross proceeds to be raised as well as prevailing equity market and economic conditions. However, there can be no assurance that the final IPO Price will correspond to the TEBP of the Shares based on the last trading price of our Shares on the LEAP Market prior to the Proposed Listing.

If the final IPO Price is lower than the TEBP of the Shares based on the last trading price of our Shares on the LEAP Market prior to the Proposed Listing, our existing shareholders will experience an immediate paper loss on the value of the Shares held by them upon completion of the Proposed Listing.

Notwithstanding the above, even if the final IPO Price corresponds to TEBP of the Shares based on the last trading price of our Shares on the LEAP Market prior to the Proposed Listing, there is no assurance that our Shares will continue to trade at or above the final IPO Price upon listing on the ACE Market.

5.3.2 Our existing shareholders will face the risk of dilution to their shareholdings in our Company

The issuance and allotment of new Shares under the Proposed Public Issue will result in an immediate dilution to our existing shareholders' shareholdings in our Company. The extent of dilution of our existing shareholders' shareholdings is set out in Section 7.2 of this Circular.

5.3.3 No prior market for our Shares on the ACE Market and there is no certainty that an active liquid market will be established for our Shares on the ACE Market

Our Shares have been traded on the LEAP Market since 6 July 2022 and trading on the LEAP Market is only restricted to Sophisticated Investors. After the completion of the Proposed Listing, our Shares will be traded on the ACE Market which is accessible to the general public and a larger and wider pool of investors. However, there is no assurance that an active market for our Shares will develop after the completion of the Proposed Listing, or if developed, that such market can be sustained.

Further, there is also no assurance that the market price of our Shares will not decline below the final IPO Price upon completion of the Proposed Listing.

5.3.4 Our Share price and trading volume may be volatile following the Proposed Listing as a result of market vagaries

The performance of our Shares on the ACE Market is very much dependent on external factors such as the performance of regional and global stock exchanges and the inflow or outflow of foreign funds. Sentiment is also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volume on Bursa Securities, thus adding risks to the market price of our Shares once they are traded on the ACE Market.

In addition, the market price of our Shares may fluctuate significantly and rapidly in response to, among others, the following:

- (i) general operational and business risks of our Group;
- (ii) variations in our financial results and operations;
- (iii) success or failure of our Directors or key senior management in implementing our future plans, business and growth strategies;
- (iv) additions or departures of our Directors or key senior management;
- (v) changes in market valuations of listed shares in general or shares of companies comparable to ours;
- (vi) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other related or factors;
- (vii) fluctuation in stock market prices and volume;
- (viii) involvement in claims, litigation, arbitration or other form of dispute resolution; and/or
- (ix) changes in government policy, legislation or regulation.

Furthermore, if the trading volume of our Shares is low, price fluctuation may be exacerbated as price of shares tends to be more volatile when trading volume is low. Accordingly, there is no assurance that the market price of our Shares will not be subject to volatility or trade at prices above the final IPO Price after the completion of the Proposed Listing. Should our Shares trade at prices below the final IPO Price after the completion of the Proposed Listing, our existing shareholders and successful applicants for the IPO Shares under the Proposed Listing will experience an immediate paper loss on the value of the Shares held or subscribed by them.

5.3.5 The Proposed Listing may be aborted or delayed

The Proposed Listing may be aborted or delayed due to the occurrence of certain events, which include, among others, the following:

- (i) Bursa Securities and/or any other relevant authorities do not grant their approvals for any of the Proposals or any of the said approvals are subsequently revoked for any reason whatsoever;
- (ii) identified investors fail to subscribe for the portion of IPO Shares allocated to them for any reason whatsoever;
- (iii) our underwriter exercises its rights under the underwriting agreement to discharge itself from its obligations therein;
- (iv) occurrence of any event or circumstance beyond the control of our Group;

If any of these events occur, investors will not receive any Issue Shares and we will return all monies paid in respect of the application within 14 days, in full and without interest, failing which the provisions of Section 243(2) of the CMSA will apply.

If our Proposed Listing is aborted and/or terminated, and the Issue Shares have been allotted to the investors, we can only return the monies to the investors by way of cancellation of share capital as provided under Sections 116 or 117 of the Act and its related rules. Such cancellation will require the approval of our shareholders by special resolution in a general meeting, with the sanction of the High Court of Malaya or with a notice to be sent to the Director General of the Inland Revenue Board and the Companies Commission Malaysia within 7 days of the date of the special resolution and our Company meeting the solvency requirements under Section 117(3) of the Act. As such, there can be no assurance that such monies can be recovered within a short period of time in such circumstances.

Our Company will remain listed on the LEAP Market if the Proposed Listing is aborted or delayed. However, the potential benefits expected to arise from the Proposed Listing as set out in Section 3.3 of this Circular may not materialise.

5.4 Loss of cost incurred for the Proposals if the Proposed Listing is terminated

The total expenses to be incurred by our Company in relation to the Proposals are estimated to be RM6.00 million as detailed in Section 2.2.2.6 of this Circular. As the expenses paid to the relevant parties have been incurred and billed on a milestone basis, they are not refundable and we will be unable to recover such costs already paid if the Proposed Listing is terminated. Additionally, our Company may also incur abortive fees for any early termination of the Proposals.

As at the LPD, our Group's cash and bank balances including fixed deposits stood at approximately RM0.90 million. If we are required to use our Group's internally generated funds to defray the estimated expenses, our Group's cash and bank balances will be depleted, which will reduce the availability of financial resources for our Group's working capital. In addition, we will be required to obtain additional financing for our working capital purposes, which in turn, will incur additional interest costs to our Group.

Further, the cost incurred will be recognised and expensed off in our Group's Statement of Profit and Loss and Other Comprehensive Income, thus reducing the retained profits, net assets and total equity of our Group accordingly.

In the event that the Proposed IPO is aborted or delayed, we will not be able to utilise the proceeds to be received from the Proposed IPO to implement our business plans as disclosed in Section 2.2.2.6 of the Circular to, amongst others, acquire new durian plantation land. As a result, we will be required to obtain additional financing to fund such acquisition if the Proposed IPO is aborted or before the receipt of proceeds from the Proposed IPO. This will, in turn, result in additional interest costs to our Group. Further, we will have to utilise our internally generated funds for the repayment of bank borrowings and for working capital which were intended to be funded using the proceeds of the Proposed IPO, the breakdown of which we are unable to determine at this juncture.

Notwithstanding the above, our Company will take all reasonable steps to ensure that we will obtain all the necessary approvals to implement the Proposals in a timely manner.

5.5 Risk in the implementation of our Group's future plans

As set out in Section 2.2.2.6 above, we intend to utilise the proceeds received from the Proposed IPO to, amongst others, acquire new durian plantation land. We will exercise due care in evaluating the potential risks and benefits associated with the aforesaid acquisition as well as conducting due diligence prior to the acquisition. However, there can be no assurance that any anticipated benefits from the acquisition will be realised, or that our Group will be able to generate sufficient returns from the acquisition to offset the associated costs.

As such, there is no assurance that the acquisition of new durian plantation land will result in an improvement in our Group's future financial performance, or that the duration for our Company to recoup its investment will be as anticipated. Further, our competitiveness, future prospects and financial performance will be affected in the event that, amongst others, there is a delay in the acquisition or we are unable to acquire additional durian plantation land or obtain sufficient funds or borrowings at competitive rates (if required) to fund our acquisition.

6. EFFECTS OF THE PROPOSALS

The Proposed Withdrawal and the Proposed Adoption will not have any effect on our issued share capital, earnings and EPS, NA, NA per Share, gearing and substantial shareholders' shareholdings.

The effects of the Proposed Bonus Issue and the Proposed Listing on our issued share capital, earnings and EPS, NA, NA per Share, gearing and substantial shareholders' shareholdings are set out below.

6.1 Issued share capital

The pro forma effects of the Proposed Bonus Issue and the Proposed Listing on our issued share capital are as follows:

	No. of Shares	RM
Issued share capital as at the LPD	326,477,020	60,563,400
New DSR Taiko Shares to be issued pursuant to the Proposed Bonus Issue	1,632,385,100	-
Enlarged issued share capital post Proposed Bonus Issue	1,958,862,120	60,563,400
New DSR Taiko Shares to be issued pursuant to the Proposed Public Issue	280,303,000	⁽¹⁾ 56,060,600
Enlarged issued share capital of DSR Taiko upon completion of the Proposals	2,239,165,120	116,624,000

Note:

(1) Computed based on the indicative IPO Price of RM0.20 per IPO Share pursuant to the Proposed Public Issue.

6.2 Earnings and EPS

The Proposed Bonus Issue is not expected to have a material effect on our Group's consolidated earnings. However, the EPS will be diluted pursuant to the increase in our total number of issued Shares following the issuance of new Shares under the Proposed Bonus Issue.

Notwithstanding the above, the Proposals are expected to have a material effect on the consolidated earnings and EPS as a result of the following, amongst others:

- issuance of new 280,303,000 Issue Shares to be issued pursuant to the Proposed Public Issue;
- the utilisation of proceeds from the aforesaid issuance of new 280,303,000 Issue Shares; and
- estimated expenses relating to the Proposals of RM6.00 million which will be capitalised and expensed off upon completion of the Proposals. These estimated expenses comprise professional fees, underwriting, placement and brokerage fees, fees to authorities, printing, translator, investor relations and other incidental expenses in relation to our Proposed Listing.

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6.3 NA, NA per Share and gearing

Based on our Group's latest audited consolidated statements of financial position as at 30 June 2024, the pro forma effects of the Proposed Bonus Issue and the Proposed Listing on our Group's NA, NA per Share and gearing, assuming the Proposed Bonus Issue and the Proposed Listing had been completed on 30 June 2024, are as follows:

	Audited consolidated as at 30 June 2024 RM	(I) After the Proposed Bonus Issue RM	(II) After (I) and the Proposed Public Issue RM	After (II) and the Proposed Offer for Sale RM
Share capital	60,563,400	60,563,400	⁽¹⁾ 116,624,000	116,624,000
Retained profits	3,593,944	3,593,944	3,593,944	⁽²⁾ 3,593,944
NA / Equity attributable to owners of our Company	64,157,344	64,157,344	120,217,944	120,217,944
Non-controlling interests	(542,385)	(542,385)	(542,385)	(542,385)
Total Equity	63,614,959	63,614,959	119,675,559	119,675,559
No. of issued Shares	326,477,020	1,958,862,120	2,239,165,120	2,239,165,120
NA per Share ⁽³⁾	0.20	0.03	0.05	0.05
Total borrowings ⁽⁴⁾	22,881,146	22,881,146	22,881,146	22,881,146
Gearing ratio ⁽⁵⁾ (times)	0.36	0.36	0.19	0.19

Notes:

(1) Computed based on the indicative IPO Price of RM0.20 per IPO Share pursuant to the Proposed Public Issue.

(2) Excludes estimated expenses relating to the Proposals of RM6.00 million which will be capitalised and expensed off upon completion of the Proposals. These estimated expenses comprise professional fees, underwriting, placement and brokerage fees, fees to authorities, printing, translator, investor relations and other incidental expenses in relation to our Proposed Listing. The proportion of estimated expenses that are to be capitalised and expensed off can only be determined later upon completion of the Proposals.

(3) Computed by dividing the NA attributable to the owners of our Company by the total number of issued Shares.

(4) Excludes lease liabilities.

(5) Calculated based on the total borrowings divided by the NA attributable to the owners of our Company.

6.4 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Bonus Issue and the Proposed Listing on our substantial shareholders' shareholdings are as follows:

Name					(I)			
	As at the LPD				After the Proposed Bonus Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1) %	No. of Shares	(1) %	No. of Shares	(2) %	No. of Shares	(2) %
Dato' Ng Lian Poh	109,850,010	33.65	⁽⁴⁾ 3,500,000	1.07	659,100,060	33.65	⁽⁴⁾ 21,000,000	1.07
Ng Soh Kian	103,828,010	31.80	⁽⁵⁾ 3,500,000	1.07	622,968,060	31.80	⁽⁵⁾ 21,000,000	1.07

Name	(II)							
	After (I) and the Proposed Public Issue				After (II) and the Proposed Offer for Sale			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(3) %	No. of Shares	(3) %	No. of Shares	(3) %	No. of Shares	(3) %
Dato' Ng Lian Poh	659,100,060	29.44	⁽⁴⁾ 21,000,000	0.94	581,986,366	25.99	⁽⁴⁾ 21,000,000	0.94
Ng Soh Kian	622,968,060	27.82	⁽⁵⁾ 21,000,000	0.94	550,081,754	24.57	⁽⁵⁾ 21,000,000	0.94

Notes:

(1) Based on our Company's total number of issued Shares of 326,477,020 Shares as at the LPD.

(2) Based on our Company's enlarged total number of issued Shares of 1,958,862,120 Shares upon completion of the Proposed Bonus Issue.

(3) Based on our Company's enlarged total number of issued Shares of 2,239,165,120 Shares upon completion of the Proposals.

(4) Deemed interested by virtue of his spouse, Datin Lee Ah Noi's shareholding in our Company pursuant to Section 8 of the Act.

(5) Deemed interested by virtue of his spouse, Tien Siew Foon's shareholding in our Company pursuant to Section 8 of the Act.

6.5 Convertible securities

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

7. IMPACT OF THE PROPOSALS

7.1 Effects on our Company's public shareholding spread

Pursuant to Rule 3.10 of the ACE LR, a company listed on ACE Market is required to comply with the public shareholding spread by having at least 25.00% of the total number of shares for which listing is sought in the hands of a minimum number of 200 public shareholders holding not less than 100 shares each.

As at the LPD, our Company's public shareholding spread is approximately 28.68% and is held by 72 public shareholders. Upon completion of the Proposals, our Company's public shareholding spread is expected to increase to approximately 42.59% and held by at least 200 public shareholders holding not less than 100 Shares each.

Notwithstanding the above, our Company's actual public shareholding spread can only be determined upon completion of the Proposed Listing.

7.2 Impact on our existing shareholders' shareholdings

The Proposed Public Issue which forms part of the Proposed Listing will result in a dilution to our existing shareholders' shareholdings in our Company. For illustration purposes only, assuming that none of our existing shareholders subscribe to the IPO Shares, the dilution to our existing shareholders' shareholdings in our Company is as follows:

	As at LPD		After the Proposed Bonus Issue		After the Proposed Listing	
	No. of Shares	(1) %	No. of Shares	(2) %	No. of Shares	(3) %
Proposers (non-public shareholders)	213,678,020	65.45	1,282,068,120	65.45	1,132,068,120	50.56
Other existing non-public shareholders	19,152,000	5.87	114,912,000	5.87	114,912,000	5.13
Other existing public shareholders	93,647,000	28.68	561,882,000	28.68	561,882,000	25.09
New public shareholders:						
• Malaysian Public via balloting	-	-	-	-	111,959,000	5.00
• Selected investors via private placement	-	-	-	-	38,448,000	1.72
• Bumiputera investors approved by the MITI via private placement	-	-	-	-	279,896,000	12.50

Notes:

(1) Based on our Company's total number of issued Shares of 326,477,020 Shares as at the LPD.

- (2) *Based on our Company's enlarged total number of issued Shares of 1,958,862,120 Shares upon completion of the Proposed Bonus Issue.*
- (3) *Based on our Company's enlarged total number of issued Shares of 2,239,165,120 Shares upon completion of the Proposed Public Issue.*

7.3 Impact of the price discovery mechanism

The price discovery mechanism for the IPO Price will allow shareholders and potential investors to make informed investment decisions based on the re-adjusted value of our Shares in conjunction with the Proposed Transfer.

The indicative IPO Price of RM0.20 per IPO Share, which is based on the price discovery mechanism as detailed in Section 2.2.2.9 of this Circular, is equal to the TEBP of the Shares based on the last trading price of our Shares prior to the Proposed Listing of approximately RM0.20. As such, our existing shareholders will experience no immediate paper loss on the value of the Shares held by them upon completion of the Proposed Listing. Please refer to Section 2.2.2.9 for the basis and justification of arriving at the issue price for the IPO Shares and Section 2.1.1 for the computation in deriving the TEBP of the Shares.

Notwithstanding the above, the final IPO Price will only be determined by our Board at a later date after receipt of all relevant approvals prior to the issuance of the prospectus for the Proposed Listing.

8. APPROVALS REQUIRED AND CONDITIONALITY

The Proposals are subject to and conditional upon approvals being obtained from:

- (i) our shareholders for the Proposals at our forthcoming EGM;
- (ii) Bursa Securities for the following:
 - (a) Exemptions which were obtained on 15 January 2025, subject to the condition that the undertakings set out in the undertaking letters given by all our existing shareholders remain valid and binding until the completion of the Proposed Withdrawal;
 - (b) listing of and quotation for 1,632,385,100 Bonus Shares on the LEAP Market pursuant to the Proposed Bonus Issue;
 - (c) Proposed Withdrawal pursuant to Rules 8.05 and 8.06 of the LEAP LR;
 - (d) admission of DSR Taiko to the Official List and for the listing of and quotation for our entire enlarged issued share capital on the ACE Market pursuant to Rule 3.02 of the ACE LR;
- (iii) Equity Compliance Unit of the SC, for the resultant equity structure after the Proposals;
- (iv) MITI for the Proposed Listing and the recognition of the Bumiputera investors in relation to the Proposed Listing; and
- (v) any other approval, consent or permission that may be required from any relevant authority, if required.

The Proposed Bonus Issue is not conditional upon the Proposed Transfer and Proposed Adoption. However, the Proposed Transfer and Proposed Adoption are inter-conditional upon each other and conditional upon the Proposed Bonus Issue. Nonetheless, the Proposed Bonus Issue will only be implemented after obtaining the approvals as set out in items (ii), (iii), (iv) and (v) above and will be completed prior to the Proposed Transfer.

The effective date for the Proposed Adoption will be on the same date as the listing of and quotation for DSR Taiko's entire enlarged issued share capital on the ACE Market.

Save for the above, the Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.

The relevant applications for the Proposals will be made to the respective authorities, subject to our shareholders' approval for the Proposals at our forthcoming EGM and the completion of, among others, due diligence as well as other preparation works.

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

Save as disclosed below, none of our Company's Directors, major shareholders, chief executive and/or persons connected with them have any interest, direct or indirect, in the Proposals:

- (i) Ng Soh Kian, our Company's Executive Chairman and major shareholder, is a Proposer of the Proposed Transfer; and
- (ii) Dato' Ng Lian Poh, our Company's Chief Executive Officer and major shareholder, is a Proposer of the Proposed Transfer.

As at the LPD, the Proposers' shareholdings are as follows:

Name	Direct		Indirect	
	No. of Shares	(¹) %	No. of Shares	(¹) %
Dato' Ng Lian Poh	109,850,010	33.65	⁽²⁾ 3,500,000	1.07
Ng Soh Kian	103,828,010	31.80	⁽³⁾ 3,500,000	1.07

Notes:

- (1) Based on our Company's total number of issued Shares of 326,477,020 Shares as at the LPD.
- (2) Deemed interested by virtue of his spouse, Datin Lee Ah Noi's shareholding in our Company pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of his spouse, Tien Siew Foon's shareholding in our Company pursuant to Section 8 of the Act.

The Interested Directors have abstained and will continue to abstain from all Board deliberations and voting on matters relating to the Proposed Transfer. As the Proposals are inter-conditional upon each other, the Interested Directors have abstained and will also abstain from all Board deliberations and voting on matters relating to the Proposals.

However, since the Proposals affect the rights of all our shareholders and no specific shareholder or group of shareholders shall benefit from the Proposals, all our shareholders are entitled to vote in respect of their direct and indirect shareholdings on the resolutions for the Proposals.

As such, the Proposals are not regarded as a related party transaction and no parties are conflicted under the provisions of the LEAP LR. Accordingly, the Proposers and persons connected to them are not required to abstain from voting in respect of their direct and/or indirect shareholdings, if any, on the resolutions for the Proposals to be tabled at our forthcoming EGM.

No IPO Shares will be allocated to our existing Directors and any proposed Directors to be appointed pursuant to the Proposed Listing.

10. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board (save for the Interested Directors), after having considered all aspects of the Proposals, including the rationale and justification, future prospects of our Group, risk factors, effects and impact of the Proposals, is of the opinion that the Proposals are in the best interest of our Company and our shareholders.

Accordingly, our Board (save for the Interested Directors), recommends you to **vote in favour** of the resolutions pertaining to the Proposals to be tabled at our forthcoming EGM.

11. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, there is no other corporate exercises which have been announced by our Company but pending completion as at the date of this Circular.

12. HISTORICAL SHARE PRICE

For the past 12 months up to the LPD, DSR Taiko Shares were only transacted on 24 July 2024 at RM1.18, which is the last transacted market price of DSR Taiko Shares.

13. ESTIMATED TIMEFRAME FOR COMPLETION

Subject to all the approvals being obtained and barring any unforeseen circumstances, the Proposals are expected to be completed within the 1st quarter of 2026. The tentative timeline for the implementation of the Proposals is as follows:

Timeline	Events
22 May 2025	EGM for the Proposals
End June 2025	Submission of the application for the Proposed Transfer
End December 2025	<ul style="list-style-type: none"> • Approval from Bursa Securities for the Proposed Listing • Implementation of the Proposed Bonus Issue
End January 2026	Approval from Bursa Securities for the Proposed Withdrawal
End February 2026	Completion of the Proposed Transfer and Proposed Adoption

For information, the trading of our Shares (including the Bonus Shares to be issued pursuant to the Proposed Bonus Issue) on the LEAP Market will be suspended one market day before the date of allotment of the IPO Shares until the completion of the Proposed Listing.

14. IMPLICATIONS FOR NON-IMPLEMENTATION OF THE PROPOSED TRANSFER

If the Proposed Transfer is not implemented, our Company will remain listed on the LEAP Market and our existing shareholders' shareholdings will not be diluted as no new Shares will be issued pursuant to the Proposed Public Issue.

Our Company will not be able to tap into the larger and wider pool of investors which include the general public to raise funds for our Group's expansion plans as set out in Section 2.2.2.6 of this Circular. Nonetheless, our Group will continue with its business, including its business plans and seek other sources of funding (such as internally generated funds and/or financing facilities) and opportunities to realise its long-term growth.

15. EGM

Our EGM, the notice of which is enclosed in this Circular, will be held at Conference Meeting Room, No. 32-1 Jalan Eco Santuari 8/2A, Eco Santuari, 42500 Telok Panglima Garang, Selangor Darul Ehsan for the purpose of considering and if thought fit, passing the resolutions, with or without any modifications, to give effect to the Proposals.

If you are unable to attend and vote in person at our EGM, you may appoint a proxy to attend and vote on your behalf by completing, signing and returning the enclosed Proxy Form in accordance with the instructions contained therein as soon as possible, so as to arrive at our registered office at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the time for holding our EGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at our EGM should you subsequently wish to do so.

16. FURTHER INFORMATION

You are advised to refer to the Appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
DSR TAIKO BERHAD

TAN FIE PING
Independent Non-Executive Director

**THE COMPANIES ACT, 2016
MALAYSIA**

PUBLIC COMPANY LIMITED BY SHARES

CONSTITUTION

OF

DSR TAIKO BERHAD

Registration No.: 202101001462 (1401760-W)

Incorporated on 13 January 2021

THE COMPANIES ACT, 2016

MALAYSIA

PUBLIC COMPANY LIMITED BY SHARES

CONSTITUTION

OF

DSR TAIKO BERHAD

- A. The name of the Company is DSR TAIKO BERHAD
- B. The registered office of the Company will be situated in Malaysia.
- C. Subject to the provisions of the Act, this Constitution and any other written law, the objects for which the Company is established are:
 - I. To carry on the business of an investment holding company and for that purpose to purchase or otherwise acquire properties of any tenure and any interest therein, moveable property of any description and generally to sell, lease or exchange, whether real or personal for valuable consideration, and to invest in shares, stocks & debentures to be registered in the name of the company or that of any nominee as the company may deem fit.
- D. Section 21 of the Companies Act 2016 shall apply to the Company and the Company shall be capable of exercising all the functions of a body corporate and have the full capacity to carry on or undertake any business or activity that are not prohibited under any law for the time being in force in Malaysia.
- E. The Third Schedule of the Companies Act, 2016 shall not apply to the Company, except so far as the same are repeated or contained in these Clauses.
- F. The share capital of the Company is its issued share capital. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential deferred qualified or other special rights, privileges, conditions or restrictions as to dividend, capital, voting or otherwise.

INTERPRETATION

- 1. References in this Constitution to the Act shall mean the Companies Act, 2016. This Constitution shall constitute the Regulations of the Company. In this Constitution, words and expressions defined in the Act shall have the same meaning unless otherwise required by the context the singular shall include the plural and vice-versa, the masculine shall include the feminine and neuter genders and the persons shall have the same meaning as the words defined in the Act.
- 2. In this Constitution, if not consistent with the subject or context, the words standing in the first column of the table next hereinafter shall bear the meanings set opposite to them respectively in the second column thereof:-

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

“Act”	: means the Companies Act, 2016 and any statutory modification amendment or re-enactment thereof for the time being in force;
“Allottee”	: means a person whose application for the Company’s unissued Shares has been accepted by the Company and notice of allotment has been duly sent to him;
“Auditors”	: means the auditors for the time being of the Company;
“Authorised Nominee”	: means a person who is authorised to act as a Nominee as specified under the Rules;
“Alternate Director”	: means any person who has been appointed and for the time being holds office as an alternate director of the Company in accordance with the provisions of this Constitution
“Annual General Meeting”	: means an Annual General Meeting of the Company;
“beneficial owner”	: means the ultimate owner of the shares and does not include a nominee of any description
“Board”	: means the board of directors for the time being of the Company;
“Bursa Depository”	: means Bursa Malaysia Depository Sdn Bhd [Registration No. 198701006854 (165570-W)] including any further change of name;
“Central Depositories Act”	: means the Securities Industry (Central Depositories) Act 1991, as it may be amended, modified or reenacted from time to time;
“Clause”	: means clauses of this Constitution as originally framed or as altered from time to time;
“CMSA”	: means the Capital Markets and Services Act 2007, and any statutory modification, amendment or re-enactment thereof for the time being in force
“Company”	: means DSR TAIKO BERHAD [Registration No.: 202101001462 (1401760-W)];
“Constitution”	: means this Constitution as originally framed or as may be altered from time to time by way of passing a Special Resolution;
“Court”	: means the High Court or a judge of the High Court;
“Deposited Security”	: means a security standing to the credit of a Securities Account of a Depositor subject to the provisions of the Central Depositories Act and the Rules;

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

“Depositor”	:	means the holder of a Securities Account;
“Directors”	:	means the directors for the time being of the Company as defined in Section 2(1) of the CMSA;
“Executive Director”	:	means a member of the Board who is in a full-time capacity and actively engaged in the day-to-day management of corporation
“electronic address”	:	means any address or number used for the purpose of sending or receiving documents or information by electronic means;
“electronic communication”	:	means a document or information is sent or supplied by electronic communication if it is sent initially, and received at its destinations by means of electronic equipment for the processing (which expression includes digital compression) or storage of data, and entirely transmitted, conveyed and received by wire, by radio, by optical means or by other electromagnetic means;
“electronic form”	:	means document or information sent or supplied by electronic means or by any other means while in an electronic form (such as by e-mail, text message, fax or sending an electronic copy (CD-ROM) by post) whereby a recipient of such document or information would be able to retain a copy;
“Exchange” or “Bursa Securities”	:	means Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)];
“Exempt Authorised Nominee”	:	means an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act;
“Extraordinary General Meeting”	:	means an extraordinary general meeting of the Company;
“General Meeting”	:	means a general meeting and/or an extraordinary general meeting, as the context shall require;
“Listing Requirements”	:	means the ACE Market Listing Requirements or the Main Market Listing Requirements of the Bursa Securities as it may be modified or amended from time to time;
“Market Days”	:	means any day between Monday and Friday that the Exchange is open for official trading in Securities other than a market holiday of the Exchange or a public holiday;
“member” or “members”	:	means any person for the time being holding one or more shares in the Company and whose names appear in the Register of Members and in the event the Shares are listed on the Exchange, Depositors whose name appear on the

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

	Record of Depositors;
“Month”	: means calendar month;
“Non-Executive Director”	: means a member of the Board who does not assume management responsibilities in the corporation
“Office”	: means the registered office for the time being of the Company;
“Ordinary Resolution”	: has the meaning assigned thereto by Section 291 of the Act;
“Record of Depositors”	: means the record provided by the Bursa Depository to the Company under Chapter 24.0 of the Rules;
“Registrar”	: means the registrar of Companies under the Act and includes any Regional Deputy or Assistant Registrar of Companies;
“Register of Members” or “Register”	: means the register of members to be kept pursuant to the Act and unless otherwise expressed to the contrary includes the Record of Depositors;
“Rules”	: means the rules of the Bursa Depository and any appendices thereto, as amended, modified and supplemented from time to time;
“Seal”	: means the Common Seal of the Company or in appropriate case the official seal;
“Secretary” or “Secretaries”	: means any person or persons appointed to perform the duties of the secretary of the Company and shall include a joint, temporary, assistant or deputy secretary;
“Securities Account”	: means an account established by the Bursa Depository for a Depositor for the recording of deposit or withdrawal of Securities and for dealing in such Securities by the Depositor as permitted under the Central Depositories Act and / or the Rules;
“Security” or “Securities”	: means securities as defined in Section 2(1) of CMSA or any modification, amendment or reenactment thereof for the time being in force;
“Shares”	: means shares in the Company;
“Share Issuance Scheme”	: means a scheme involving a new issuance of shares to the Directors and/or employees;
“Share Seal”	: means the share seal of the Company;
“Special Resolution”	: has the meaning assigned thereto by Section 292 of the Act; and
“Share Registrar”	: means the appointed service provider that maintains the

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

Register of Members and Record of Depositors from the
Bursa Depository

“Year” : means calendar year.

Writing shall include printing and lithography and any other mode or modes of representing or reproducing words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.

Subject as aforesaid, words and expressions contained in these Clauses shall be interpreted in accordance with the provisions of the Interpretation Acts, 1948 and 1967 of Malaysia, as amended from time to time and any re-enactment thereof.

PUBLIC COMPANY

3. The Company is a public company limited by Shares.

ALTERATION OF CLAUSES

4. These Clauses have been drafted in a manner to incorporate the requirements of the relevant governing statutes and guidelines. Without prejudice to any provisions in the Act under these Clauses pertaining to the amendments of the Clauses, in the event the applicable provisions of any relevant governing statutes, regulations and guidelines are from time to time amended, modified or varied, such amendments, modifications or variations shall be deemed inserted herein whereupon these Clauses shall be read and construed subject to and in accordance with the amended, modified or varied statutes, regulations and guidelines. The Company shall comply with the provisions of the relevant governing statutes, regulations and/or guidelines as may be amended, modified or varied from time to time and any other applicable directives or requirements imposed by the Exchange and/or any other regulatory authorities to the extent required by law, notwithstanding any provisions in these Clauses to the contrary.
- Clauses may be amended as and when is necessary*

SHARES

5. Without prejudice to any special rights previously conferred on the holders of authority of any existing shares or class of shares, and subject to the Act and to the conditions, restrictions and limitations expressed in this Constitution, the Directors may allot shares or grant rights to subscribe for or otherwise dispose of the unissued Shares in the Company to such persons, at such time and on such terms and conditions, with such preferred or deferred or other special rights or such restrictions whether in regard to dividend, voting, return of capital or otherwise as the Directors deem fit, subject to any Ordinary Resolution of the Company and the requirements of the Act, PROVIDED ALWAYS THAT:
- Allotment of Shares and power to issue Shares*
- (a) no Shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the members in a General Meeting;
 - (b) every issue of Shares or options to employees and/or Directors of the Company and its subsidiaries under Share Issuance Scheme shall be approved by the members in a General Meeting;
 - (c) the rights attaching to the Shares of a class other than ordinary shares

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

be stated at the time of issue; and

- (d) the Company shall have the power to issue preference capital ranking equally with, or in priority to, preference shares already issued.
6. There are no limitations on the right to own Securities, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on the Securities imposed by law or by constituent documents of the Company. *No limitation on the right to own Securities*
7. Subject to the Act, any preference shares may with the sanction of an Ordinary Resolution be issued on the terms that they are or at the option of the Company are liable to be redeemed. *Issue of Preference Shares*
8. The Company shall have power to issue preference shares carrying a right to redemption out of profits or liable to be redeemed at the option of the Company. The Directors may, subject to the provisions of the Act, redeem such shares on such terms and in such manner as they may think fit. *Redemption of Preference Shares*
9. Preference shareholders shall have the same rights as ordinary shareholders with regards to receiving notices, reports and audited financial statements and attending General Meetings of the Company and shall also have the right to vote at any meeting in each of the following circumstances: *Rights of Preference Shareholders*
- (a) when the dividend or part of the dividend on the preference shares are in arrears for more than six (6) months;
- (b) on a proposal to reduce the Company's issued share capital;
- (c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
- (d) on a proposal that affects the rights attached to the preference shares;
- (e) on a proposal to wind up the Company; and
- (f) during the winding-up of the Company.
10. In addition to all other powers of paying commission, the Company (or the Board on behalf of the Company) may exercise the powers conferred by Section 80 of the Act of applying its Shares or capital moneys in paying commissions to persons subscribing or procuring subscriptions for Shares in the Company, or agreeing to do so whether absolutely or conditionally, provided that the rate per cent of or the amount of the commissions paid or agreed to be paid shall be disclosed in the manner required by the Act and the commission shall not exceed the rate of ten per centum (10%) of the price at which the Shares in respect whereof the commission is paid are issued or an amount equivalent thereto. The Company (or the Board on behalf of the Company) may also on any issue of Shares pay such brokerage as may be lawful. *Commission*
11. Except as required by law and as provided by the Act, no person shall be recognised by the Company as holding any Share upon any trust and the Company shall not be bound or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or unit of Share (except only as by these Clauses or by law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof of the registered holder. *Trust not to be recognised*

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

12. (a) The Company shall duly observe and comply with the provisions of the Act, Rules and the Central Depositories Act applicable to any allotment of its Shares. *The Act & Central Depositories Act*
- (b) The Company must ensure that all new issues of Securities for which listing is sought are made by way of crediting Securities Account of the allottees with such Securities save and except where it is specifically exempted from compliance with Section 38 of the Central Depositories Act, in which any event it shall so similarly be exempted from compliance with this Constitution. For this purpose, the Company must notify the Bursa Depository of the names of the allottees and all such particulars required by the Bursa Depository, to enable the Bursa Depository to make the appropriate entries in the Securities Account of such allottees.
- (c) The Company shall allot Securities and despatch notices of allotment to the allottees and make an application for the quotation of such Securities within the stipulated time frame as may be prescribed by the Exchange.
13. No person shall exercise any rights at a General Meeting until his name shall have been entered in the Register of Members or the Record of Depositors and he shall have paid all class and other moneys for the time being due and payable on any Share held by him provided that the Bursa Depository or its nominee company in whose name the deposited Securities are registered shall not be entitled to any such rights unless required by virtue of the Central Depositories Act or the Rules or the context of these Clauses. *When rights of member may be exercised*
14. In accordance with Paragraph 7.08 of the Listing Requirements, subject to any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible Securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the company of General Meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled (hereinafter referred to as the “**Pre-emptive Rights**”). The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or Securities bear to the shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution. *Offer of unissued original Securities*
15. Subject to the Act, Central Depositories Act, Rules and/or Listing Requirements and notwithstanding the existence of a resolution pursuant to Section 76 of the Act, the Company must ensure that it shall not issue any Shares or convertible Securities if the total number of those Shares or convertible Securities, when aggregated with the total number of any such Shares or convertible Securities issued during the preceding twelve (12) months exceeds ten per centum (10%) of the total number of issued Shares (excluding treasury shares) of the *Issue of new Securities*

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

Company, except where the Shares or convertible Securities are issued with the prior approval of the shareholders in General Meeting of the precise terms and conditions of the issue. In working out the number of Shares or convertible Securities that may be issued by the Company, if the security is a convertible security, each such security is counted as the maximum number of Shares into which it can be converted or exercised.

16. If, by the condition of allotment of any Share, the whole or part of the amount or issue price thereof shall be payable on fixed dates every such amount shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the holder of the Share, or his legal representatives. *Payment for Shares on fixed dates by holder*
17. Subject to the provisions of the Act and the requirements and any rules, regulations and guidelines thereunder issued by the Exchange and/or any other relevant authority in respect thereof for the time being in force, the Company shall have the power and may purchase its own Shares. Any ordinary Shares in the Company so purchased by the Company shall be dealt with in accordance with the provisions of the Act, the requirements and any rules, regulations and guidelines thereunder issued by the Exchange and/or any other relevant authority in respect thereof. *Purchase by Company of its own Shares*

CERTIFICATES

18. Every certificate of Shares, debentures or debenture stock may at the request of members be issued and may be sealed under Share Seal or Seal in such form as the Directors from time to time prescribe and shall bear the facsimile signature of at least one (1) Director and a second Director or the Secretary or some other person appointed by the Director, and shall specify the number and class of Shares or Securities to which it relates and the amounts paid thereon. *Certificates*
19. The Share Registrar of the Company shall only issue jumbo certificates in respect of Shares or Securities in favour of Bursa Malaysia Depository Nominees Sdn Bhd as he may be directed by the Securities Commission Malaysia pending the crediting of the Shares into the Securities Account of the person entitled to such Shares or as may be prescribed by the Central Depositories Act and the Rules PROVIDED ALWAYS that every certificate may be issued under the Seal in such form as the Directors from time to time prescribe and shall bear the facsimile signature of at least one (1) Director and a second Director or the Secretary or some other person appointed by the Director, and shall specify the number and class of Shares or Securities to which it relates and the amounts paid thereon. *Jumbo Certificates*

LIEN

20. The Company's liens on Shares and dividends from time to time declared in respect of such shares shall be restricted to: *Company's lien on shares and dividends*
- (a) unpaid calls and instalments upon the specific Shares in respect of which such moneys are due and unpaid;
 - (b) if the Shares were acquired under a Share Issuance Scheme, amounts which are owed to the Company for acquiring them; and
 - (c) such amounts as the Company is required by law to pay, and has paid in respect of the Shares of the member or deceased member.

In each case, the lien extends to reasonable interest and expenses incurred

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (Cont'd)

because the amount is not paid.

21. The Directors may sell any Shares subject to such lien at such time or times and in such manner as they think fit, but no sale shall be made until such time as the money in respect of which such lien exists or some part thereof are or is presently payable or a liability or engagement in respect of which such lien exist is liable to be presently fulfilled or discharged, and until a demand and notice in writing stating the amount due or specifying the liability or engagement and demanding payment or fulfilment or discharge thereof, and giving notice of intention to sell in default, shall have been served on such member or the person (if any) entitled by transmission to the Shares, and default in payment, fulfilment or discharge shall have been made by him or them for fourteen (14) days after such notice. *Power to enforce lien by sale*
22. The proceeds of any such sale after payment of interests and costs relating to the sale, shall be applied in or towards satisfaction of the amount of unpaid calls and accrued interests and expenses due to the Company, or of the liability or engagement, as the case may be, the balance (if any) shall be paid to the member whose Shares have been forfeited or the person (if any) entitled by transmission to the Shares so sold or to the member's executors, administrators or assignees or as the member directs. *Application of proceeds of sale*

CALL ON SHARES

23. The Directors may, subject to the Act and provisions of the Listing Requirements, from time to time make such calls upon the members in respect of any money unpaid on their Shares as they think fit, provided that no call shall exceed one-fourth (1/4) of the issued price of the Share or be payable at less than thirty (30) days from the date fixed for the payment of the last preceding call, and at least fourteen (14) days' notice is given of each call and each member shall be liable to pay the amount of every call so made upon him to the persons, by instalments (if any) and at the times and places specified by the Directors. *Calls on Shares*
24. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be required to be paid by instalments. *When call deemed made*
25. If any sum in respect of a call is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding eight per centum (8%) per annum, as the Directors may determine (or failing such determination, then at the rate of eight per centum (8%) per annum) provided however the Directors may waive payment of such interest in whole or in or part. *Interest on calls in arrears*
26. No shareholder shall be entitled to receive any dividend or to exercise any privileges as a member until he shall have paid all calls for the time being due and payable on every Share held by him together with interest and expenses (if any). *Calls to be fully paid before receiving dividend*
27. The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the money uncalled and unpaid upon any Shares held by him, and upon all or any part of the money so advanced may (until the same would but for the advance, become payable) pay interest at such rate not exceeding eight per cent (8%) per annum as may be agreed upon between the Directors and the member paying the sum in advance. Such capital paid on *Payment of calls in advance*

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (Cont'd)

Shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits. Except in liquidation, sums paid in advance of calls shall not, until the same would, but for such advance have become payable, be treated as paid up on the Shares in respect of which they have been paid.

FORFEITURE AND SURRENDER OF SHARES

28. If a member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for the payment thereof, the Directors may, at any time thereafter, during such time as the call or instalment or any part thereof remains unpaid, serve a notice on him or on the person entitled to the Share by transmission requiring him to pay such call or instalments or such part thereof as remains unpaid, together with interest or compensation at such rate prescribed in the notice as the Directors shall determine, and any expenses that may have accrued by reason of such non-payment. *Notice to pay calls*
29. The notice shall name a further day (not being less than fourteen (14) days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time and place appointed the Shares in respect of such call was made will be liable to be forfeited. *Period of Notice*
30. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which such notice has been given may at any time, thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends which shall have been declared on the forfeited Shares and not actually paid before the forfeiture. The Directors may accept the surrender of any Share liable to be forfeited thereunder. *Forfeiture for non-payment*
31. Notwithstanding any such forfeiture as aforesaid the Directors may at any time before the forfeited Share has been otherwise disposed of, annul the forfeiture upon the terms of payments of all calls and interest due upon and expenses incurred in respect of the Share and upon such further terms (if any) as they shall see fit. *Annulment of forfeiture*
32. Subject to the Central Depositories Act and the Rules, a Share so forfeited or surrendered shall become the property of the Company and may be re-sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any other person upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered Share to any such other person as aforesaid. *Shares forfeited belongs to the Company*
33. A person whose Shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture or surrender were payable by him to the Company in respect of the Shares together with interest from the date of forfeiture or surrender on the money for the time being unpaid if the Directors think fit to enforce payment of such interest but his liability shall cease if and when the Company receives payment in full of all such moneys in respect of the Shares. *Liability on forfeiture*
34. A statutory declaration in writing by a Director or Secretary of the Company that *Statutory*

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

- a Share has been duly forfeited in pursuance to these Clauses, and stating the date upon which it was forfeited, shall, as against all persons claiming to be entitled to the Share adversely to the forfeiture thereof be conclusive evidence of the facts therein stated, and such declaration, together with the receipt of the Company for the consideration (if any) given for the Share on the sale or disposition thereof, and a certificate of proprietorship of the Share under the Seal delivered to the person to whom the same is sold or disposed of shall constitute a good title to the Share, and (subject to the execution of any necessary transfer) such person shall be registered as the holder of the Share and shall be discharged from all calls made prior to such sale or disposition, and the Company shall not be bound to see to the application of the purchase money (if any), nor shall the purchaser's title to the Share be affected by any act, omission or irregularity relating to or connected with the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the Share. This Clause on forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue a Share, becomes payable at a fixed time, as if the same had been payable by virtue of call duly made and notified.
- Declaration as conclusive evidence of shares forfeited*
35. When any Share has been forfeited in accordance with these Clauses, notice of the forfeiture shall forthwith be given to the holder of the Share or to the person entitled to the Share by reason of death or bankruptcy as the case may be and an entry of such notice having been given, and of the forfeiture with the date thereof shall forthwith be made in the Record of Depositors opposite to the Share.
- Notice of forfeiture to be given and entered in the Record of Depositors*
36. The forfeiture of a Share shall involve the extinction at the time of forfeiture of all interest in and claims and demands against the Company in respect of the Share and all other rights and liabilities incidental to the Share as between the shareholder whose Share is forfeited and the Company, except only such of those rights and liabilities as are by this Constitution expressly saved or as are by the Act given or imposed in the case of past members.
- Results of forfeiture*
- TRANSFER OF SECURITIES**
37. The transfer of any listed Security or class of listed Security in the Company shall be by way of book entry by Bursa Depository in accordance with the Rules and notwithstanding Sections 105, 106 or 110 of the Act, subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed Securities.
- Transfer of Securities*
38. The instrument of transfer of any share shall be executed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Record of Depositors in respect thereof.
- Transferor's right*
39. The Bursa Depository may refuse to register any transfer of Deposited Security that does not comply with the Central Depositories Act and the Rules. No Securities shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.
40. Subject to the provisions of this Constitution, the Directors may recognise a renunciation of any Share by the Allottee thereof in favour of some other person.

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

41. No share shall in any circumstances be transferred to any infant , bankrupt or person of unsound mind. *Person under disability*

TRANSMISSION OF SECURITIES

42. In the case of the death of a member, the executor(s) or administrator(s) of the deceased shall be the only person(s) recognised by the Company as having any title to his interest in the Shares but nothing herein contained shall release the estate of a deceased member from any liability in respect of any Share which had been held by the deceased member. *Death of member*

43. Where: *Transmission of Securities in the jurisdiction of another stock exchange*
- (a) the Securities of the Company are listed on another stock exchange; and

- (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be under the Rules in respect of such Securities,

the Company shall upon request of a Securities holder, permit a transmission of Securities held by such Securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange, to the register of holder maintained by the Share Registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such Securities.

44. Any person becoming entitled to a Share which is a Deposited Security in consequence of the death or bankruptcy of a member may apply to the Bursa Depository to transfer the Shares into his Securities Account supported by the relevant documents and in accordance with the Central Depositories Act and/or the Rules. The said person shall deliver or send to the Company and the Bursa Depository a written notice signed by him expressing his aforesaid intention provided that notice in writing thereof has been given to the Company. Subject to the Act, the Central Depositories Act and the Rules, a person becoming entitled to Securities by reason of the death or bankruptcy of the holder thereof shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Securities, except that he shall not before being registered as a member in respect of the Share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided further always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Securities and if the notice is not complied with within ninety (90) days, the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Securities until the requirements of the notice have been complied with. *Death of holder of Shares*

CONVERSION OF SHARES INTO STOCKS

45. The Company may by Ordinary Resolution passed at a General Meeting convert all or any of its paid up shares into stock and may from time to time, re-convert any such stock into paid-up shares of any number. When any Shares have been converted into stock, the holders of such stock may transfer their respective *Holders of stocks may transfer their interest*

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

interests therein, or any part of such interests in such manner as the Company at a General Meeting shall direct, but in default of any such direction then in the same manner and subject to the same regulation as and subject to which the Shares from which the stock arose might prior to conversion have been transferred, or as near thereto as circumstances will admit but the Directors may, if they think fit, from time to time fix the minimum amount of stock transferable.

46. The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards dividends, participation in assets on a winding-up, voting at meetings of the Company and other matters as would have been conferred by the Shares from which the stock arose, but so that none of such right, privileges or advantages (except participation in dividends and profits of the Company and in assets on a winding-up) shall be conferred by an amount of the stock which would not, if existing in Shares, have conferred such right, privilege or advantage. *Participation in dividends and profits*
47. All such provisions of this Constitution as are applicable to Shares shall apply to stock and in all such provisions the word “share” shall include “stock” and the word “shareholder” and “member” shall include “stockholder”. *Application of this Constitution*

INCREASE OF CAPITAL

48. The Company may from time to time by Ordinary Resolution increase the share capital by the creation and issue of new Shares, such new capital to be of such amount to be divided into Shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company may direct in the resolution authorising such increase. *Increase of share capital*
49. Except so far as otherwise provided by the conditions of issue, any capital raised by the creation of new Shares shall be considered as part of the original share capital of the Company. All new Shares shall be subject to the provisions herein contained with reference to allotments, the payment of calls and instalments, transfer, transaction, transmission, forfeiture, lien or otherwise and shall also be subject to the Rules. *New capital to be considered as part of the current share capital of the Company*

ALTERATION OF RIGHTS

50. If at any time, the share capital by reason of the issue of preference shares or otherwise is divided into different classes the repayment of such preferred capital or all or any of the rights and privileges attached to each class may be subject to the provisions of the Act be varied, modified, commuted, affected, abrogated or dealt with by a written consent representing not less than seventy-five per centum (75%) of the total voting rights of the preference shareholders or by Special Resolution passed by the holders at least seventy-five per centum (75%) of the total voting rights at a separate General Meeting of the holders of that class and all the provisions hereinafter contained as to General Meetings shall equally apply to every such meeting except that the quorum hereof shall be members holding or representing by proxy at least three-fourths (3/4) of the issued Shares of the class. Provided however that in the event of the necessary majority for such a Special Resolution not having been obtained in the manner aforesaid consent in writing may be secured from members holding at least seventy-five per centum (75%) of the total voting rights and such consent if obtained within two (2) months from the date of the separate general meeting shall have the force and validity of a resolution duly carried by a vote in person or by proxy. *Modification of class rights*

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

51. The right conferred upon the holders of Shares of any class shall not, unless otherwise expressly provided by the terms of issue of further Shares ranking as regards participation in the profits or assets of the Company in some or in all respect *pari passu* therewith. *Ranking of class rights*

ALTERATION OF CAPITAL

52. The Company may alter its share capital in any one or more of the following ways by passing a Ordinary Resolution: *Power to alter capital*

- (a) to consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided Share shall be the same as it was in the case of the Share from which the subdivided Share is derived;
- (b) to convert all or any of its paid-up Shares into stock and may reconvert that stock into paid-up Shares;
- (c) to subdivide its share capital or any part thereof, whatever is in the subdivision, the proportions between the amount paid and the amount, if any, unpaid on each subdivided Share shall be the same as it was in the case of the Shares from which the subdivided Share is derived; or
- (d) to cancel any Shares which at the date of the passing of the resolution which have been forfeited and diminish the amount of its share capital by the amount of the Shares so cancelled.

53. Notwithstanding any other authorisation and consent that may be required by the provisions of the Act, the Company may reduce its share capital by: *Power to reduce capital*

- (a) Special Resolution and confirmation by the Court in accordance with Section 116 of the Act; or
- (b) Special Resolution supported by a solvency statement in accordance with Section 117 of the Act.

54. Subject always to the provisions of this Constitution, the Act and the Listing Requirements, the Company shall be empowered to purchase its own Shares provided that such power shall be exercised if: *Share buy-back and financial assistance*

- (a) the Company is solvent at the date of the purchase and will not become insolvent by incurring the debts involved in the obligation to pay for the Shares so purchased;
- (b) the purchase is made through the stock exchange on which Shares of the Company are quoted and in accordance with the relevant rules of the stock exchange; and
- (c) the purchase is made in good faith and in the interests of the Company.

Where the Company has purchased its own Shares, the Directors may, subject to and in accordance with the Act and the Listing Requirements or any other stock exchange upon which the Company's Shares are listed and any other authority:

- (a) cancel the Shares so purchased; and/or

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

- (b) retain the Shares so purchase in treasury (the “**Treasury Shares**”); and/or
- (c) retain part of the Shares and cancel the remainder of the Shares so purchased.

GENERAL MEETING

- 55. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year, not more than fifteen (15) months shall elapse between the date of one Annual General Meeting and that of the next, but so long as the Company holds its first Annual General Meeting within eighteen (18) months of its incorporation, it need not hold any other Annual General Meeting in the year of its incorporation or in the year following its incorporation. *Annual General Meeting*
- 56. The Directors may call an Extraordinary General Meeting whenever they think fit and shall, on requisition in accordance with the provisions of the Act proceed to convene an Extraordinary General Meeting as required by the provisions of the Act, or if the Company makes default in convening a General Meeting in compliance with a requisition received pursuant to Section 311 of the Act, a General Meeting may be convened by such requisitions in the manner provided in Section 313 of the Act. Any General Meeting convened by requisitions shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors. *Extraordinary General Meeting*
- 57. All General Meetings shall be held at such time, day and place as the Directors shall determine. Every notice of an Annual General Meeting shall specify the meeting as such and every meeting convened for passing a Special Resolution shall state the intention to propose such resolution as a Special Resolution. The Company may convene a meeting of members at more than one venue using any technology or method that enables the members of the Company to participate and to exercise the members’ rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing. The main venue of the meeting shall be in Malaysia and the Chairman shall be present at the main venue of the meeting. *General Meeting*
- 58. (a) The notices convening meetings shall specify the place, day and hour of the meeting and shall be given to all shareholders at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any Special Resolution is to be proposed or where it is an Annual General Meeting. Any notice of meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days’ notice or twenty-one (21) days’ notice in the case where any Special Resolution is proposed or where it is the Annual General Meeting, of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to the each stock exchange upon which the Company is listed. *Notice of meetings*
- (b) Notice of a meeting of members of the Company shall state:

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (Cont'd)

- (i) the place, date and time of the meeting; and
 - (ii) the general nature of the business of the meeting.
- (c) The notice convening a meeting to consider a Special Resolution shall specify the intention to propose the resolution as a Special Resolution and the text of the resolution.
- (d) In every notice calling a meeting there shall appear with reasonable prominence a statement that a member entitled to attend, participate, speak and vote at a meeting of the Company, or at a meeting of any class of members of the Company, is entitled to appoint not more than two (2) proxies to attend and vote instead of him and that a proxy need not be a member of the Company.
- (e) Notice of every General Meeting shall be given in any manner authorised by these Clauses to:
 - (i) every member holding Shares conferring the right to attend and vote at the meeting who, at the time of convening of the meeting shall have paid all calls or other sums presently payable by him in respect of any such Shares;
 - (ii) the auditors of the Company; and
 - (iii) every Director of the Company.
- (f) Subject to the Act, Listing Requirements, laws, rules or regulations, notice of a meeting of members shall be in writing and shall be given to the members either:
 - (i) in hard copy,
 - (ii) in electronic form, or
 - (iii) partly in hard copy and partly in electronic form.
- (g) A notice:
 - (i) given in hard copy shall be sent to any member either personally or by post to the address supplied by the member to the Company for such purpose; or
 - (ii) given in electronic form shall be transmitted to the electronic address provided by the member to the Company for such purpose or by publishing on a website.
- (h) A notice of a meeting of members shall not be validly given by the Company by means of a website unless a notification to that effect is given in accordance with Section 320 of the Act.
- (i) The Company shall notify a member of the publication of the notice on the website and such notifications shall be in writing and shall be given in hard copy or electronic form stating:
 - (i) that it concerns a meeting of members;

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

- (ii) the place, date and time of the meeting; and
- (iii) whether the meeting is an Annual General Meeting.
- (j) The notice shall be made available on the website throughout the period beginning from the date of the notification referred to in Clause 58(g) until the conclusion of the meeting.
59. The Company shall request the Bursa Depository in accordance with the Rules to issue a Record of Depositors to whom notices of General Meetings shall be given by the Company. *Record of Depositors*
60. The Company shall request the Bursa Depository in accordance with the Rules to issue a Record of Depositors as at a latest date which is reasonably practicable which shall in any event be not less than three (3) market days before the General Meeting (hereinafter referred to as the “**General Meeting Record of Depositors**”). *Record of Depositors for General Meeting*
61. Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations, 1996 (where applicable) and notwithstanding any provisions in the Act, a Depositor shall not be regarded as a member entitled to attend any General Meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.
62. The Company shall hold an Annual General Meeting in every calendar year in addition to any other meetings held during that period, to transact the laying of audited financial statements and the reports of the Directors and Auditors, the election of Directors and Auditors, the election of Directors in place of those retiring, the appointment and fixing of the fees and any benefits payable to the Directors and any resolution or other business of which notice is given in accordance with this Act or Constitution. *Business at Annual General Meetings*
63. The accidental omission to give notice of any General Meeting to, or the non-receipt of notice of a General Meeting by, any person entitled to receive such notice shall not invalidate the proceedings at any such General Meeting or any resolution passed thereat. *Omission to give notice*
64. Where by the Act special notice of a resolution is required to be given, the resolution shall not be effective unless notice of the intention to move it had been given to the Company not less than twenty-eight (28) days before the meeting at which it is moved and the Company shall give its members notice of any such resolution at the same time and in the same manner as it gives notice of the meeting or, if that is not practicable shall give them notice thereof in any manner allowed by the Clause 58 not less than fourteen (14) days before the meeting but if after notice of the intention to move such a resolution has been given to the Company, a meeting is called on a date twenty-eight (28) days or less after the notice has been given, the notice although not given to the Company within the time required by this Constitution shall be deemed to be properly given. *Resolution requiring special notice*
65. Subject to Section 323 of the Act, members of the Company may require the Company to circulate the statements with respect to a matter referred to in a proposed resolution to be dealt with at that meeting or other business to be dealt with at that meeting or to give notice of a resolution which may be properly moved and is intended to move at that meeting to the members of the Company entitled to receive notice of Company’s meeting of members. *Circulation of statements*

PROCEEDINGS AT GENERAL MEETINGS

66. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, two (2) members present in person or by proxy shall be a quorum. For the purposes of this Constitution "member" includes a person attending as a proxy or representing a corporation which is a member in respect of a Deposited Security, the Company shall request the Bursa Depository in accordance with the Rules, to prepare the General Meeting Record of Depositors. *Quorum*
- For the purposes constituting a quorum:
- (a) one (1) or more representatives appointed by a corporation shall be counted as one (1) member; or
 - (b) one (1) or more proxies appointed by a person shall be counted as one (1) member.
67. If within half an hour from the time appointed for the General Meeting, a quorum is not present, the General Meeting, if convened upon the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week (or if that day be a public holiday then to the next business day following that public holiday) at the same time and place, or to such other day and at such other time and place as the Director may determine and if a quorum is not present within half an hour at an adjourned General Meeting, the General Meeting shall be dissolved. *Adjournment*
68. The Chairman of the Board (if any), shall preside as Chairman at every General Meeting. If the Company has no Chairman or if at any General Meeting, the Chairman is not present within fifteen (15) minutes after the time appointed for holding the General Meeting or if the Chairman of the Board is unwilling to act as Chairman, the Directors present shall choose one (1) of their number to act as Chairman or if one (1) Director only is present he shall preside as Chairman if he is willing to act. If no Director is present or if each of the Directors present declines to preside as Chairman, the members present and entitled to vote shall elect one (1) of their number to be Chairman of the General Meeting. The election of the Chairman shall be by way of a show of hands. *Chairman of General Meetings*
69. The Chairman of a General Meeting may with the consent of the General Meeting at which a quorum is present (and shall if so directed by the General Meeting) adjourn the General Meeting from time to time and from place to place but no business shall be transacted at any adjourned General Meeting other than business left unfinished at the General Meeting from which the adjournment took place. When a General Meeting is adjourned for thirty (30) days or more, notice of the adjourned General Meeting shall be given as in the case of an original General Meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned General Meeting. *Adjournment with consent of General Meeting*
70. Without prejudice to any other power which the Chairman may have under the provisions of this Constitution or at common law and subject to the Act and the Listing Requirements, the Chairman shall have full discretion on the general conduct of meeting, procedures to be adopted at the meeting to ensure properly and orderly conduct of the business of all General Meetings and the Chairman's *Chairman to promote orderly conduct of the business of all General Meetings*

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

decision on matters of procedure or arising accidentally from the business of such meetings shall be final, as shall be his determination as to whether any matter is of such a nature. The Chairman may also at his discretion and in accordance with applicable laws, decide whether to admit new business at a meeting of shareholders.

71. Subject to the Listing Requirements, any resolution set out in the notice of any General Meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any General Meeting shall be voted by poll. *Voting by poll*
Notwithstanding the above, poll may be demanded in writing:

- (a) by the Chairman of the meeting;
- (b) by at least three (3) members present in person or by proxy or by attorney or in the case of a corporation by a representative;
- (c) by any member or members present in person or by proxy or by attorney or in the case of a corporation by a representative and representing not less than ten per centum (10%) of the total voting rights of all members having the right to vote at the General Meeting, excluding any voting rights attached to Shares in the Company held as Treasury Shares; or
- (d) by a member or members present in person or by proxy or by attorney or in the case of a corporation by a representative holding Shares in the Company conferring a right to vote at the General Meeting being Shares in which an aggregate sum has been paid-up equal to not less than ten per centum (10%) of the total sum paid up on all the Shares conferring that right, excluding any voting rights attached to Shares in the Company held as Treasury Shares.

Unless a poll be so demanded, a declaration by the Chairman of the meeting that a resolution has been carried, or lost, or has not been carried by a particular majority, shall be conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

72. (a) A poll shall be taken in such manner as the Chairman of the meeting may direct and at least one (1) scrutineer must be appointed to validate the votes cast at the General Meeting. The appointed scrutineer must not be an officer of the Company or its related corporation, and must be independent of the person undertaking the polling process. If such scrutineer is interested in a resolution to be passed at the general meeting, the scrutineer must refrain from acting as the scrutineer for that resolution. The Chairman of the meeting may fix a place and time for declaring the results of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. *How a poll is to be taken*
- (b) The poll may be conducted manually using voting slips or electronically using various forms or electronic devices. Such votes shall be counted by the poll administrator, and verified by the scrutineer, as may be appointed by the Chairman of the meeting for the purpose of determining the outcome of the resolution(s) to be decided on poll.
 - (c) Subject to Clause 71, a poll demanded on any resolution shall be taken either forthwith or at such time and place as the Chairman of the meeting directs not being more than thirty (30) days from the date of the

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

meeting or adjourned meeting at which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

(d) Subject to Clause 71, the demand for a poll shall not prevent the continuance of a meeting for the transaction of any business, other than the question for which a poll has been demanded. The Chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may in addition to the powers of adjourning meetings contained in Clause 69, adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll.

(e) Subject to these Clauses and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and Clause 58(a), a holder of ordinary shares or preference shares who is personally present or proxy or member's representative or attorney shall be entitled to one (1) vote on a show of hands and upon a poll every such member shall have one (1) vote for every share held by him.

73. The instrument appointing a proxy to vote at a General Meeting shall be deemed also to confer authority to demand or join in demanding poll and a demand by a person as proxy for a member shall be the same as a demand by the member. A proxy shall be entitled to vote on a show of hands on any questions at any General Meeting. *Proxy may demand for poll*
74. If any votes shall have been counted which ought not to have been counted or might have been rejected such error shall not vitiate the result of the voting unless it be pointed out at the same meeting or at any meeting or any adjournment thereof and unless in the opinion of the Chairman at the meeting or any adjournment thereof as the case may be, it shall be of sufficient importance to vitiate the results of the voting. *Votes at poll*
75. Subject to Clause 71, a poll demanded on any question shall be taken either at once or at such time and place as the Chairman directs being not more than thirty (30) days from the date of the General Meeting or adjourned General Meeting at which the poll was demanded. *Poll at time, place as Chairman directs*
76. The demand for poll may be withdrawn and notice must be given of a poll not taken immediately. *Withdrawal of poll*
77. In the case of an equality, if votes whether on a show of hands or a poll the Chairman of the General Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote. *Chairman to have casting vote*
78. Subject to any rights or restrictions for the time being attached to any classes of shares at meetings of members or classes of members, each member entitled to vote may vote in person or by proxy or by attorney or by duly authorised representative and on a show of hands every person who is a member or proxy or attorney or representative of a member shall have one vote, and on a poll every member present in person or by proxy or attorney or representative shall have one vote for each share he holds.
79. A member may appoint not more than two (2) proxies to attend at a General

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

Meeting and the proxy shall be entitled to vote on a show of hands or poll on any question at any General Meeting. A proxy or attorney need not be a member. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting shall have the same rights as the member to speak at the meeting. Where a member appoints more than one (1) proxy, he shall specify the proportions of his holdings to be represented by each proxy, failing which the appointment shall be invalid.

80. A member who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, whether on a show of hands or on a poll, by his committee or by such other person who properly has the management of his estate, and any such committee or other person may vote by proxy or attorney and any person entitled under these Clauses to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares provided that forty-eight (48) hours at least before the time of holding the General Meeting or adjourned General Meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to transfer such Shares unless the Directors shall have previously admitted his right to vote at such General Meeting in respect thereof. *Vote of member of unsound mind*
81. No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting, shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the General Meeting whose decision shall be final and conclusive. *Objection to qualification of voter*
82. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint one (1) proxy for each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
83. (a) 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. Where an Authorised Nominee or an Exempt Authorised Nominee appoints proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (b) The legal representative of a deceased member or the person entitled to any Share in consequence of the death or bankruptcy of any member may vote at any General Meeting in respect thereof in the same manner as if he was the holder of such Shares provided that forty-eight (48) hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to any Share in consequence of the death or bankruptcy of any member unless the Directors shall have previously admitted his right to vote in respect thereof. *Legal representative of deceased Member may vote*

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (Cont’d)

- (c) Subject to Clauses 59, 60 and 61 above, a member of the Company shall be entitled to be present and to vote at any General Meeting in respect of any Shares upon which all calls due to the Company have been paid. No person shall be entitled to be present or to vote on any resolution either as a member or otherwise as a proxy, or attorney, or representative at any General Meeting or demand a poll or be reckoned in the quorum in respect of any Shares upon which calls are due and unpaid. *No member to vote unless calls paid*
84. On a poll, votes may be given either personally or by proxy or attorney or a member entitled to more than one (1) vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. *On poll, votes may be by proxy*
85. Where it is desired to afford members an opportunity of voting for or against a resolution, the instrument appointing a proxy shall be in the following form or a form near thereto as circumstances admit or in such other form as the Directors may approve of or in any particular case may accept: *Proxy form*

DSR TAIKO BERHAD

I/We,----- NRIC No./Company No. -----of ----- and telephone no./ email address ----- being a member/ members of DSR TAIKO BERHAD [Registration No. 202101001462 (1401760-W) (the "Company"), hereby appoint -----NRIC No.----- of ----- or failing him/her, -----NRIC No.----- of ----- or failing him/her, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the [Annual or Extraordinary, as the case may be] General Meeting of the Company, to be held at ----- on ----- or at any adjournment thereof. I/We indicate with an "x" in the spaces below how I/we wish my/our vote to be cast.

Agenda	For	Against

Subject to the above stated voting instructions, my/our proxy may vote or abstain from voting on any resolutions as *he/*she/*they may think fit.

The proportion of my/our shareholdings to be represented by my/our proxies are as follows:

First Proxy	%
Second Proxy	%
	100%

If appointment of proxy is under hand	No of shares held:.....
Signed by *individual member/*officer or attorney of member/*authorised nominee of (beneficial owner)	Securities Account No: (CDS Account No.) (Compulsory)

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (Cont'd)

	Date :
<p>If appointment of proxy is under seal</p> <p>The Common Seal ofwas hereto affixed in accordance with its Constitution in the presence of:</p> <p>.....</p> <p>Director Director/Secretary</p> <p>in its capacity as *member/*attorney of member/ *authorised nominee of</p> <p>(beneficial owner)</p>	<p>Seal</p> <p>No of shares held :.....</p> <p>Securities Account No:</p> <p>(CDS Account No.) (Compulsory)</p> <p>Date :</p>

Signed this day of , 20__

*Strike out whichever is not desired.

[Unless otherwise instructed, the proxy may vote as he thinks fit.]

86. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarial certified copy of that power or authority shall be deposited at the Office or at such other place as is specified for that purpose in the notice convening the General Meeting, not less than forty-eight (48) hours before the time for holding the General Meeting or adjourned General Meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of poll, and in default the instrument of proxy shall not be treated as valid. The Company may specify a fax number and may specify an electronic address in the notice of meeting, for the purpose of proxy appointments subject to the rules, regulations and laws at that time specified therein. A member of the Company is permitted to give the Company notice of termination of a person's authority to act as proxy not less than twenty-four (24) hours before the time appointed for holding the meeting. The notice of termination must be in writing and be deposited at the Office or at such other place within Malaysia. *Instrument appointing proxy to be left at the Office*
87. (a) Subject to the Act and the Listing Requirements, the Directors or any agent of the Company so authorised by the Directors, may accept the appointment of proxy received by electronic communication on such terms and subject to such conditions as they consider fit. The appointment of proxy by electronic communication shall be in accordance with this Clause. *Appointment of proxy via electronic communication*
- (b) For the purposes of this Clause, the Director may require such reasonable evidence they consider necessary to determine:

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

- (i) the identity of the member and the proxy; and
 - (ii) where the proxy is appointed by a person acting on behalf of the member, the authority of that person to make the appointment.
 - (c) Without prejudice to this Clause, the appointment of proxy by electronic communication must be received at the electronic address specified by the Company in any of the following sources and shall be subject to any terms, conditions or limitation specified therein:
 - (i) Notice calling the meeting;
 - (ii) Instrument of proxy sent out by the Company in relation to the meeting; or
 - (iii) Website maintained by or on behalf of the Company.
 - (d) An appointment of proxy by electronic communication must be received at the electronic address specified by the Company pursuant to Clause 87(c) not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person name in the form of appointment of proxy proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
 - (e) An appointment of proxy by electronic communication which is not made in accordance with this Clause shall be invalid.
88. Every power, right or privilege of any member to convene, attend, vote and in any way take part in any meeting of the Company, may be exercised in the event such member being out of Malaysia by any attorney, whether a member or not, duly appointed by such member for the purpose, by a power of attorney produced at the Office during business hours not less than two (2) Market Days before the same is acted on. Any vote given or things done by such attorney shall be valid notwithstanding the previous death or unsoundness of mind of the member giving such power of attorney or revocation of such power of attorney by other means provided no intimation in writing of such death or unsoundness of mind or revocation shall have been received at the Office before such vote is given or thing done.
89. A vote given in accordance with the term of an instrument of proxy or attorney shall be valid, notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument or of the authority under which the instrument was executed, or the transfer of the Share in respect of which the instrument is given, if no intimation in writing of such death, unsoundness of mind, revocation or transfer as aforesaid has been received by the Company at the Office before the commencement of the General Meeting or adjourned General Meeting or in the case of a poll before the time appointed for the taking of the poll, at which the instrument of proxy is used.
- Validity of vote
given under
proxy*

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

90. A corporation may by resolution of its Directors or other governing body, if it is a member of the Company, authorise such person as it thinks fit to act as its representative either at a particular General Meeting or at all General Meetings of the Company or of any class of members, and a person so authorised shall in accordance with his authority and until his authority is revoked by the corporation be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual member of the Company. *Corporate representative*

If the corporation authorise more than one (1) person as its representative, every one of the representatives is entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if every one of the representatives is an individual member of the Company.

If the corporation authorise more than one (1) person and more than one of the representatives purport to exercise the power on the above:

- (a) where the representatives purport to exercise the power in the same way, the power is treated as exercised in that way; or
- (b) where the representatives do not purport to exercise the power in the same way, the power is treated as not exercised.

DIRECTORS

91. All the Directors of the Company shall be natural persons. Unless otherwise determined by the Company in General Meeting and subject to the Listing Requirements, the number of Directors shall not be less than two (2) and not more than fifteen (15). *Board Composition*
92. Subject to any applicable laws or regulations, at least two (2) Directors or one-third (1/3) or if the number of Directors is not three (3) or a multiple of three (3), then such number nearest to one-third (1/3) of the Board, whichever is higher, shall comprise Independent Directors as defined by the Listing Requirements from time to time. *Composition of Independent Directors*
93. No person, not being a retiring Director, shall be eligible for election to the office of Director at any General Meeting unless a member intending to propose him for election has, at least eleven (11) clear days before the General Meeting, left at the Office, a notice in writing, including notice given in electronic form, duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such member to propose him for election, provided that in the case of a person recommended by the Directors, for election, nine (9) clear days' notice only shall be necessary, and notice of each and every candidature for election to the Board of Directors shall be served on the registered holders of Shares at least seven (7) clear days prior to the meeting at which the election is to take place. *Election of Director at General Meeting*
94. At the first Annual General Meeting of the Company, all the Directors shall retire from office, and at the Annual General Meeting in every subsequent year an election of Directors shall take place and one-third (1/3) of the Directors for the time being, or, if their number is not three (3), or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election PROVIDED ALWAYS that all Directors including a Managing Director shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the General Meeting at which he retires. *Retirement of Directors*

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

95. An election of Directors shall take place every year and a retiring Director shall be eligible for re-election. *Re-election*
96. The Directors to retire in each year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. *Selection of Directors to retire*
97. The Company at the Annual General Meeting at which a Director so retires may fill the vacated office by electing a person thereto. Unless at the Annual General Meeting it is expressly resolved not to fill the vacated office or a resolution for the re-election of the Director retiring at that Annual General Meeting is put to the Annual General Meeting and lost or some other person is elected a Director in place of the retiring Director, the retiring Director shall, if offering himself for re-election and not being disqualified under the Act from holding office as a Director, be deemed to have been re-elected. *Retiring Director deemed to be re-elected*
98. At any General Meeting at which more than one (1) Director is to be elected, each candidate shall be the subject of a separate motion and vote unless a motion for the appointment of two (2) or more persons as Directors by a single resolution shall have first been agreed to by the General Meeting without any vote being given against it. *Procedure for voting re-election*
99. The Company may from time to time by Ordinary Resolution passed at a General Meeting increase or reduce the number of Directors, and may also determine in what rotation the increased or reduced number is to retire from office. *Increase or reduce number of Directors*
100. The Directors shall have power at any time, and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with Clause 91. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that Meeting. *Power to add Directors*
101. The Company may by Ordinary Resolution of which special notice is given to all members entitled to receive notices, remove any Director before the expiration of his period of office, and may if thought fit, by Ordinary Resolution appoint another Director in his stead. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company. The person so appointed shall hold office so long as the Director in whose place he is appointed would have the same if he had not been removed. *Removal of Directors*
102. Subject to the Listing Requirements and the Act, the shareholding qualification for Directors may be fixed by the Company in General Meeting and until so fixed no shareholding qualification for the Directors shall be required. All Directors shall be entitled to receive notice of and to attend all General Meetings of the Company. *Directors not required to hold Shares*

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (Cont'd)

103. Unless otherwise provided by or subject to any applicable laws or the Listing Requirements, a Director shall have the right to the resources, whenever necessary and reasonable for the performance of his duties, at the cost of the Company and in accordance with a procedure to be determined by the Board, including but not limited to:

Rights of Directors

- (a) obtaining full and unrestricted access to any information pertaining to the Company;
- (b) obtaining full and unrestricted access to the advice and services of the Secretary; and
- (c) obtaining independent professional or other advice.

ALTERNATE DIRECTOR

104. (a) A Director may from time to time nominate any person to act as his Alternate Director and at his discretion remove such Alternate Director, provided that:

Appointment of Alternate Director

- (i) such person is not a Director of the Company;
 - (ii) such person does not act as an alternate for more than one Director of the Company;
 - (iii) the appointment is approved by a majority of his co-Directors; and
 - (iv) any fee paid by the Company to the alternate shall be deducted from that Director's remuneration.
- (b) If any Director retires by rotation and is re-elected by the meeting or is pursuant to these Clauses, deemed to be re-elected at the meeting at which such retirement took effect, any appointment made by him of an Alternate Director which was in force immediately prior to the appointor's retirement shall continue to operate after such re-election as if the appointor had not so retired.
- (c) An Alternate Director shall not be entitled to receive remuneration otherwise than out of the remuneration of the Director who appointed him.
- (d) Subject to the provisions of the Listing Requirements, an Alternate Director shall not be appointed as a member of the Audit Committee of the Company.

REMUNERATION OF DIRECTORS

105. The Directors shall be paid by way of remuneration for their services, such fees and any other benefits payable to such Directors (if any) be subject to annual shareholders' approval at General Meeting and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine, PROVIDED ALWAYS that:

Directors' remuneration

- (a) save as provided in Clause 105(a) hereof, an Executive Director shall,

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

subject to the terms and any agreement (if any) entered into any particular case, receive such remuneration (whether by way of salary, commission or participation in profits or partly in one way and partly in another) as the Directors may determine. All remuneration, other than the fees provided for in Clause 105(a) hereof, payable to the Non-Executive Directors shall be determined by a resolution of the Company in General Meeting;

- (b) fees payable to Non-Executive Directors shall be a fixed sum, and not by a commission on or percentage of profits or turnover;
 - (c) salaries payable to Executive Directors may not include a commission on or percentage of turnover; and
 - (d) fees payable to Directors shall not be increased except pursuant to resolution passed at a General Meeting, where notice of the proposed increase has been given in the notice convening the meeting.
106. The Directors shall be paid all their travelling and other expenses properly and necessary expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board of Directors' Meeting or General Meeting of the Company. *Reimbursement of expenses*
107. If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Company in General Meeting and such remuneration may be either in addition to or in substitution for his or their Share in the remuneration from time to time provided for the Directors. Extra remuneration payable to Non-Executive Director(s) shall not include a commission or percentage of turnover or profits.

DISQUALIFICATION OF DIRECTORS

108. The office of a Director shall become vacant if the Director:
- (a) is an undischarged bankrupt;
 - (b) has been convicted of an offence relating to the promotion, formation or management of corporation;
 - (c) has been convicted of an offence involving bribery, fraud or dishonesty;
 - (d) becomes disqualified from being a Director by reason of any order made under the Act or has been convicted of an offence under Sections 213, 217, 218, 228 and 539 of the Act;
 - (e) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001 relating to mental disorder during his term of office;
 - (f) dies;
 - (g) is absent from more than fifty per centum (50%) of the total Board meetings held during a financial year unless an exemption or waiver is obtained from the Exchange;
 - (h) resigns from his office by notice in writing to the Company and

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (Cont'd)

deposited at the Office of the Company;

- (i) is removed from his office of Director by resolution of the Company in General Meeting of which special notice has been given;
- (j) has retired in accordance with the Act or the Constitution of the Company but is not re-elected; and
- (k) otherwise vacate his office in accordance with the Act, or the Constitution of the Company.

The circumstances referred to in (a), (b) and (c) above shall be applicable to circumstances in or outside Malaysia.

POWER AND DUTIES OF DIRECTOR

109. The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not by the Act or by this Constitution required to be exercised by the Company in general meeting, subject nevertheless to any of this Constitution and the provisions of the Act, and to such regulations not being inconsistent with this Constitution or the provisions of the Act as may be prescribed by the Company in general meeting, but no regulations so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Clause shall not be limited or restricted by any special authority or power given to the Directors by any other Constitution. Any sale or disposal by the Directors of a substantial portion of the Company's main undertaking or property shall be subject to the prior approval of shareholders in general meeting. *General powers of Company vested in Directors and exception*
110. Any sale or disposal by the Directors of a substantial portion of the Company's main undertaking or property shall be subject to approval by members in a General Meeting in accordance with the Listing Requirements. *Sale/disposal of assets by Directors*
111. The Directors shall not without the prior approval of the Company in a General Meeting: *Powers of Directors*
- (a) carry into effect any proposal or execute any transaction for the acquisition of an undertaking or property of substantial value, or the disposal of a substantial portion of or controlling interest in the Company's undertaking or property;
 - (b) exercise any power of the Company to issue Shares unless otherwise permitted under the provisions of the Act;
 - (c) subject to Section 228 of the Act, enter into any arrangement or transaction with a Director of the Company or its holding Company, or its subsidiary, or with a person connected with such a Director to acquire from or dispose to such a Director or person any shares or non-cash assets of the requisite value; and
 - (d) issue warrants on such terms and subject to such conditions which may be resolved upon the Directors which confers right to registered holders of warrants to subscribe equity of the Company.
112. The Director may exercise all the powers of the Company to borrow and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other Securities whether outright or as *Directors' borrowing power and issue*

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (Cont'd)

- security for any debt, liability or obligation of any person or persons or of any company, whether or not having objects or engaged or intending to engage in business similar to those of the Company, including (without limitation) any company which is for the time being associated or allied with the Company in business or which is the holding company or a subsidiary (as defined in Section 4 of the Act) or an associated company. *debentures*
113. The Directors may borrow or raise any such money as aforesaid upon or by the issue or sale of any bonds, debentures, debenture stock or securities, and upon such terms as to time of repayment, rate of interest, price of issue or sale, payment of bonus upon redemption or repayment or otherwise as they may think proper. The Company may in General Meeting grant a right for the holders of bonds, debentures, debenture stock or securities to exchange the same for Shares in the Company or any class authorised to be issued.
114. The Director shall cause a proper register to be kept in accordance with Section 362 of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirement of Section 352 of the Act in regard to the registration of mortgages and charges therein specified and otherwise.
115. The Directors may establish or arrange any contributory or non-contributory pension superannuation scheme for the benefit of, or pay a gratuity, pension or emolument to any person who is or has been employed by or in the service of the Company or any subsidiary of the Company, or to any person who is or has been a Director or other officer of and holds or has held salaried employment in the Company or any such subsidiary, and to widow, family or dependents of any such person. The Directors may also provide support to any institutions, association, clubs, funds or trusts which they consider to be for the benefit of the Company or any such subsidiary or any such persons as aforesaid or any Director holding such salaried employment shall be entitled to retain any benefit received by him hereunder subject only, where the provisions of the Act requires, to proper disclosure to the members and the approval of the Company in a General Meeting. *Power to maintain Pension or Fund*
116. The Directors may exercise all the powers of the Company conferred by the Act in relation to any official seal for the use outside Malaysia and in relation to branch registers. *Power to use Official Seal*
117. The Directors may from time to time by power of attorney, whether under the Seal or not, appoint any corporation, firm or person or body of persons, whether nominated directly or indirectly by the Directors to be the attorney/attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Clauses) and for such person and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretion vested in him. *Appointment of Attorneys*
118. All cheques, promissory notes, draft, bills of exchange and other negotiable instruments and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors from time to time by resolution determine. *Signing of cheques etc.*
119. Subject to the Act, the Company's documents shall be executed, as the case

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (Cont'd)

may be, in such manner and by such person as the Directors shall from time to time determine.

120. A Director shall at all times act honestly and use reasonable diligence in the discharge of the duties of his office and shall not make use of any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company. *Directors to act honestly*
121. Every Director shall give notice to the Company of such events and matters relating to him as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Act. *Directors to give notice*
122. Subject always to the Act and requirements of the Exchange, a Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company with regard to his tenure of any such other office or place of profit in any other respect nor shall any such contract, or any contract or arrangement entered into by or on behalf of any Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established PROVIDED ALWAYS that Sections 221 and 228 and all relevant provisions of the Act and these Clauses are complied with. *Director may hold other office of profit*
123. Unless prohibited by the rules and/or requirements of the Exchange, any Director may act by himself or by his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as Auditor of the Company and provided further that such professional services shall be provided at normal commercial terms. *Director may act in his professional capacity*

PROCEEDINGS OF DIRECTORS

124. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Any Director may at any time and the Secretary shall on the requisition of a Director summon a meeting of the Directors by giving them not less than seven (7) days' notice thereof unless such requirements is waived by them. *Meeting of Directors*
125. Unless otherwise determined by the Directors from time to time, notice of all Directors' meetings shall be given and circulated to all Directors and their alternates by facsimile, electronic mail or other communication modes / equipment. Except in the case of an emergency, reasonable notice of every Directors' meeting shall be given in writing. The majority of the Board may waive notice of any meeting and such waiver may be retroactive. *Notice of Directors' Meeting*
126. The quorum necessary for the transaction of the business of the Directors, shall be three (3) and a meeting of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions by or under these Clauses vested in or exercisable by the Directors generally. *Quorum of Meeting of Directors*
127. Any Director may participate at a meeting of Directors by way of telephone and *Participation at*

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (Cont'd)

- video conferencing or by means of other communication equipment whereby all persons participating in the meeting are able to hear each other and be heard for the entire duration of the meeting in which event such Director shall be deemed to be physically present at the meeting. A Director participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum of at the meeting. Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the Directors attending the meeting provided that at least one (1) of the Directors present at the meeting was at such place for the duration of that meeting. All information and documents must be made equally available to all participants prior to or at/during the meeting. *Directors' meetings by way of telephone and video conferencing*
128. The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office and unless otherwise determined, the Chairman shall be elected or if at any meeting the Chairman is not present within fifteen (15) minutes after the time appointment for holding the meeting, the Directors present may choose one of their number to be Chairman of the meeting. *Chairman of Directors*
129. Subject to these Clauses any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote except where the quorum is made up of only two (2) Directors or where only two (2) Directors are competent to vote on the question at issue. *Chairman to have casting vote*
130. The remaining Director or Directors may continue to act notwithstanding any vacancy in their body, but if and so long as their number is reduced to below the minimum number fixed by or pursuant to these Clauses as the necessary quorum of Directors, the remaining Directors or Director except in an emergency, may act only for the purpose of increasing the number of Directors to that minimum number or of summoning a General Meeting of the Company, but for no other purpose. *Number of Directors below minimum*
131. Every Director shall comply with the provisions of Sections 221 and 219 of the Act in connection with the disclosure of his shareholding and interest in any contract or proposed contract with the Company and in connection with the disclosure of the fact and nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interest might be created in conflict with his duty or interest as a Director of the Company. *Disclosure of interest in contracts, property, offices, etc.*
132. A Director notwithstanding his interest may, provided that none of the other Directors present disagree, be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company whereat the terms of such appointment as hereinafter mentioned are considered or where any decision is taken upon any contract or arrangement which he is in any way interested PROVIDED ALWAYS that he has complied with Section 221 and all other relevant provisions of the Act, the Listing Requirements and of this Constitution. *Director notwithstanding his interest may be counted in quorum*
133. A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest. Without prejudice to the generality of the foregoing, a Director shall also not vote in regard to any contract or proposed contract or arrangement with any other *Restriction on voting*

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (Cont'd)

company in which he is interested either as an officer of that other company or as a holder of shares or other securities in that other company.

134. Subject to Clause 133, a Director may vote in respect of:
- (a) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by a deposit of security.
- Director may vote on the giving of security or indemnity where he is interested*

By Ordinary Resolution of the Company, the provisions of this Clause may at any time be suspended or relaxed to any extent and either generally or in respect of any particular contract, arrangement or transaction, and any particular contract, arrangement or transaction carried out in contravention of this Clause may be ratified.

135. A Director of the Company may be or become a director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as a shareholder or otherwise or any corporation which is directly and indirectly interested in the Company as shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefit received by him as a director or officer of, or from his interest in, such corporation unless the Company otherwise directs at the time of his appointment. The Directors may exercise the voting power conferred by the shares or other interest in any such other corporation, in such manner and in all aspects as they may think fit (including the exercise thereof in any favour of any resolution appointing themselves or any of the Directors or other officers of such corporation), and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be or is about to be appointed a director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in the manner aforesaid.

136. All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.
- Defect in appointment of any Directors shall not nullify Meeting*

137. The Directors may establish any committees, local boards or agencies comprising one (1) or more persons for managing any of the affairs of the Company, either in Malaysia or elsewhere, and may lay down, vary or annul such rules and regulations as they may think fit for the conduct of the business thereof, and may appoint any person or persons to be the member or members of any such committee or local board or agency any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the member or members of any such committee or local board or agency or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment of delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person or persons dealing in good faith and without
- Directors may establish committees etc.*

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (Cont'd)

notice of any such annulment or variation shall be affected thereby. Where two (2) persons form a quorum, the Chairman of a meeting of any such committee of local board or agency at which only such a quorum is present, or at which only two (2) persons are competent to vote in the question at issue, shall not have a casting vote.

138. Subject to any rules and regulations made pursuant to Clause 137, a committee may meet and adjourn as it thinks proper and questions arising at any meeting shall be determined by a majority of votes of the members present (if more than one (1) and in the case of an equality of votes, the Chairman shall have a second casting vote). *Meeting of Committees*
139. A committee may elect a Chairman of its meetings; if no such Chairman is elected, or if at any meeting, the Chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, the members present may choose one (1) of their number to be Chairman of the meeting. *Chairman of Committees*
140. A resolution in writing signed or approved or assented by letter, facsimile or electronic mail by majority of the Directors, and who are sufficient to form a quorum shall be as valid and effectual as if it has been passed at a meeting of the Directors duly called and constituted, provided that where a Director is not so present but has an alternate who is so present, then such resolutions shall be signed by such alternate. Any such resolutions may consist of several documents in the like form (prepared and circulated by facsimile or electronic mail or other communication modes / equipment), each signed by one (1) or more of the Directors or their alternates. An approval by letter or other written means of a proposed resolution in writing (which has been prepared and circulated as aforesaid) signed by a Director and sent by him by facsimile, electronic mail or other communication modes shall be deemed to be a document signed by him for the purposes of the foregoing provisions. Any such document may be accepted as sufficiently signed by a Director or his alternate if transmitted to the Company by any technology purporting to include a signature and/or electronic or digital signature of the Director or his alternate. *Circular resolutions*

AUTHENTICATION OF DOCUMENTS

141. Any Director or Secretary or person appointed by the Directors for the purpose, shall have the power to authenticate any documents affecting the Constitution of the Company and any resolution passed by the Company or the Directors, and any books, records, documents and accounts relating to the business of the Company, and to certify, copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are kept elsewhere other than in the Office, the local manager or other officer of the Company having custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. *Authentication of documents*
142. A document purporting to be a copy of a resolution of the Directors or an extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of Clause 141 shall be considered conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors. *Certified copies of resolution of Directors*

MINUTES AND REGISTER

143. The Directors shall cause minutes to be duly entered in books provided for the purpose: *Minutes*
- (a) of all appointments of officers;
 - (b) of the names of all the Directors present at each meeting of the Directors and any Committee of Directors and of the Company in General Meetings;
 - (c) of all resolutions and proceedings of General Meetings and of meetings of the Directors and Committees of Directors; and
 - (d) of all orders made by the Directors and any Committee of Directors.

Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.

144. The books containing the minutes of proceedings at any general meeting shall be kept by the Company at the Office or such other place provided notice has been given to the Registrar of the Company, and shall be open to inspection of any member without charge. *Minute books in the registered office*
145. The Company shall in accordance with the provisions of Section 57 of the Act, keep at the Office or such other place provided that notice has been given to the Registrar of the Company, a register containing such particulars with respect to the Directors, managers and secretaries of the Company as are required by and shall from time to time notify the Registrar of Companies of any change in such register and of the date of such change in the manner prescribed by that section. *Register of Directors, Managers and Secretaries*
146. The Company shall also keep at the Office or such other place provided notice has been given to the Registrar of Company, a register which shall be open to inspection of any member without charge, and to any other person on payment of such prescribed fee as may be determined by the Company, all such matters required to be so registered under the Act, and in particular:
- (a) a register of substantial shareholders and of information received in pursuance of the requirements under Sections 144 and 56(4) of the Act;
 - (b) a register of the particulars of each of the Directors' shareholdings and interests as required under Section 59 of the Act; and
 - (c) a register of mortgages and charges as required under Section 362 of the Act.

MANAGING DIRECTOR

147. A Managing Director shall be subjected to retirement by rotation or be taken into account in determining the rotation or retirement of Director, but his appointment shall be automatically determined if he ceases from any cause to *Appointment of Managing Director*

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be Director. Where the Managing Director is appointed for a fixed term, the term shall not exceed three (3) years.

148. A Managing Director or a person performing the functions of a Managing Director, by whatever name called, shall be subject to the control of the Board. *Control*
149. The remuneration of the Managing Director shall, subject to the terms of any agreement entered into in any particular case, be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement. *Remuneration*
150. The Managing Director shall be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director from any cause, they shall ipso facto and immediately cease to be a Managing Director. *Resignation and removal*

SECRETARY

151. The Secretary shall, in accordance with the Act, be appointed by the Directors for such term, at such remuneration, and upon such conditions as the Directors think fit and any Secretary so appointed may be removed by them but without prejudice to any claim he or they may have for damages for breach of any contract of service with the Company. The Directors may from time to time by resolution appoint a temporary substitute for the Secretary who shall be deemed to be Secretary during the term of his appointment. The first Secretaries shall be Lee Chin Wen (f) (MAICSA 7061168) (SSM PC No. 202008001901) and Wong Youn Kim (f) (MAICSA 7018778) (SSM PC No. 20190321000072). *The Secretary*

SEAL

152. The Directors shall provide for the safe custody of the Seal which shall only be used pursuant to a resolution of the Directors, or a committee of the Directors authorised to use the Seal. The Directors may from time to time (subject to the provisions of Clauses 18 and 19 in relation to share and debenture stock certificates and debentures) make such regulations as they think fit in determining the persons and the number of such persons in whose presence the Seal shall be affixed and, until otherwise so determined, every instrument to which the Seal shall be affixed shall (subject to Clauses 18 and 19) be signed by a Director and either by the Secretary or by a second Director or by some other person appointed by the Directors for the purposes PROVIDED ALWAYS that no person dealing with the Company shall be concerned to see or enquire as to whether any regulations so made have been complied with. *The custody and affixing of the Seal*
153. The Company may have a duplicate Seal as referred to in Section 63 of the Act which shall be an exact copy of the Seal with the addition on its face of the words "Share Seal". The Share Seal when duly affixed to a document has the same effect as the Company's Seal. The person affixing the Share Seal shall certify in writing on the deed or other document to which the seal is affixed and the date and place it is affixed. *The Share Seal*

ACCOUNTS

154. The Directors shall cause proper accounting and other records to be kept and shall distribute copies of balance sheets and other documents as required by *Books of account open to*

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the Act and shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounting and other records of the Company or any of them shall be open to the inspection of members not being Directors and no members (not being a Director) shall have any right of inspecting any account or book or paper of the Company except as conferred by statute or authorised by the Directors of the Company in General Meeting. Subject always to Section 47 of the Act, the books of accounts or records or operations shall be kept at the Office of the Company or at such other place as the Directors think fit and shall always be opened to inspection by the Directors.

*inspection by
Directors*

155. The Directors shall from time to time in accordance with Section 248 of the Act cause to be prepared and laid before the Company in General Meeting, such statement of financial position, statement of comprehensive income and reports as are referred to in this section. The interval between the close of the financial year of the Company, and the issue of the annual audited financial statements, the directors' and auditors' report shall not exceed four (4) months (or not later than the time prescribed by the Listing Requirements and/or the Act from time to time). A copy of each such documents shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed in any year for the receipt of notice of the meeting if it is so agreed by all the members entitled to attend and vote at the meeting) be sent to every member of, and to every holder of debentures of the Company under provisions of the Act or of these Clauses. Such documents may be in printed form or in CD-ROM form or in such other form of electronic media. The requisite number of copies of each such documents as may be required by the Exchange or other stock exchange(s), if any, upon which the Company's Shares may be listed, shall at the same time be likewise sent to each stock exchange provided that this Clause shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any member to whom a copy of these documents has not been sent, shall be entitled to receive a copy, free of charge on application at the Office. In the event that the annual report is sent in CD-ROM form or such form of electronic media and a member requires a printed form of such documents, the Company shall send such documents to the member within four (4) market days from the date of receipt of the members' request, or such other period as may be prescribed by the Exchange.

*Preparing and
laying before
Company in
General Meeting
the annual
audited financial
statements and
Directors' and
auditors' reports*

AUDIT

156. Auditors shall be appointed in accordance with Section 271 of the Act and their duties regulated in accordance with Section 266 of the Act.
157. Subject to the provisions of the Act, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment.
158. The Auditors shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any member is entitled to receive, and to be heard at any General Meeting on any part of the business of the meeting which concerns the Auditors.

*Appointment of
auditors*

*Validity of acts of
Auditors in spite
of some formal
defect*

*Auditors entitled
to attend General
Meeting*

DIVIDEND AND RESERVE

159. (a) Subject to the provisions of the Act, the Director may from time to time

Payment of

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- declare dividend, but no dividend shall exceed the amount recommended by the Directors. No dividend shall be payable otherwise than out of profits available of the Company or shall bear interest against the Company. The Directors may, if they think fit, from time to time declare and pay to the members such interim dividends as appear to them to be justified by the position of the Company, and may also from time to time, if in their opinion such payment is so justified, pay any preferential dividends which by the terms of issue of any share are made payable on fixed dates. *dividends*
- (b) The Directors may authorise a distribution of dividend at such time and in such amount as the Directors consider appropriate, if the Directors are satisfied that the Company will be solvent immediately after the distribution is made.
- (c) No higher dividend shall be paid than is authorised by the Directors, and the declarations of the Directors as to the distribution shall be conclusive.
160. Subject to the rights of persons (if any) entitled to Shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the Shares in respect whereof the dividend is paid, but no amount paid up on a Share in advance of a call shall be treated for the purposes of this Clause as paid up on the Share. All dividends shall be apportioned and paid pro-rata according to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid except that if any Share is issued on terms providing that it shall rank for dividend as if paid-up (in whole or in part) as from a particular date, such Share shall rank for dividend accordingly. *Dividends in proportion to amounts paid*
161. The Directors may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on accounts of calls or otherwise in relation to the Shares of the Company. *Debts may be deducted from dividends*
162. The Directors may retain any dividend or other moneys payable in respect of a Share other than fully paid Shares on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. *Power to retain dividends on which the Company has a lien*
163. Without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided, no dividend shall be paid otherwise than out of profits nor shall any dividend or other monies payable on or in respect of any Share bears interest against the Company. *Dividends out of profits*
164. Subject to the provisions of the Listing Requirements, any General Meeting declaring a dividend or bonus may upon the recommendation of the Directors, direct payment of such dividend or bonus wholly or in part by the distribution of specific assets and in particular of paid-up Shares, debentures, debenture stocks of any other company or in any one (1) or more of such ways and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members based upon the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the Directors. No *Dividend in specie*

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distribution, settlement, arrangement or adjustment so made by the Directors shall be questioned by any member.

165. (a) Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary Shares of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of ordinary Shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:
- Dividend
Reinvestment
Scheme*
- (i) the basis of any such allotment shall be determined by the Directors;
 - (ii) the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of ordinary Shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Constitution;
 - (iii) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of the election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and
 - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary Shares in respect whereof the share election has been duly exercised (the “**Elected Ordinary Shares**”) and in lieu and in satisfaction thereof, ordinary Shares shall be allotted and credited as fully paid to the holders of the Elected Ordinary Shares on the basis of allotment determined as aforesaid and for such purpose (notwithstanding any provision of the Constitution to the contrary), the Directors shall (i) capitalise and apply the amount standing to the credit of any of the Company’s reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary Shares for allotment and distribution to and among the holders of the Elected Ordinary Shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of Elected Ordinary Shares towards payment of the

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (Cont'd)

appropriate number of ordinary Shares for allotment and distribution to and among the holders of the Elected Ordinary Shares on such basis.

- (b) The ordinary Shares allotted pursuant to the provisions of paragraph (a) of this Clause shall rank *pari passu* in all respects with the ordinary Shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.
 - (c) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (a) of this Clause, with full power to make such provisions as they think fit in the case of fractional entitlements to ordinary shares (including, notwithstanding any provision to the contrary in this Clause, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the members).
 - (d) The Directors may, on any occasion when they resolve as provided in paragraph (a) of this Clause, further determine that no allotment of Shares or rights of election for shares under that paragraph shall be made available or made to members whose registered addresses entered in the Register of Members or the Record of Depositors, as the case may be, is outside Malaysia or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlements of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.
 - (e) Notwithstanding the foregoing provisions of this Constitution, if at any time after the Directors' resolution to apply the provisions of paragraph (a) of this Clause in relation to any dividend but prior to the allotment of ordinary Shares pursuant thereto, the Directors shall consider that, by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever, it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and as they deem fit in the interest of the Company, cancel the proposed application of paragraph (a) of this Clause.
166. Subject to the provisions of the Act, where any asset, business or property is brought by the Company as from a past date upon the terms that the Company shall as from the date take the profits and thereof, such profits or losses as the case may be, shall, at the discretion of the Directors, be credited or debited wholly or in part to revenue account, and in the case the amount so credited or debited shall, for the purpose of ascertaining the fund, be available for dividend accordingly. Subject as aforesaid, if any Shares or Securities are purchased cum dividend or interest, such dividend or interest when paid may at the discretion of the Directors be treated as revenue and it shall not be obligatory to capitalise the same or any part thereof. *Asset, business or property bought by the Company has a lien*
167. The Directors may retain the dividends payable upon Shares in respect of *Directors may*

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- which any person is under the provisions as to the transmission of Shares hereinbefore contained entitled to become a member, or to which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such Shares or shall transfer the same. *retain dividends until Shares registered on transmission*
168. All dividends unclaimed for one year after having been declared may be disposed of in accordance with the provisions of the Unclaimed Moneys Act 1965. The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a Share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend shall be dealt with in accordance with the provisions of the Unclaimed Moneys Act 1965. *Unclaimed dividends may be disposed of under Unclaimed Moneys Act*
169. A transfer of Shares shall not pass the right to any dividend declared on such Shares before the registration of the transfer provided that any dividend declared on deposited Securities shall accrue to the Depositors whose names appear on the Record of Depositors issued to the Company or its Registrar pursuant to the Rules. *Rights to dividends after registration of transfer*
170. The receipt of the person appearing on the Register of Members or Record of Depositors to be the holder of any Shares shall be a sufficient discharge to the Company for any dividend or other moneys payable in respect of such Shares. *Discharge for dividends*
171. Any dividend, interest, or other money payable in cash in respect of Shares or other Securities may be paid by direct transfer by means of the electronic payment systems upon terms and subject to conditions as the Directors may stipulate or by cheque or warrant sent by post to the registered address of the holder on the Register of Members or the Record of Depositors or to such person and to such address as the holder may direct in writing. Every such cheque or warrant or remittance via the electronic payment systems shall be made payable to the order of the person to whom it is sent or to such person as the holder may direct, and the payment of any such cheque or warrant or remittance via the electronic payment systems shall operate as a good and full discharge of the Company in respect of the dividend, interest or other money payable in cash in respect of Shares or other Securities represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant shall be sent at the risk of the any person entitled to the money thereby represented. No unpaid dividend or interest shall bear interest against the Company. *Payment mode*
172. The Directors may, before recommending any dividend, whether preferential or otherwise, set aside out of the profit of the Company such sums as they think proper as a reserve fund to meet depreciation or contingencies, or for the general liquidation of any debt or liability of the Company or for repairing, improving or maintaining any of the property of the Company, or for such other purposes (being purposes for which the profits of the Company may be lawfully applied) as the Directors shall in their absolute discretion think conducive to the interest of the Company, and may invest the several sums set aside upon such investments as they think fit (subject to the provision of these Clauses) and from time to time vary or realise such investments and dispose of all or any part thereof for the benefit of the Company, and may divide any reserve fund into such special funds as they think fit, with all power to employ the assets constituting the reserve fund in the business of the Company, and that without being bound to employ the assets constituting the reserve fund in the business of the Company, and that without being bound to keep the same separate from *Creation of reserve fund*

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the other assets. The Directors may also, without placing the same to reserve, carry forward any profits which they think prudent not to divide.

CAPITALISATION OF PROFITS

173. Subject to the provisions of the Listing Requirements, the Company in a General Meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the statement of financial position or otherwise available for distribution and accordingly that such sum be set free for distribution amongst the member who would have been entitled thereto if distributed by way of dividend and in the same proportions on conditions that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any Shares held by such members respectively or paying up in full unissued Shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid or partly in the one way and partly in the other and the Directors shall give effect to such resolution. *Capitalisation of profits*
174. Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid up Shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional Shares or by payment in cash in discharging debentures of the Company or otherwise as they think fit for the case of Shares or debentures becoming distributable in fractions and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares or debentures to which they may be entitled upon such capitalisation or as the case may require for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits of the amounts remaining unpaid on their existing Shares and any agreement made under such authority shall be effective and binding on all such members. *Effect of resolution to capitalise*

LANGUAGE

175. Where any accounts, minute books or other records required to be kept by the Act are not kept in Bahasa Malaysia or the English language, the Directors shall cause a true translation of such accounts, minute books and other records to be made from time to time at intervals of not more than seven (7) days and shall cause such translation to be kept with the original accounts, minute books and other records for so long as the original accounts, minute books and other records are required by the Act to be kept. *Language*

NOTICES

176. (a) Notice of a meeting of members or any other document shall be in writing and shall be given to the members either: *Service notices of*
- (i) in hard copy;
 - (ii) in electronic form; or

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- (iii) partly in hard copy and partly in electronic form.
- (b) Any notice or document, if served personally or sent by post, shall be deemed to have been served at the time personally or when the letter containing the same is put into the post, and in proving such service or sending it shall be sufficient to prove that the letter containing the notice or document was properly addressed as a pre-paid letter. *When service effected*
- (c) Any notice or other document given in electronic form shall be transmitted to the electronic address provided by the member to the Company for such purpose or by publishing on the website. Every person who, by operation of law, transfer, transmission or other means whatsoever, becomes entitled to any Share, shall be bound by every notice which has been duly served to the person from whom he derives the title of such Shares, prior to his name and address being entered into the Register of Members and Record of Depositors as the registered holder of such Shares. The contact details (including electronic address) of the member set out in the Record of Depositors shall be deemed the last known address provided by the member to the Company for the purposes of communication with the member.
- (d) Where a notice or any other document or information is served, sent or supplied by electronic communication:
- (i) To the current address of member, shall be deemed to have been duly given, sent or served at the time of transmission of the electronic communication by the email server or facility operated by the Company or its service provider to the current address of members (notwithstanding any delayed receipt, non-delivery or "returned mail" reply message or any other error message indicating that the electronic communication was delayed or not successfully sent).
- (ii) By making it available on a website, it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, or unless otherwise provided under laws.
- (e) A notice, document or information served, sent or supplied by means of a website is deemed to have given to or received by the intended recipient when the material was first made available on the website and the Company notifying the member in the following in writing:
- (i) The publication of the notice, document or information on the website; and
- (ii) The designated website link or address where a copy of the notice, document or information may be downloaded.
- (f) A member shall be implied to have agreed to receive such notice, document or information by way of such electronic communication. However, members are given the right to request for a hard copy of such notice, document or information and the Company shall forward a hard copy of such notice or document or information to the member within the prescribed period subject to the Listing Requirements.
- (g) The Directors may, at their discretion, at any time give a member an

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opportunity to elect within a specified period of time whether to receive such notice, document or information by way of electronic communication or as a physical copy, and such member shall be deemed to have consented to receive such notice, document or information by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have the right to receive a physical copy of such notice, document or information.

177. A notice or other document may also be served by the Company or the Secretary on any Director in hard copy, in electronic form or partly in hard copy and partly in electronic form. Notices given in hard copy shall be sent to the Director personally by post to the address supplied by the Director for such purpose or if given in electronic form, transmitting to the electronic address provided by the Director for such purpose. *Services of notice by hard copy or electronic form*
178. Every person who, by operation of law, transfer, transmission or other means whatsoever, shall become entitled to any Share, shall be bound by every notice including notice given in electronic form or any other document in respect of such Share which, previously to his name and address being entered in the Record of Depositors as the registered holder of such Share, shall have been duly given to the person from whom he derives the title to such Share PROVIDED ALWAYS that a person entitled to a Share in consequence of the death or bankruptcy of a member, upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the Share, and upon supplying also an address within Malaysia for the service of notice or document to which the member but for his death or bankruptcy would be entitled, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (as claiming through or under him) in the Share. *Persons entitled to Shares by transfer, transmission, etc. bound by notices*
179. Subject always to the provisions of Clause 178, any notice or document in hard copy or electronic form or partly in hard copy or partly in electronic form delivered or sent by post to, or left at, the registered address or electronic address provided by any member shall, if such member be then deceased, and whether or not the Company has notice of his death, be deemed to have been duly served on his legal personal representatives. *Notices by post to persons entitled in consequence of death*
180. (a) Notice of General Meeting shall be given in any manner hereinbefore authorised to: *Persons entitled to notice of General Meeting*
- (i) every member with a registered address in Malaysia or an address for service of notices in Malaysia;
 - (ii) given in electronic form shall be transmitted to the electronic address provided by the member to the Company for such purpose or by publishing on a website;
 - (iii) every person entitled to a Share in consequence of the death or bankruptcy of a member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting;
 - (iv) the Auditors for the time being of the Company; and
 - (v) the Exchange and other stock exchange, if any, on which the Company is listed.

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- (b) Save as otherwise provided in this Constitution or in the Act, no other person shall be entitled to receive notice of General Meetings.
- (c) Any notice on behalf of the Company or of the Board shall be deemed effectual if it purports to bear the signature of the Secretary or other duly authorised officer of the Company.
181. Subject to the Act, Listing Requirements, laws, rules and regulations: *Notification of publication of notice of meeting on website*
- (a) Notice of a meeting of members or any other document shall not be validly given by the Company by means of a website unless a notification to that effect is given in accordance with this Clause.
- (b) The Company shall notify the member of the publication of the notice or any other document on the website and such notification shall be in writing and shall be given in hard copy or electronic form stating:
- (i) That it concerns a meeting of members;
- (ii) The place, date and time of the meeting; and
- (iii) In the case of a public company, whether the meeting is an Annual General Meeting.
- (c) The notice or any other document shall be made available on the website throughout the period beginning from the date of the notification referred to in Clause 181(b) until the conclusion of the meeting.

WINDING UP

182. If the Company is wound up, the liquidator may, with the sanction of a Special Resolution of the Company, divide amongst the members in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, think fit, but so that no member shall be compelled to accept any Shares or other Securities whereon there is any liability. *Distribution of assets in specie*
183. Save that this Clause shall be, without prejudice to the rights of holder of Shares issued upon special terms and conditions the following provisions shall apply: *Manner of distribution*
- (a) If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the winding up, on the Shares held by them respectively; and
- (b) If in the winding up the assets available for distribution among the

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (*Cont'd*)

members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed among the members in proportion to the capital paid-up, at the commencement of the winding up, on the Shares held by them respectively.

184. Where it is proposed that the whole or part of the business or property of the Company is to be transferred or sold to another corporation in a voluntary winding up, with the sanction of a Special Resolution of the Company conferring either a general authority on the liquidator or an authority in respect of any particular arrangement, the liquidator of the Company may:
- (a) receive in compensation or part compensation for the transfer or sale of the shares, debentures, policies or other like interests in the corporation for distribution among the members of the Company; or
 - (b) enter into any arrangement whereby the members of the Company may, in lieu of receiving cash, shares, debentures, policies or other like interests or in addition to the arrangement, participate in the profits of or receive any other benefit from the corporation,

and any such transfer, sale or arrangement shall be binding on the members of the Company.

185. If any member of the Company expresses his dissent on matters referred to in Clause 184 in writing addressed to the liquidator and delivered to the office of the liquidator within seven (7) days from the passing of the resolution, the member may require the liquidator to either abstain from carrying the resolution into effect or to purchase his interest at a price to be determined by an agreement or by arbitration in the manner set out in Section 457 of the Act.

SECRECY CLAUSE

186. Save as may be provided by the Act, no member shall be entitled to enter into or upon or inspect any premises or property of the Company nor to require discovery of any information respecting any detail of the Company's trading, manufacturing or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the members of the Company to communicate to the public. *Secrecy*

INDEMNITY

187. Every Director, whether holding an executive office pursuant to this Constitution or not, Auditor, Secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company (including effect of insurance) against: *Indemnity*
- (a) any loss or liability incurred by him arising from or in relation to his office or the performance of his duties except where such loss or liability results from every negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company; and
 - (b) any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which

he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default or breach of duty or breach of trust in relation to the affairs of the Company.

RECONSTRUCTION

188. On the sale of the undertaking of the Company, the Directors or the liquidators on a winding up may, if authorised by a Special Resolution, accept fully paid or partly paid-up shares, debentures, securities of any other company either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Directors (if the profits of the Company permit), or the liquidators (on a winding up), may distribute such Shares or Securities, or any property of the Company amongst the members without realisation, or vest the same in the trust for them and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for valuation of such Securities or property at such price and in such manner as the meeting may approve, and all holders of Shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in the case of the Company which is proposed to be or is in the course of being wound up, such statutory rights (if any) under the Act as are incapable of being varied or excluded by these Clauses. *Reconstruction*

EFFECT OF LISTING REQUIREMENTS

189. (a) Notwithstanding anything contained in this Constitution, if the Listing Requirements prohibit an act being done, the act shall not be done.
- (b) Nothing contained in this Constitution prevents an act being done that the Listing Requirements require to be done.
- (c) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (d) If the Listing Requirements require this Constitution to contain a provision and they do not contain such a provision, this Constitution is deemed to contain that provision.
- (e) If the Listing Requirements require this Constitution not to contain a provision and they contain such a provision, this Constitution is deemed not to contain that provision.
- (f) If any Clause of this Constitution is or becomes inconsistent with the Listing Requirements, these Clauses are deemed not to contain that provision to the extent of the inconsistency.
- (g) Notwithstanding anything contained in this Constitution, nothing herein contained shall prevent the Directors from applying to the Exchange for a waiver from compliance or observance of any of the Listing Requirements. In the event the compliance or observance of such Listing Requirements are waived by the Exchange, the Company shall not be required to comply with any of the Clauses

APPENDIX I – PROPOSED NEW CONSTITUTION OF THE COMPANY (Cont'd)

relating to those Listing Requirements in respect of which compliance or observance has been waived by the Exchange.

- (h) The provisions of this Clause shall apply so long as any of the Securities of the Company are listed on the Exchange.

ALTERATION OF CONSTITUTION

190. Subject to the Act and to the provisions of the Listing Requirements (if any), the Company may by Special Resolution delete, alter or add to this Constitution.

COMPLIANCE WITH STATUTES, REGULATIONS AND RULES

191. The Company shall comply with the provisions of the relevant governing statutes, regulations and rules as may be amended, modified or varied from time to time or any other directives or requirements imposed by the Exchange, the Bursa Depository and other appropriate authorities to the extent required by law, notwithstanding any provisions on these Clauses to the contrary. *Compliance with Statutes, Regulations and Rules*
192. This Constitution shall not be amended, added to or deleted without the prior approval of the shareholders by a Special Resolution.

These Clauses have been drafted in a manner to incorporate the requirements of the relevant governing statutes, Listing Requirements, regulations and guidelines. Without prejudice to any provisions in the Act or under this Constitution pertaining to the amendments of the Constitution, in the event the applicable provisions of any relevant governing statutes, Listing Requirements, regulations and guidelines are from time to time amended, modified or varied, such amendments, modifications or variations shall be deemed inserted herein whereupon this Constitution shall be read and construed subject to and in accordance with the amended, modified or varied statutes, Listing Requirements, regulations and guidelines.

APPENDIX II – INFORMATION ON DSR TAIKO

1. HISTORY AND PRINCIPAL ACTIVITIES

Our Company was incorporated on 13 January 2021 under the Companies Act, 2016 as a private limited company. We were converted to a public company on 15 March 2021. As at the date of this Circular, we have been listed on the LEAP Market of Bursa Securities for more than 2 years since 6 July 2022.

Our Company is principally engaged in the business of investment holding. Further details on the principal activities of our subsidiaries are as follows:

Company	Effective equity interest %	Date/Place of incorporation	Principal place of business	Principal activities
DSR Fruits Sdn. Bhd. (“DSR Fruits”)	100	7 June 2018 / Malaysia	Malaysia	Business of cultivation, harvesting of fruits and retail sales of fruits
DSR Daily Fresh	70	13 August 2020 / Malaysia	Malaysia	Business of operating specialty café or restaurants selling durian related meals, beverages, desserts and local authentic food and selling fresh durians, local fruits and produce
DSR JCIB Sdn. Bhd.	100	4 October 2023 / Malaysia	Malaysia	To operate and manage online and offline retail sales through “Origin Matters Seamless App (OMSA)”, where products’ sources can be tracked and traced.

For clarity, DSR Fruits conducts sales with wholesalers only whereas DSR Daily Fresh conducts sales to traders and consumers.

We do not have any associate or joint venture company.

Through our subsidiaries, our Group is involved in the full spectrum of the durian agribusiness value chain, from upstream durian plantation to downstream activities. The upstream activities include the cultivation and harvesting of durians that are cultivated and harvested from our Group’s durian plantations by DSR Fruits, as well as the retailing of fresh durians by DSR Daily Fresh, while the downstream activities, undertaken by DSR Daily Fresh, involve the development, production, and distribution of D·MASKING durian-based products.

The directors of DSR Taiko, all of whom are Malaysians, and their respective shareholdings in the Company are as follows:

Name	Designation	Direct		Indirect	
		No. of DSR Taiko Shares	%	No. of DSR Taiko Shares	%
Ng Soh Kian	Executive Chairman	103,828,010	31.80	⁽¹⁾ 3,500,000	1.07
Dato’ Ng Lian Poh	Chief Executive Officer / Executive Director	109,850,010	33.65	⁽²⁾ 3,500,000	1.07
Chan Kwai Cheong	Executive Director	7,400,000	2.27	-	-
Tan Fie Ping	Independent Non-Executive Director	-	-	-	-

APPENDIX II – INFORMATION ON DSR TAIKO (Cont'd)

Notes:

- (1) Deemed interested by virtue of his spouse, Tien Siew Foon's shareholding in our Company pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of his spouse, Datin Lee Ah Noi's shareholding in our Company pursuant to Section 8 of the Act.

The substantial shareholders of DSR Taiko, all of whom are Malaysians, and their respective shareholdings in the Company are as follows:

Name	Direct		Indirect	
	No. of DSR Taiko Shares	%	No. of DSR Taiko Shares	%
Ng Soh Kian	103,828,010	31.80	⁽¹⁾ 3,500,000	1.07
Dato' Ng Lian Poh	109,850,010	33.65	⁽²⁾ 3,500,000	1.07

Notes:

- (1) Deemed interested by virtue of his spouse, Tien Siew Foon's shareholding in our Company pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of his spouse, Datin Lee Ah Noi's shareholding in our Company pursuant to Section 8 of the Act.

2. DURIAN PLANTATION LAND

Our Group's durian plantation land currently spans 46.49 hectares, with 100% of our plantation being planted areas. Details on the profile of our durian plantation land are as follows:

Maturity of tree / Type of tree	Land Size hectares	% of total land size	Estimated no. of trees planted	Age of trees
<u>Mature</u>				
- Musang King	34.32	73.82	3,792	Between 7 to 28 years
- Black Thorn	2.16	4.64	239	Between 7 to 15 years
- D24	0.68	1.46	75	Between 10 to 20 years
- Others ⁽¹⁾	0.24	0.52	26	Between 10 to 20 years
<u>Immature</u>				
- Musang King	7.29	15.68	806	Between 3 to 6 years
- Black Thorn	1.38	2.97	152	Between 3 to 6 years
- D24	0.24	0.52	27	Between 3 to 6 years
- Others ⁽¹⁾	0.18	0.39	20	Between 3 to 6 years
Total	46.49	100.00	5,137	

Note:

- (1) Other durian trees include D2 durian trees, Durian Kampung durian trees and D101 durian trees; and sapling durian trees which will be used for grafting Musang King durians in the future.

APPENDIX II – INFORMATION ON DSR TAIKO (Cont'd)

As at the LPD, our Group owns a total of 37 parcels of freehold agricultural land located in Raub and Bentong with an aggregate landbank of 46.49 hectares. As at the LPD, our durian plantations are planted with over 5,137 DSR Durian trees, out of which, 4,132 or 80.44% are matured, details as follows:

No.	Title No	Lot	Land Area (Hectares)	No. of Trees Planted					No. of Trees		Yield (Kg)			
				Musang King	Black Thorn	D24	Others ⁽¹⁾	Total	Immature	Mature	FYE 2022	FYE 2023	FYE 2024	6-months FPE 31 December 2024
1	GM 1136	Lot 691	0.59	42	6	2	2	52	2	50	12,685	26,565	20,568	7,982
2	GM 1137	Lot 692	0.78	84	9	4	2	99	3	96				
3	HS(D) 7274	PT 1913	0.74	99	23	2	2	126	6	120	-	-	-	-
4	HS(D) 7275	PT 1914	0.59	63	15	2	2	82	82	-	-	-	-	-
5	HS(D) 7296	PT 1935	0.57	80	3	8	2	93	5	88	-	-	-	-
6	HS(D) 7298	PT 1937	0.43	53	11	2	1	67	3	64	-	16,579	49,791	16,479
7	HS(D) 7311	PT 1950	0.96	40	8	2	1	51	51	-	-	-	-	-
8	HS(D) 7313	PT 1952	1.00	93	9	3	1	106	5	101	-	-	-	-
9	HS(D) 7315	PT 1954	0.63	68	17	3	1	89	4	85	-	-	-	-
10	HS(D) 7323	PT 1962	0.65	85	3	2	1	91	91	-	-	-	-	-
11	HS(D) 7384	PT 2023	0.57	91	5	2	1	99	99	-	-	-	-	-
12	HS(D) 7390	PT 2029	0.58	86	2	2	2	92	5	87	-	-	-	-
13	HS(D) 7395	PT 2034	0.55	59	15	3	1	78	78	-	-	-	-	-
14	HS(D) 7397	PT 2036	0.86	110	1	1	1	113	113	-	-	-	-	-
15	HS(D) 7398	PT 2037	0.86	78	3	2	1	84	84	-	-	-	-	-
16	HS(D) 7404	PT 2043	0.78	43	10	3	1	57	57	-	-	-	-	-
17	HS(D) 7409	PT 2048	0.78	68	4	2	2	76	76	-	-	-	-	-
18	HS(D) 7410	PT 2049	0.78	92	9	1	1	103	5	98	-	-	-	-
19	HS(D) 7411	PT 2050	0.78	101	4	1	1	107	5	102	-	-	-	-

APPENDIX II – INFORMATION ON DSR TAIKO (Cont'd)

No.	Title No	Lot	Land Area (Hectares)	No. of Trees Planted					No. of Trees		Yield (Kg)			
				Musang King	Black Thorn	D24	Others ⁽¹⁾	Total	Immature	Mature	FYE 2022	FYE 2023	FYE 2024	6-months FPE 31 December 2024
20	HS(D) 7412	PT 2051	0.99	156	8	3	2	169	8	161	-	-	-	-
21	HS(D) 7416	PT 2055	0.88	68	10	1	2	81	4	77	-	-	-	-
22	HS(D) 7417	PT 2056	0.57	66	11	2	1	80	4	76	-	-	-	-
23	HS(D) 7418	PT 2057	0.88	68	6	3	1	78	4	74	-	-	-	-
24	HS(D) 7388	PT 2027	0.58	55	9	-	1	65	65	-	-	-	-	-
25	HS(D) 7320	PT 1959	0.77	69	14	2	1	86	86	-	-	-	-	-
26	Geran 8940	Lot 1174	3.85	305	29	5	1	340	10	330	42,792	49,478	83,558	26,591
27	GM 4173	Lot 3711	0.90	100	5	2	1	108	3	105	12,534	27,552	40,474	15,693
28	GM 4174	Lot 3712	0.85	95	4	1	1	101	2	99				
29	GM 4172	Lot 3710	0.82	89	5	1	1	96	4	92				
30	GM 2722	Lot 5691	3.56	350	5	2	1	358	4	354	22,192	40,161	65,117	24,234
31	GM 2719	Lot 5631	2.54	255	5	2	1	263	3	260				
32	Geran 6832	Lot 1523	5.78	433	53	20	1	507	15	492	24,685	37,923	83,869	41,434
33	GM 2040	Lot 5061	3.64	250	12	5	1	268	6	262	31,156	51,125	54,096	18,181
34	Geran 4571	Lot 11310	1.26	151	9	1	1	162	5	157	-	34,286	37,282	19,688
35	Geran 4572	Lot 11311	1.26	160	9	1	1	171	5	166				
36	GM 4024	Lot 4871	2.49	276	16	2	1	295	3	292	-	-	18,046	5,985
37	GM 7375	Lot 42980	1.39	217	24	2	1	244	-	244	-	-	8,763	6,246
	TOTAL		46.49	4,598	391	102	46	5,137	1,005	4,132	146,044	283,669	461,564	182,513

APPENDIX II – INFORMATION ON DSR TAIKO (Cont'd)

Note:

- (1) Other durian trees include D2 durian trees, Durian Kampung durian trees and D101 durian trees; and sapling durian trees which will be used for grafting Musang King durians in the future.

3. PRODUCT COLLABORATIONS

As at the LPD, the details of our Group's best-selling product collaborations with our major third-party manufacturers and the year of commercialisation of the respective products are as follows:

No.	Product Name	Manufacturer Name	Year
1.	Snacks:		
	- Durian pizza	Michigan Pastries Sdn Bhd	2021
	- D-MASKING 4-in-1 Pudding Set	Michigan Pastries Sdn Bhd	2024
	- D-MASKING Dodol 3-in-1 Set	Michigan Pastries Sdn Bhd	2024
	- MSK Durian Pizza	Michigan Pastries Sdn Bhd	2021
2.	Beverages:		
	- Original white coffee	Daily Fresh International Sdn Bhd	2021
	- MSK flavoured coffee and tea	Ideal Beverage Marketing Sdn. Bhd.	2024
	- Bentong ginger flavoured tea	Ideal Beverage Marketing Sdn. Bhd.	2024
3.	Desserts:		
	- Durian flavoured ice cream and other flavoured gelatos	Daily Fresh International Sdn Bhd	2021
	- Mini Cheesecake (assorted flavours)	Michigan Pastries Sdn Bhd	2023
	- Musang King Durian Ice Cream Stick	Daily Fresh International Sdn Bhd	2025
	- Burnt Cheesecake, Baked Cheesecake	Michigan Pastries Sdn Bhd	2022
	- MSK Durian Fruit Cake	Michigan Pastries Sdn Bhd	2024

All the products above can be purchased through our Group's flagship store, our digital application 'OMSA' and our MIS.

4. SHARE CAPITAL

As at the LPD, our Company's issued share capital is RM60,563,400 comprising 326,477,020 Shares. As at the LPD, DSR Taiko does not have any convertible securities.

5. PUBLIC SHAREHOLDING SPREAD

Pursuant to Rule 3.10 of the ACE LR, a company is required to meet a public shareholding spread of at least 25% of the total number of listed shares (excluding treasury shares) to be in the hands of a minimum number of 200 public shareholders holding not less than 100 shares each.

As at the LPD, approximately 28.68% of the total number of our issued Shares is held by 72 public shareholders. Pursuant to the Proposed Transfer, our public shareholding spread will increase to 42.59% and thus, we will be in compliance with the public spread requirements of the ACE LR, upon completion of the Proposed Transfer.

APPENDIX II – INFORMATION ON DSR TAIKO (Cont'd)

The exact number of public shareholders of our Company pursuant to the Proposed Transfer cannot be determined at this juncture. Nevertheless, we will ensure that the Proposed Public Issue of 280,303,000 Issue Shares and the Proposed Offer for Sale of 150,000,000 to be allocated and allotted in the manner as set out in Section 2.2.2.2 of this Circular respectively, will be in the hands of a minimum number of 200 public shareholders holding not less than 100 Shares each.

6. SUMMARY OF FINANCIAL INFORMATION

A summary of our audited consolidated financial results for the past 3 FYEs 30 June 2022 to 2024 and unaudited consolidated financial results for the past 6-months FPE 31 December 2023 and 2024 are set out below:

	Audited FYE 30 June			Unaudited 6-months FPE 31 December	
	2022 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000
Revenue	7,798	10,960	18,293	6,465	7,906
Cost of sales	(3,946)	(3,718)	(6,833)	(2,037)	(1,484)
GP	3,852	7,242	11,460	4,428	6,422
Other income	125	2	254	9	15
Administrative expenses	(3,424)	(3,757)	(3,640)	(1,724)	(2,544)
Other expenses	(331)	(537)	(1,420)	(565)	(1,360)
Finance costs	(486)	(1,268)	(1,659)	(833)	(876)
Net impairment losses on financial assets	-	-	(11)	-	-
LBT / PBT	(264)	1,682	4,984	1,315	1,657
Income tax expense	(266)	(676)	(1,789)	(318)	(719)
LAT / PAT	(530)	1,006	3,195	997	938
LATNCI / PATNCI	(414)	1,131	3,568	1,073	1,294
Non-controlling interests	(116)	(125)	(373)	(76)	(356)
EBITDA ⁽¹⁾	843	4,451	8,857	3,088	3,955
No. of Shares in issue ('000)	312,938	313,262	326,337	326,477	326,477
Basic/Diluted earnings per Share (sen) ⁽²⁾	(0.13)	0.36	1.09	0.66 ⁽⁸⁾	0.79 ⁽⁸⁾
Dividends declared for the financial year/period (RM)	-	-	-	-	-
Dividends per Share (sen)	-	-	-	-	-
GP margin (%) ⁽³⁾	49.40	66.08	62.65	68.49	81.23
EBITDA margin (%) ⁽⁴⁾	10.81	40.61	48.42	47.76	50.03
(LBT)/PBT margin (%) ⁽⁵⁾	(3.39)	15.35	27.25	20.34	20.96
(LAT)/PAT margin (%) ⁽⁶⁾	(6.80)	9.18	17.47	15.42	11.86
(LATNCI)/PATNCI margin (%) ⁽⁷⁾	(5.31)	10.32	19.50	16.60	16.37

APPENDIX II – INFORMATION ON DSR TAIKO (Cont'd)

	Audited FYE 30 June			Unaudited 6-months FPE 31 December	
	2022 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000
Share capital	49,461	59,162	60,563	60,563	60,563
Net assets	48,356	59,188	64,157	61,842	65,389
Net assets per Share (RM)	0.15	0.18	0.20	0.19	0.20
Current ratio	3.02	4.49	1.85	2.71	2.42
Total borrowings (excluding lease liabilities)	15,657	23,648	23,777	23,133	26,116
Gearing ratio	0.32	0.40	0.37	0.38	0.40

Notes:

(1) EBITDA is computed as follows:

	Audited FYE 30 June			Unaudited 6-months FPE 31 December	
	2022 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000
PBT	(264)	1,682	4,984	1,315	1,657
Less: Interest income	(40)	(1)	(7)	(3)	(3)
Add: Amortisation of intangible assets	-	-	180	6	99
Depreciation of property, plant and equipment	445	1,193	1,824	822	1,223
Depreciation of right-of-use assets	216	309	217	115	103
Finance costs	486	1,268	1,659	833	876
EBITDA	843	4,451	8,857	3,088	3,955

(2) Computed based on the weighted average number of Shares in issue during the respective FYEs/FPEs.

(3) Computed based on GP divided by revenue.

(4) Computed based on EBITDA divided by revenue.

(5) Computed based on PBT / (LBT) divided by revenue.

(6) Computed based on PAT / (LAT) divided by revenue.

(7) Computed based on PATNCI / (LATNCI) divided by revenue.

(8) Annualised.

Financial analysis and commentary:

Comparison between FYE 30 June 2022 and FYE 30 June 2021

For the FYE 30 June 2022, our Group recorded an increase in revenue of RM6.63 million or 566.67% to RM7.80 million compared to RM1.17 million in FYE 30 June 2021. The increase in revenue generated was attributable to the higher harvested volumes from our durian plantations as a result of the newly acquired orchards. In addition, the increase in revenue was also attributable to the increase in sales generated from the downstream durian-based products.

APPENDIX II – INFORMATION ON DSR TAIKO (Cont'd)

Our Group recorded a higher GP of RM3.85 million for the FYE 30 June 2022 compared to RM0.65 million for the FYE 30 June 2021, representing an increase of RM3.20 million or 492.31%. This is in line with the higher revenue generated for the FYE 30 June 2022. Despite the increased GP for FYE 30 June 2022, our Group recorded a lower GP margin of 49.40% for 30 June 2022 compared to 55.56% for 30 June 2021. This was attributable to the higher average cost price for whole durian during FYE 2022 as our Group had procured more whole durian from suppliers with higher purchase costs compared to whole durian harvested from our Group's durian plantations.

The LBT of RM0.47 million recorded for FYE 2021 was mainly attributable to the listing fee of RM0.45 million incurred by our Group during FYE 2021.

The LBT of RM0.26 million recorded for FYE 2022 was attributable to higher administrative expenses (arising from higher staff costs, directors' remuneration, higher marketing expenses and higher listing expenses), higher finance costs (resulting from the interest expenses on term loans which were used to finance the acquisition of durian plantations) and higher other expenses from higher depreciations. The abovementioned items had resulted in our Group recording a LBT despite the increase in revenue during FYE 2022.

Comparison between FYE 30 June 2023 and FYE 30 June 2022

For the FYE 30 June 2023, our Group recorded an increase in revenue of RM3.16 million or 40.51% to RM10.96 million compared to RM7.80 million in FYE 30 June 2022. The increase in revenue generated was mainly attributable to the higher average selling price and the increase in the supply of fresh durian from our existing durian plantation and newly acquired matured orchard.

Our Group recorded a higher GP of RM7.24 million for the FYE 30 June 2023 compared to RM3.85 million for the FYE 30 June 2022, representing an increase of RM3.39 million or 88.05%. This is in line with the higher revenue generated for the FYE 30 June 2023. Our Group also achieved a higher GP margin of 66.08% for the FYE 30 June 2023 from 49.40% for the FYE 30 June 2022 arising from higher average selling price.

Our Group recorded a PBT of RM1.68 million for the FYE 30 June 2023, compared to LBT of RM0.26 million for the FYE 30 June 2022. The increase in PBT is in line with the increase in revenue and higher profit margins recorded by our Group for the FYE 30 June 2023.

Comparison between FYE 30 June 2024 and FYE 30 June 2023

For the FYE 30 June 2024, our Group recorded higher revenue of RM18.29 million compared to RM10.96 million for the FYE 30 June 2023, representing an increase of RM7.33 million or 66.88%. The increase in revenue was due to higher harvested volumes from our matured orchard arising from our improved orchard management and increased export sales of downstream durian-based products.

Our Group recorded a higher GP of RM11.46 million, representing an increase of RM4.22 million or 58.29%, for the FYE 30 June 2024 compared to RM7.24 million for the FYE 30 June 2023. The increase was due to higher revenue and profit margins from the sales of its upstream products. Overall, our Group recorded a lower GP margin of 62.65% for the FYE 30 June 2024 compared to 66.08% for the FYE 30 June 2023 due to higher cost of sales attributable to our downstream products.

Our Group recorded a PBT of RM4.98 million for the FYE 30 June 2024, representing an increase of RM3.30 million or 196.43% as compared to RM1.68 million for the FYE 30 June 2023. This improvement in PBT is in line with the increase in our Group's overall sales.

Comparison between 6-months FPE 31 December 2024 and FPE 31 December 2023

For the 6-month FPE 31 December 2024, our Group recorded higher revenue of RM7.91 million compared to RM6.46 million for the 6-months FPE 31 December 2023, representing an increase of RM1.45 million or 22.44%. The increase in revenue was due to higher average selling price of our harvests.

Our Group recorded a higher GP of RM6.42 million, representing an increase of RM1.99 million or 44.92%, for the 6-month FPE 31 December 2024 compared to RM4.43 million for the 6-month FPE 31 December 2023. The increase was due to higher revenue and profit margins from the sales of its products. Overall, our Group recorded a higher GP margin of 81.23% for the 6-month FPE 31 December 2024 compared to 68.49% for the 6-month FPE 31 December 2023.

Our Group recorded a PBT of RM1.66 million for the 6-month FPE 31 December 2024, representing an increase of RM0.34 million or 25.76% as compared to RM1.32 million for the 6-month FPE 31 December 2023. This improvement in PBT is in line with the increase in our Group's overall sales and higher GP margin.

APPENDIX III – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

Our Board has seen and approved this Circular, and our Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. CONSENT AND DECLARATION OF CONFLICT OF INTEREST

2.1 Principal Adviser

Affin Hwang IB, being the Principal Adviser for the Proposals and Sponsor for the Proposed Transfer, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Affin Hwang IB confirms that there is no conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser for the Proposals and Sponsor for the Proposed Transfer.

2.2 Independent market researcher

Infobusiness Research & Consulting Sdn Bhd, being the independent market researcher for the Proposed Listing, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Infobusiness Research & Consulting Sdn Bhd confirms that there is no conflict of interest that exists or is likely to exist in relation to its role as the independent market researcher for the Proposed Listing.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware and has no knowledge of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings which may materially or adversely affect our Group's financial position or business.

4. MATERIAL COMMITMENTS

Save as disclosed below and as at 31 December 2024 (being the latest announced unaudited financial results for the 6-months financial period ended 31 December 2024), there is no other material commitment incurred or known to be incurred by our Group that has not been provided for which, upon becoming enforceable, may have a material impact on our Group's business or financial position:

Material commitments	RM'000
Approved and contracted for - Durian Plantation	5,405

5. CONTINGENT LIABILITIES

As at 31 December 2024 (being the latest announced unaudited financial results for the 6-months financial period ended 31 December 2024), there is no contingent liability incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on our Group's business or financial position.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Company's registered office at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of our forthcoming EGM:

- (i) Constitution of DSR Taiko;
- (ii) Audited consolidated financial statements of DSR Taiko for FYE 30 June 2023 and FYE 30 June 2024 and the latest unaudited consolidated financial statements for the 6-months FPE 31 December 2024;
- (iii) The letters of consent and declaration of conflict of interest referred to in Section 2 of this Appendix II;
- (iv) Proposal Letter; and
- (v) Undertaking Letters.



DSR TAIKO BERHAD

[Registration No. 202101001462 (1401760-W)]

(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting (“**EGM**”) of DSR Taiko Berhad (“**DSR Taiko**” or “**Company**”) will be held at Conference Meeting Room, No. 32-1 Jalan Eco Santuari 8/2A, Eco Santuari, 42500 Telok Panglima Garang, Selangor Darul Ehsan on Thursday, 22 May 2025, at 10:00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing the following resolution with or without any modifications:

ORDINARY RESOLUTION 1

PROPOSED BONUS ISSUE OF 1,632,385,100 NEW ORDINARY SHARES IN DSR TAIKO (“DSR TAIKO SHARES”) (“BONUS SHARES”) ON THE BASIS OF 5 BONUS SHARES FOR EVERY 1 EXISTING DSR TAIKO SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“PROPOSED BONUS ISSUE”)

“THAT subject to the passing of Ordinary Resolution 2, Special Resolution 1 and Special Resolution 2 by the shareholders of the Company, and the approvals being obtained from all relevant authorities and parties (if required), including the approval from Bursa Malaysia Securities Berhad (“**Bursa Securities**”), Securities Commission Malaysia, Ministry of Investment, Trade and Industry, for the listing of and quotation for 1,632,385,100 Bonus Shares on the LEAP Market of Bursa Securities, approval be and is hereby given to the Board of Directors of the Company (“**Board**”) to issue 1,632,385,100 Bonus Shares on the basis of 5 Bonus Shares for every 1 existing DSR Taiko Share held by the entitled shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business at 5.00 p.m. on the entitlement date to be determined and announced later by the Board;

THAT the Board be and is hereby authorised to allot and issue the Bonus Shares in respect of the Proposed Bonus Issue as fully paid, at nil consideration and without capitalisation of the Company's reserves;

THAT the Bonus Shares will, upon allotment and issuance, rank equally in all respects with the existing DSR Taiko Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid where the entitlement date is before the date of allotment and issuance of the Bonus Shares;

AND THAT the Board be and is hereby authorised and empowered to do or procure to be done all such acts, deeds and things and to execute, sign and deliver, on behalf of the Company, all such documents to give effect to and complete the Proposed Bonus Issue with full powers to assent to any conditions, variations, modifications and/or amendments as may be required or imposed by any relevant authorities and/or parties and as the Board may deem necessary and expedient to finalise, implement and give full effect to the Proposed Bonus Issue in the best interests of the Company.”

SPECIAL RESOLUTION 1

PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF DSR TAIKO FROM THE LEAP MARKET OF BURSA SECURITIES PURSUANT TO RULES 8.05 AND 8.06 OF THE LEAP MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (“PROPOSED WITHDRAWAL”)

“**THAT** subject to the passing of Ordinary Resolution 1, Ordinary Resolution 2 and Special Resolution 2 by the shareholders of the Company, and the approval being obtained from the relevant authorities for the withdrawal of the listing status of DSR Taiko from the LEAP Market of Bursa Securities, approval be and is hereby given for the Company to implement the Proposed Withdrawal;

AND THAT the Board be and is hereby authorised and empowered to do or procure to be done all such acts, deeds and things and to execute, sign and deliver, on behalf of the Company, all such documents to give effect to and complete the Proposed Withdrawal with full powers to assent to any conditions, variations, modifications and/or amendments as may be required or imposed by the relevant authorities and/or parties or as the Board may deem necessary and expedient to finalise, implement and give full effect to the Proposed Withdrawal in the best interests of the Company.”

ORDINARY RESOLUTION 2

PROPOSED LISTING OF DSR TAIKO ON THE ACE MARKET OF BURSA SECURITIES PURSUANT TO RULES 3A.02(1) AND 3A.02(2) OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (“PROPOSED LISTING”)

“**THAT** subject to the passing of Ordinary Resolution 1, Special Resolution 1 and Special Resolution 2 by the shareholders of the Company, and the approval being obtained from the relevant authorities for the listing of and quotation for the entire enlarged issued share capital of DSR Taiko on the ACE Market of Bursa Securities, approval be and is hereby given for the Company to implement the Proposed Listing and authority is given to the Company to issue 280,303,000 new DSR Taiko Shares pursuant to the Proposed Public Issue as set out in **Section 2.2.2** of the circular to the shareholders of DSR Taiko dated 30 April 2025;

AND THAT the Board be and is hereby authorised and empowered to do or procure to be done all such acts, deeds and things and to execute, sign and deliver, on behalf of the Company, all such documents to give effect to and complete the Proposed Listing with full powers to assent to any conditions, variations, modifications and/or amendments as may be required or imposed by the relevant authorities and/or parties or as the Board may deem necessary and expedient to finalise, implement and give full effect to the Proposed Listing in the best interests of the Company;”

SPECIAL RESOLUTION 2

PROPOSED ADOPTION OF A NEW CONSTITUTION OF THE COMPANY (“PROPOSED ADOPTION”)

“**THAT** subject to the passing of Ordinary Resolution 1, Ordinary Resolution 2 and Special Resolution 1, and the approval being obtained from the relevant authorities for the Proposed Withdrawal and Proposed Listing, approval be and is hereby given for the Company to revoke the existing Constitution of the Company in its entirety with effect from the date of listing of DSR Taiko on the ACE Market of Bursa Securities and in place thereof, the proposed new Constitution of the Company as set out in **Appendix I** of the circular to the shareholders of DSR Taiko dated 30 April 2025 be and is hereby adopted as the Constitution of the Company.

AND THAT the Board be and is hereby authorised and empowered to do or procure to be done all such acts, deeds and things and to execute, sign and deliver, on behalf of the Company, all such documents to give effect to and complete the Proposed Adoption with full powers to assent to any conditions, variations, modifications and/or amendments as may be required or imposed by any relevant authorities and/or parties or as the Board may deem necessary and expedient to finalise, implement and give full effect to the Proposed Adoption in the best interests of the Company.”

BY ORDER OF THE BOARD

WONG YOUN KIM (F) (MAICSA 7018778) (SSM PC NO. 201908000410)

LEE CHIN WEN (F) (MAICSA 7061168) (SSM PC No.: 202008001901)

Company Secretaries

Selangor Darul Ehsan

30 April 2025

Notes:

1. Depositors whose names appear in the Record of Depositors as at 15 May 2025 shall be regarded as members of the Company entitled to attend, speak and vote at the EGM.
2. A member of the Company entitled to attend and vote at the EGM may appoint more than one (1) proxy to attend and vote at the EGM. A proxy may but need not be a member of the Company.
3. Where a member of the Company appoints two (2) or more proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, 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 the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. If more than one (1) proxy is appointed, the appointment shall be invalid unless the exempt authorised nominee specifies the number of shares to be represented by each proxy.
5. The Proxy Form shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
6. The Proxy Form must be deposited at the Registered Office of the Company at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the EGM or any adjournment thereof.
7. Pursuant to Clause 63 of Constitution of the Company, all resolutions set out in this Notice will be put to vote by way of poll.

EXPLANATORY NOTE:

SPECIAL RESOLUTION 2 – PROPOSED ADOPTION OF A NEW CONSTITUTION OF THE COMPANY

The proposed Special Resolution 2, if passed, will streamline the Company’s existing Constitution with the ACE Market Listing Requirements of Bursa Securities and other the prevailing statutory and regulatory requirements, while facilitating the implementation of the transfer of the listing of and quotation for the Company’s entire issued share capital from the LEAP Market to the ACE Market of Bursa Securities. The proposed new Constitution of the Company is set out in Appendix I of the circular to the shareholders of DSR Taiko dated 30 April 2025.



DSR TAIKO BERHAD
[Registration No. 202101001462 (1401760-W)]
(Incorporated in Malaysia)

PROXY FORM

*I/*We..... NRIC/Company No:
(Full Name in Block Letters)

of
(Full Address)

Email Address: Mobile No.:

being member/members of DSR Taiko Berhad hereby appoint:

1) Name of proxy: NRIC No:
(Full Name in Block Letters)

Address: No. of shares represented:
(Full Address)

Email Address: Mobile No.:

2) Name of proxy: NRIC No:
(Full Name in Block Letters)

Address: No. of shares represented:
(Full Address)

Email Address: Mobile No.:

or failing him/her, *the Chairman of the Meeting as *my/*our proxy to vote for *me/*us on *my/*our behalf at the Extraordinary General Meeting (“**EGM**”) of DSR Taiko Berhad (“**DSR Taiko**” or “**Company**”) to be held at Conference Meeting Room, No. 32-1 Jalan Eco Santuari 8/2A, Eco Santuari, 42500 Telok Panglima Garang, Selangor Darul Ehsan on Thursday, 22 May 2025, at 10:00 a.m. or after the conclusion or any adjournment thereof, and to vote as indicated below:

RESOLUTION	DESCRIPTION OF RESOLUTION	FOR	AGAINST
Ordinary Resolution 1	Proposed Bonus Issue		
Special Resolution 1	Proposed Withdrawal		
Ordinary Resolution 2	Proposed Listing		
Special Resolution 2	Proposed Adoption		

(Please indicate with an “X” in the appropriate space above how you wish your votes to be cast. If you do not do so, the Proxy will vote or abstain from voting at his/her discretion.)

Number of shares held	
CDS Account No.	

Dated this _____ day of _____ 2025

Signature / Seal of Shareholders: _____
[* Delete if not applicable]



Notes:

1. Depositors whose names appear in the Record of Depositors as at 15 May 2025 shall be regarded as members of the Company entitled to attend, speak and vote at the EGM.
2. A member of the Company entitled to attend and vote at the EGM may appoint more than one (1) proxy to attend and vote at the EGM. A proxy may but need not be a member of the Company.
3. Where a member of the Company appoints two (2) or more proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, 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 the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. If more than one (1) proxy is appointed, the appointment shall be invalid unless the exempt authorised nominee specifies the number of shares to be represented by each proxy.
5. The Proxy Form shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
6. The Proxy Form must be deposited at the Registered Office of the Company at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the EGM or any adjournment thereof.
7. Pursuant to Clause 63 of Constitution of the Company, all resolutions set out in this Notice will be put to vote by way of poll.

Fold this flap for sealing

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AFFIX
STAMP

To:

The Company Secretaries of
DSR TAIKO BERHAD
[Registration No. 202101001462 (1401760-W)]
B-25-2, Block B, Jaya One
No. 72A, Jalan Prof Diraja Ungku Aziz
46200 Petaling Jaya
Selangor Darul Ehsan

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