

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular (as defined herein), 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.



**JADE MARVEL**  
GROUP BHD

**JADE MARVEL GROUP BERHAD**

Registration No.: 200201024617 (592280-W)  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO**

- (I) **PROPOSED PRIVATE PLACEMENT OF UP TO 96,606,238 NEW ORDINARY SHARES IN JADE MARVEL GROUP BERHAD (“JMG” OR “COMPANY”) (“JMG SHARE(S)”) (“PLACEMENT SHARE(S)”), REPRESENTING 30.0% OF THE EXISTING TOTAL NUMBER OF ISSUED JMG SHARE(S) TO THIRD PARTY INVESTOR(S) (“PLACEE(S)”) TO BE IDENTIFIED LATER AT AN ISSUE PRICE TO BE DETERMINED LATER (“PROPOSED PRIVATE PLACEMENT”);**
- (II) **PROPOSED ESTABLISHMENT OF AN EMPLOYEES’ SHARE OPTION SCHEME (“ESOS”) OF UP TO 15.0% OF THE TOTAL NUMBER OF ISSUED JMG SHARE(S) AT ANY POINT IN TIME DURING THE DURATION OF THE ESOS FOR THE ELIGIBLE DIRECTORS AND EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES (“JMG GROUP” OR “GROUP”) EXCLUDING ITS DORMANT SUBSIDIARIES (“PROPOSED ESOS”); AND**
- (III) **PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS ACTIVITIES OF JMG GROUP TO INCLUDE THE MONEY LENDING BUSINESS (“PROPOSED DIVERSIFICATION”)**

**(COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)**

*Adviser*

**MALACCA SECURITIES SDN BHD**

(Registration No. 197301002760 (16121-H))  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

The Notice of Extraordinary General Meeting (“EGM”) of JMG, Administrative Guide and Form of Proxy are enclosed in this Circular. The EGM will be conducted on a fully virtual basis through live streaming and online remote participation via ARB WeMeet operated by ARB WeMeet Sdn Bhd at the main venue at No. 17-02, Q Sentral, 2A, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia. The EGM will be hosted virtually via the website link at <https://member.arbwemeet.com> on Thursday, 21 April 2022, at 10:00 a.m., or any adjournment thereof, together with the Form of Proxy are enclosed herein.

If you decide to appoint a proxy or proxies for the EGM, you must complete and deposit the Form of Proxy for the EGM at the Registered Office of the Company at 39 Irving Road, 10400 Georgetown, Pulau Pinang, Malaysia not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Please refer to the Administrative Guide of the EGM enclosed in this Circular. The lodging of the Form of Proxy for the EGM will not preclude you from attending and voting in person at the meeting should you subsequently decide to do so.

Last day, date and time for lodging the Form of Proxy : Tuesday, 19 April 2022, at 10.00 a.m.  
Day, date and time of the EGM : Thursday, 21 April 2022, at 10:00 a.m.

This Circular is dated 6 April 2022

---

**DEFINITIONS**

---

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

<b>Act</b>	:	Companies Act 2016, as may be amended from time to time and any re-enactment thereof
<b>Board</b>	:	The Board of Director(s) of JMG
<b>Bursa Depository</b>	:	Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
<b>By-Laws</b>	:	The by-laws governing the Proposed ESOS, the draft of which is set out in <b>Appendix II</b> of this Circular, as may be modified, varied or amended from time to time
<b>Circular</b>	:	This Circular to the Shareholders dated 6 April 2022
<b>CMSA</b>	:	Capital Markets and Services Act 2007, as amended from time to time
<b>Constitution</b>	:	Constitution of the Company
<b>Director(s)</b>	:	The executive and non-executive director(s) of the Company for the time being
<b>Effective Date</b>	:	The date on which the Proposed ESOS takes effect, to be determined following full compliance with the relevant requirements of the LR and the By-Laws
<b>EGM</b>	:	Extraordinary general meeting
<b>Eligible Person(s)</b>	:	Director(s) and employees of the JMG Group (excluding its dormant subsidiaries) who meet the criteria of eligibility for participation in the ESOS as set out in the By-Laws
<b>EPS</b>	:	Earnings per share
<b>ESOS</b>	:	Employees' Share Option Scheme
<b>ESOS Committee</b>	:	The committee appointed from time to time by the Board to administer the Proposed ESOS in the manner as indicated in the By-Laws
<b>Exercise Price</b>	:	The exercise price for the exercise of the Option(s)
<b>FYE(s)</b>	:	Financial year(s) ended
<b>FPE</b>	:	Financial period ended
<b>JMG or Company</b>	:	Jade Marvel Group Berhad (Registration No.: 200201024617 (592280-W))
<b>JMG Group or Group</b>	:	JMG and its subsidiaries
<b>JMG Share(s)</b>	:	Ordinary share(s) in JMG
<b>Key Senior Management</b>	:	The senior management team (excluding Director(s)) of the Company

---

**DEFINITIONS (cont'd)**

---

<b>LPD</b>	:	15 March 2022, being the latest practicable date prior to this Circular
<b>LR</b>	:	Main Market Listing Requirements of Bursa Securities
<b>Malacca Securities or Principal Adviser</b>	:	Malacca Securities Sdn Bhd (Registration No.: 197301002760 (16121-H))
<b>Maximum Scheme Limit</b>	:	The maximum number of new JMG Share(s) to be made available and/or issued upon the exercise of Option(s) shall not in aggregate exceed 15.0% of the total number of issued JMG Share(s) (excluding treasury shares) at any point in time during the tenure of the Proposed ESOS
<b>MFRS 2</b>	:	Malaysian Financial Reporting Standards 2 on share-based payment issued by the Malaysian Accounting Standards Board
<b>MYK Capital</b>	:	MYK Capital Management Sdn Bhd (Registration No.: 201901027314 (1336641-V))
<b>N/A</b>	:	Not applicable
<b>NA</b>	:	Net assets
<b>Offer</b>	:	An offer made in writing by the ESOS Committee to an Eligible Person(s)
<b>Option(s)</b>	:	The right of an Eligible Person(s) who has accepted an Offer to subscribe for new JMG Share(s) pursuant to the contract constituted by the acceptance of an Offer as set out in By-Laws, and where the context so requires, means any part of the Option(s) as shall remain unexercised
<b>PAT</b>	:	Profit after taxation
<b>PBT</b>	:	Profit before taxation
<b>Placees</b>	:	Third party investor(s)
<b>Placement Share(s)</b>	:	New JMG Share(s) to be issued pursuant to the Proposed Private Placement
<b>Proposals</b>	:	Collectively, Proposed Diversification, Proposed ESOS and Proposed Private Placement
<b>Proposed Diversification</b>	:	Proposed diversification of the existing business activities of JMG Group to include the money lending business
<b>Proposed ESOS</b>	:	Proposed establishment of an ESOS up to 15.0% of the total number of issued JMG Share(s) at any point in time during the duration of the ESOS for the Eligible Person(s)
<b>Proposed Private Placement</b>	:	Proposed private placement of up to 96,606,238 Placement Share(s), representing 30.0% of the existing total number of issued JMG Share(s) to Placees to be identified later at an issue price to be determined later
<b>RM and sen</b>	:	Ringgit Malaysia and sen, respectively
<b>SGTC</b>	:	Sri Guan Teik Credit Sdn Bhd (Registration No.: 200401019468 (657972-U))
<b>Shareholder(s)</b>	:	Registered holder(s) of JMG Share(s)

---

**DEFINITIONS (cont'd)**

---

<b>Total IPCO</b>	:	Total IPCO Sdn Bhd (Registration No.: 202001025414 (1381734-T))
<b>VWAMP</b>	:	Volume-weighted average market price
<b>% or per cent</b>	:	Per centum or percentage

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Unless otherwise specified, references to persons shall include corporations.

All references to "Company" in this Circular are to JMG, references to "Group" are to JMG and its subsidiaries. All reference to "we", "us", "our" and "ourselves" are to JMG, or whether the context requires, the JMG Group. All references to "you" and "your" in this Circular are to Shareholders.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

The word "approximately" used in this Circular is to indicate that a number is not exact, but that number is usually rounded off to the nearest hundredth or two (2) decimal places. Any discrepancies in the tables between amounts stated and the totals in this Circular are due to rounding.

*[The rest of this page is intentionally left blank]*

---

**TABLE OF CONTENTS**

---

	<b>PAGE</b>
<b>EXECUTIVE SUMMARY</b>	<b>v</b>
<b>LETTER TO THE SHAREHOLDERS IN RELATION TO THE PROPOSALS</b>	
1 INTRODUCTION	1
2 DETAILS OF THE PROPOSALS	2
3 UTILISATION OF PROCEEDS	13
4 RATIONALE AND JUSTIFICATION FOR THE PROPOSALS	16
5 INDUSTRY OUTLOOK AND FUTURE PLANS	19
6 RISK FACTORS	23
7 EFFECTS OF THE PROPOSALS	24
8 HISTORICAL SHARE PRICES	27
9 APPROVALS REQUIRED	28
10 INTER-CONDITIONALITY	29
11 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM	29
12 DIRECTORS' RECOMMENDATION	30
13 ADVISERS AND PLACEMENT AGENT	30
14 FUND RAISING PROPOSALS OF THE COMPANY FOR THE PAST FIVE (5) YEARS	30
15 ESTIMATED TIME FRAME FOR COMPLETION	32
16 EGM	32
17 FURTHER INFORMATION	32
<b>APPENDICES</b>	
I ADDITIONAL INFORMATION	33
II DRAFT BY-LAWS	36
III FURTHER INFORMATION	64
<b>NOTICE OF EGM</b>	<b>ENCLOSED</b>
<b>FORM OF PROXY FOR THE EGM</b>	<b>ENCLOSED</b>

## EXECUTIVE SUMMARY

This Executive Summary highlights the key information from other parts of this Circular. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Circular before making a decision on the Proposals.

Key information	Description	Reference to Circular																								
<b>Summary of the Proposals</b>	<p><b><u>Proposed Private Placement</u></b></p> <p>The Proposed Private Placement entails the issuance of 96,606,238 Placement Share(s), representing 30.0% of the existing total number of issued JMG Share(s) to Placees to be identified later at an issue price to be determined later.</p> <p><b><u>Proposed ESOS</u></b></p> <p>The Proposed ESOS involves the granting of Option(s) of up to 15.0% of the total number of issued JMG Share(s) to the Eligible Person(s) who meet the criteria of eligibility for participation in the Proposed ESOS as set out in the By-Laws.</p> <p><b><u>Proposed Diversification</u></b></p> <p>Proposed Diversification of the existing business activities of the Group to include the money lending business to create an additional revenue stream to the Group via the acquisition of Total IPCO on 1 September 2021.</p> <p>The Board anticipates that the money lending business following its expansion plans will potentially contribute 25.0% or more of the Group's net profits and/or result in a diversion of 25.0% or more of the NA of the Group. Hence, the Board proposes to seek the approval from the Shareholders pursuant to Paragraph 10.13(1) of the LR.</p>	Section 2																								
<b>Utilisation of proceeds</b>	<p>Based on the indicative issue price of RM0.683 per Placement Share, the Company intends to utilise the proceeds arising from the Proposed Private Placement of approximately RM65.98 million as follows: -</p> <table border="1"> <thead> <tr> <th>Proposed utilisation</th> <th>RM'000</th> <th>Expected timeframe from receipt of placement proceeds</th> </tr> </thead> <tbody> <tr> <td>Frozen food business</td> <td>6,000</td> <td>Within 3 months</td> </tr> <tr> <td>Repayment of bank borrowings</td> <td>6,000</td> <td>Within 3 months</td> </tr> <tr> <td>Property development</td> <td>7,000</td> <td>Within 24 months</td> </tr> <tr> <td>Money lending business</td> <td>38,802</td> <td>Within 24 months</td> </tr> <tr> <td>Working capital</td> <td>7,580</td> <td>Within 12 months</td> </tr> <tr> <td>Estimated expenses</td> <td>600</td> <td>Immediate</td> </tr> <tr> <td><b>Total</b></td> <td><b>65,982</b></td> <td></td> </tr> </tbody> </table>	Proposed utilisation	RM'000	Expected timeframe from receipt of placement proceeds	Frozen food business	6,000	Within 3 months	Repayment of bank borrowings	6,000	Within 3 months	Property development	7,000	Within 24 months	Money lending business	38,802	Within 24 months	Working capital	7,580	Within 12 months	Estimated expenses	600	Immediate	<b>Total</b>	<b>65,982</b>		Section 3
Proposed utilisation	RM'000	Expected timeframe from receipt of placement proceeds																								
Frozen food business	6,000	Within 3 months																								
Repayment of bank borrowings	6,000	Within 3 months																								
Property development	7,000	Within 24 months																								
Money lending business	38,802	Within 24 months																								
Working capital	7,580	Within 12 months																								
Estimated expenses	600	Immediate																								
<b>Total</b>	<b>65,982</b>																									

Key information	Description	Reference to Circular
<p><b>Rationale and justification for the Proposals</b></p>	<p><b><u>Proposed Private Placement</u></b></p> <p>The proceeds to be raised from the Proposed Private Placement is intended to be utilised for its existing business operations as well as working capital purposes without relying solely on internally-generated funds and at the same time reduce the reliance of the Group on bank borrowings.</p> <p>The Proposed Private Placement is the most appropriate avenue of fund raising as the Proposed Private Placement:</p> <p>-</p> <ul style="list-style-type: none"> <li>(i) enables the Group to raise additional funds without having to incur interest costs as compared to bank borrowings;</li> <li>(ii) allows the Company to raise funds expeditiously from the capital markets as opposed to other forms of fund raising; and</li> <li>(iii) strengthen the capital base as well as improve the financial position of the Group.</li> </ul> <p><b><u>Proposed ESOS</u></b></p> <p>The Proposed ESOS is undertaken to align the interests of the Eligible Person(s) with the corporate goals of the Group. The Proposed ESOS to instill a greater sense of involvement and enhance the working relationship between the non-executive Director(s) and the Group, in recognition of their services and contributions which are valued by the Group as these non-executive Director(s) discharge important functions on the Board.</p> <p><b><u>Proposed Diversification</u></b></p> <p>The Proposed Diversification enables the Group to venture into the money lending business which allow the Group to have an additional revenue stream to enhance its financial performance as well as to reduce dependence on its existing business activities.</p>	<p>Section 4</p>
<p><b>Risk factors</b></p>	<p>The risk factors of the Proposed Diversification are as follows: -</p> <ul style="list-style-type: none"> <li>(i) Business diversification risk;</li> <li>(ii) Licences and regulatory environment;</li> <li>(iii) Credit risk;</li> <li>(iv) The loss of key management personnel;</li> <li>(v) Financing risk; and</li> <li>(vi) Competition risk.</li> </ul>	<p>Section 6</p>
<p><b>Interests of Directors, major shareholders, and/or persons connected with them</b></p>	<p>All Director(s) are Eligible Person(s) under the Proposed ESOS and are therefore deemed interested in the Proposed ESOS by virtue of their eligibility for the Option(s) and to the extent of their respective potential allocation of Option(s), as well as allocations to persons connected with them (if any), under the Proposed ESOS.</p> <p>Accordingly, the Director(s) have abstained and will continue to abstain from all deliberations and voting in</p>	<p>Section 11</p>

Key information	Description	Reference to Circular
	<p>respect of any specific allocation of Option(s) to themselves respectively as well as the specific allocations to any persons connected with them (if any) at the relevant Board meetings of JMG to be convened and at the EGM of JMG to be convened. The Director(s) have also undertaken to ensure that persons connected to them (if any) will also abstain from voting in respect of their direct and/or indirect shareholdings in JMG on the resolutions pertaining to any specific allocations of Option(s) to the Director(s) respectively as well as the specific allocations to any persons connected with them under the Proposed ESOS at the EGM of JMG to be convened.</p>	
<p><b>Approvals required</b></p>	<p>The Proposals are subject to the approvals being obtained from the following new JMG Share(s) on the Main Market of Bursa Securities: -</p> <ul style="list-style-type: none"> <li>(i) Bursa Securities for the listing of and quotation for the following: - <ul style="list-style-type: none"> <li>(a) the Placement Share(s) to be issued pursuant to the Proposed Private Placement; and</li> <li>(b) up to 15.0% of the total number of issued JMG Share(s) to be issued under the Proposed ESOS;</li> </ul> </li> <li>(ii) the Shareholders for the Proposals at an EGM to be convened.</li> </ul>	<p>Section 9</p>
<p><b>Directors' Recommendation</b></p>	<p>The Board having considered all aspects of the Proposals, including but not limited to the rationale and effects of the Proposals (including the risk factors of the Proposed Diversification) is of the opinion that the Proposals are in the best interests of the Company and its shareholders.</p> <p>Accordingly, the Board (except for the interested Director(s) who have abstained from expressing an opinion and making any recommendation in respect of their respective proposed allocations, as well as allocations to persons connected with them under the Proposed ESOS) recommends that the Shareholders <b>VOTE IN FAVOUR</b> of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.</p>	<p>Section 12</p>

*[The rest of this page is intentionally left blank]*



**JADE MARVEL GROUP BERHAD**  
Registration No.: 200201024617 (592280-W)  
(Incorporated in Malaysia)

**Registered Office**

39, Irving Road  
10400 George Town  
Pulau Pinang, Malaysia

6 April 2022

**Board of Directors**

Hj. Abdul Shukor Bin P A Hj. Mohd Sultan (*Chairman/Independent Non-Executive Director*)  
Chong Wei Liang (*Deputy Chairman/Executive Director*)  
Dennis Chung Vui Ming (*Joint Managing Director*)  
Dato' Khoo Yik Chou (*Joint Managing Director*)  
Tan Yen Yeow (*Independent and Non-Executive Director*)  
Calvin Lau (*Independent and Non-Executive Director*)  
Loh Seong Yew (*Non-Independent and Non-Executive Director*)

**To: The Shareholders**

Dear Sir/Madam,

- (I) **PROPOSED PRIVATE PLACEMENT;**
- (II) **PROPOSED ESOS; AND**
- (III) **PROPOSED DIVERSIFICATION**

**(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")**

---

**1. INTRODUCTION**

On 26 January 2022, Malacca Securities had, on behalf of the Board, announced that the Company proposed to undertake the following: -

- (i) proposed private placement of up to 96,606,238 Placement Share(s), representing 30.0% of the existing total number of issued JMG Share(s) to the Placees to be identified later at an issue price to be determined later;
- (ii) proposed establishment of an ESOS of up to 15.0% of the total number of issued JMG Share(s) at any point in time during the duration of the ESOS for the Eligible Person(s); and
- (iii) proposed diversification of the existing business activities of JMG Group to include the money lending business

(The abovementioned proposals shall collectively be referred to as the "**Proposals**").

On 28 January 2022, Malacca Securities had, on behalf of the Board, announced that an application in relation to the Proposals together with the listing application for the new securities to be issued pursuant to the same had been submitted to Bursa Securities.

On 24 March 2022, Malacca Securities had, on behalf of the Board, announced that Bursa Securities had approved the Proposals vide its letter dated 23 March 2022, subject to the condition as set out in **Section 9** of this Circular.

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

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

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.**

## **2. DETAILS OF THE PROPOSALS**

### **2.1 PROPOSED PRIVATE PLACEMENT**

#### **2.1.1 Placement size**

The Proposed Private Placement entails the issuance of Placement Share(s), representing 30.0% of the existing total number of issued JMG Share(s) to the Placees to be identified later at an issue price to be determined later. As at the LPD, the total issued share capital of JMG stood at RM160,498,693 comprising 322,020,794 JMG Share(s). Accordingly, a total of up to 96,606,238 Placement Share(s), representing 30.0% of the existing total number of issued JMG Share(s) may be issued pursuant to the Proposed Private Placement.

The actual number of Placement Share(s) to be issued pursuant to the Proposed Private Placement will depend on the total number of issued JMG Share(s) on a date to be determined and announced later by the Board, after receipt of all relevant approvals for the Proposed Private Placement.

#### **2.1.2 Basis and justification for the issue price of the Placement Share(s)**

The Placement Share(s) will be issued based on the 5-day VWAMP of JMG Share(s) up to and including the last trading day immediately preceding the price-fixing date with a discount of not more than ten percent (10.0%), to be determined and fixed by the Board at a later date, after receipt of all relevant approvals for the Proposed Private Placement.

As the Proposed Private Placement may be implemented in several tranches within six (6) months, there could potentially be several price-fixing dates and issue prices. The implementation of the Proposed Private Placement in multiple tranches would provide flexibility to the Company to procure interested investor(s) to subscribe for the Placement Share(s) expediently within the period as approved by Bursa Securities.

For illustration purposes, the indicative issue price of the Placement Share(s) is assumed to be at RM0.683 per Placement Share, which represents a discount of approximately 10.0% to the 5-day VWAMP of JMG Share(s) up to and including the LPD of RM0.7588 each.

An announcement will be made on the basis and justification for the issue price of the Placement Share(s) once the issue price has been determined.

#### **2.1.3 Placement arrangement**

The Placement Share(s) will be placed to the Placees to be identified at a later date, where the Placees shall be person(s) or party(ies) who/which qualify under Schedules 6 and 7 of the CMSA.

In accordance with Paragraph 6.04(c) of the LR, the Placement Share(s) will not be placed to the following parties: -

- (i) the Director, major shareholder or chief executive of JMG or the holding company of JMG (if any) (“**Interested Parties**”);
- (ii) the person(s) connected with the Interested Parties; and
- (iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

The Proposed Private Placement may be implemented in several tranches within six (6) months as approved by Bursa Securities. The issue price for each tranche of the Placement Share(s) will be determined separately.

#### **2.1.4 Ranking of the Placement Share(s)**

The Placement Share(s) shall, upon allotment, issuance and full payment of the issue price of the Placement Share(s), rank equally in all respects with the existing JMG Share(s), save and except that the holder(s) of the Placement Share(s) will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Placement Share(s).

#### **2.1.5 Listing of and quotation for the Placement Share(s)**

Bursa Securities had, vide its letter dated 23 March 2022, approved the listing of and quotation for the Placement Share(s) on the Main Market of Bursa Securities.

## **2.2 PROPOSED ESOS**

The Proposed ESOS involves the granting of Option(s) to the Eligible Person(s) who meet the criteria of eligibility for participation in the Proposed ESOS as set out in the By-Laws.

The Proposed ESOS will be administered by the ESOS Committee in accordance with the By-Laws.

The salient features of the Proposed ESOS are set out as below.

#### **2.2.1 Maximum number of new JMG Share(s) available under the Proposed ESOS**

The maximum number of new JMG Share(s) to be made available and/or issued upon the exercise of Option(s) shall not in aggregate exceed 15.0% of the total number of issued JMG Share(s) (excluding treasury shares) at any point in time during the tenure of the Proposed ESOS as provided in the By-Laws.

#### **2.2.2 Basis of allotment and maximum allowable allotment**

Subject to any adjustments which may be made under the By-Laws, the aggregate number of new JMG Share(s) that may be offered and allotted to any of the Eligible Person(s) shall be at the absolute discretion of the ESOS Committee, after taking into consideration, amongst others and where relevant, the Eligible Person(s)' position, ranking, performance, contribution, seniority, length of service, fulfilment of the eligibility criteria under the By-Laws or such other matters including those set out below, which the ESOS Committee may in its sole and absolute discretion deem fit provided always that it is in accordance with any prevailing guidelines issued by Bursa Securities, the LR or any other relevant authorities as amended from time to time:-

- (i) the director(s) and Eligible Person(s) shall not participate in the deliberation or discussion of their own allocation and the allocation to any person(s) connected with them;

- (ii) the number of JMG Share(s) allocated to any Eligible Person(s) who, either singly or collectively through persons connected with the Eligible Person(s), holds twenty percent (20.0%) or more in the total number of issued JMG Share(s) (excluding treasury shares), shall not exceed ten percent (10.0%) of the total number of JMG Share(s) to be issued under the Proposed ESOS;
- (iii) at any point in time when an Offer(s) is made, not more than seventy percent (70.0%) of the new JMG Share(s) available under the Proposed ESOS shall be allocated in aggregate to the director(s) and senior management. Notwithstanding the Proposed ESOS is undertaken to reward the Eligible Persons as a whole, the Company takes cognisance of the contribution of the Directors and Senior Management of the Group who are responsible for the shaping the direction of the Company and hence the proposed allocation of up to seventy percent (70%) is intended to incentivise and reward the Directors and senior management of the Group for their continued contribution to the Group;
- (iv) that the aggregate number of JMG Share(s) comprised in the Option(s) made available under the Proposed ESOS shall not exceed the Maximum Scheme Limit, but the ESOS Committee shall not be obliged in any way to grant Option(s) for all the specified maximum number of JMG Share(s); and
- (v) that the imposition of any performance target to be achieved before the Option(s) can be granted and/or exercised by an Eligible Person(s) (if any) shall be determined by the ESOS Committee.

The ESOS Committee shall stagger the allocation of Option(s) available over the duration of the Proposed ESOS. In such event, the maximum allocation available for each financial year during the duration of the ESOS is as follows:-

<b>Financial Year</b>	<b>Maximum Allocation Available (based on the total number of issued JMG Share(s) at any point in time during the duration of the ESOS)</b>
1	5%*
2	5%*
3	3%*
4	1%*
5	1%

*Note: -*

\* Any balance not allocated in the financial year shall be brought forward to the following financial year.

The ESOS Committee shall also have the sole and absolute discretion to determine the vesting period and/or criteria (if any) for the Option(s) granted under the Proposed ESOS. As at the LPD, the Company has yet to ascertain any vesting period and/or criteria, which will take into consideration, amongst others, the Group's financial performance and the Eligible Person(s)' performance over the vesting period, that must be achieved prior to the vesting or the exercise of the Option(s). In any event, such vesting period and criteria will be determined by the ESOS Committee, in its sole and absolute discretion.

### **2.2.3 Eligibility**

Subject to the selection at the discretion of the ESOS Committee, only Eligible Person(s) is eligible to participate in the Proposed ESOS: -

- (i) he/she is a Malaysian citizen has attained the age of at least eighteen (18) years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (ii) with the exception of the non-executive director(s): -

- (a) he/she shall be employed on full time basis and is confirmed in service and has been employed by a company in the Group for at least twelve (12) months (unless the ESOS Committee under certain circumstances at its discretion reduces this period to a shorter period as it deems fit);
- (b) where the director(s) or employee(s) is under an employment contract, the contract term shall be for at least one (1) year and shall not have expired within three (3) months from the Date of Offer (as defined below);
- (iii) he/she is has fulfilled any other eligibility criteria that the ESOS Committee may from time to time decide at its absolute discretion.

In the case where are eligible to participate in the Proposed ESOS, the specific allocation of Option(s) granted by the Company to the Interested Parties and/or persons connected to them under the Proposed ESOS shall be approved by the Shareholders at a general meeting.

#### **2.2.4 Duration**

The Proposed ESOS, when implemented, shall be in force for a period of five (5) years from the Effective Date ("**Scheme Period**").

On or before the expiry of the above initial Scheme Period, the Board may in its sole and absolute discretion deem fits and upon the recommendation of the ESOS Committee, extend the Proposed ESOS for a further period of up to five (5) years or such shorter period as it deems fit without having to obtain approval from the Shareholders (unless otherwise required by the relevant authorities), provided that the total duration of the Proposed ESOS shall not exceed ten (10) years from the Effective Date.

In the event the Proposed ESOS is extended in accordance with the terms of the By-Laws, the ESOS Committee shall furnish a written notification to each Eligible Person who has accepted the Offer within thirty (30) days prior to the expiry of the above initial Scheme Period.

#### **2.2.5 Basis of determining the Exercise Price**

Subject to any adjustments made under the By-Laws and pursuant to the LR, the Exercise Price shall be based on the 5-day VWAMP of JMG Share(s) immediately preceding the date on which the Offer is made ("**Date of Offer**") with a discount of not more than ten percent (10.0%) or such price or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time during the duration of the Proposed ESOS, as determined by the Board upon recommendation of the ESOS Committee.

#### **2.2.6 Retention period**

Pursuant to Paragraph 8.20 of the LR, an eligible non-executive director of the Group must not sell, transfer or assign JMG Share(s) obtained through the exercise of the Option(s) offered to him/her within one (1) year from the Date of Offer.

Save for the eligible non-executive directors, the new JMG Share(s) to be allotted and issued to the Eligible Person(s) who has accepted the Offer pursuant to the exercise of the Option(s) will not be subject to any retention period.

### **2.2.7 Ranking of the Option(s) and new JMG Share(s) to be issued arising from the exercise of the Option(s)**

The Option(s) shall not carry any right to vote at any general meeting of the Company until and unless the Eligible Person(s) who have accepted the Offer, have exercised their Option(s) and new JMG Share(s) have been allotted and credited into their respective securities accounts.

The new JMG Share(s) to be allotted and issued upon the exercise of the Option(s) shall, upon allotment, issuance and full payment, rank equally in all respects with the then existing JMG Share(s), save and except that the holder(s) of the new JMG Share(s) will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment and issuance of the new JMG Share(s).

### **2.2.8 Listing of and quotation for the new JMG Share(s) to be issued arising from the exercise of the Option(s)**

Bursa Securities had, vide its letter dated 23 March 2022, approved the listing of and quotation for such number of new JMG Share(s), representing up to 15.0% of the total number of issued JMG Share(s) to be issued pursuant to the exercise of the Option(s) at any point in time during the duration of the Proposed ESOS on the Main Market of Bursa Securities, subject to the conditions as stated under **Section 9** of this Circular.

### **2.2.9 Modification and/or amendment**

Subject to the By-Laws and compliance with the LR and the approvals of any other authorities (if required), the ESOS Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of the By-Laws as it shall in its sole and absolute discretion think fit. The Board shall have the power at any time and from time to time by resolution and without approval from Shareholders to add to, amend or delete all or any of the terms in the By-Laws upon such recommendation provided that no additions or amendments to or deletions of the By-Laws shall be made which will: -

- (i) prejudice any rights which have accrued to any Eligible Person(s) who has accepted the Offer without the prior consent of that Eligible Person(s);
- (ii) prejudice any rights of the Shareholders without the prior approval of the Shareholders in a general meeting; or
- (iii) alter to the advantage of any Eligible Person(s) in respect of any matters which are required to be contained in the By-Laws by virtue of Appendix 6E of the LR, without the prior approval of the Shareholders in a general meeting unless allowed otherwise by the provisions of the LR.

Where any addition, modification, amendment and/or deletion is made to the By-Laws, the Company shall submit the amended By-Laws and a letter of compliance to Bursa Securities each time any addition, modification, amendment and/or deletion is made, stating that the said addition, modification, amendment and/or deletion is in compliance with the provisions of the LR and the Rules of Bursa Depository pursuant to Paragraph 2.12 of the LR.

### 2.2.10 Alteration of share capital

Subject to the By-Laws, in the event of any alteration in the capital structure of the Company during the period commencing from the Date of Offer until the expiry of the Proposed ESOS, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of JMG Share(s) or reduction of capital or any other variation of capital, the Company shall (unless otherwise specifically provided by the By-Laws) cause adjustment to be made to the Exercise Price and/or the number of JMG Share(s) which an Eligible Person(s) who has accepted the offer shall be entitled to subscribe for upon the exercise of each Option(s).

### 2.2.11 Termination

Subject to compliance with the requirements of Bursa Securities and any other authorities, the Proposed ESOS may be terminated at any time before the expiry of the Proposed ESOS by the ESOS Committee upon approval of the Board without obtaining the approvals or consent from the Eligible Person(s) who have accepted the Offer or approvals from the Shareholders provided that the Company makes an announcement immediately to Bursa Securities.

The announcement shall include: -

- (i) the effective date of termination of the ESOS;
- (ii) the number of Option(s) exercised or JMG Share(s) vested; and
- (iii) the reasons for termination of the ESOS.

All Offer(s) outstanding but not yet accepted by the Eligible Person(s) at the date of the said Board resolution shall automatically lapse or cease to have effect as at the date of the Board resolution and the Option(s) yet to be exercised shall automatically lapse or cease to have effect.

## 2.3 PROPOSED DIVERSIFICATION

JMG Group is principally involved in three (3) main business segments namely, the investment holdings segment, which consist of investment holding of companies and investment holding of properties including letting of properties, the manufacturing segment (manufacturing and trading of bituminous premix, tarmac, emulsion and operation of quarry) and the property development segment.

The revenue contribution by the segments to the Group for the past two (2) financial years up to FYE 31 March 2021 and the latest unaudited nine (9)-month FPE 31 December 2021 are set out as below: -

Segment	FYE 31 March 2020		FYE 31 March 2021		FPE 31 December 2021	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Investment holdings	392	2.94	359	1.57	277	1.80
Manufacturing	11,555	86.54	7,783	33.95	6,052	39.35
Property development	1,405	10.52	14,780	64.48	8,711	56.65
Others <sup>(1)</sup>	-	0.00	-	0.00	338	2.20
<b>Total Revenue</b>	<b>13,352</b>	<b>100.00</b>	<b>22,922</b>	<b>100.00</b>	<b>15,378</b>	<b>100.00</b>

Note: -

- (1) Consist of healthcare services (which includes health and beauty services for reflexology and trading of health related products such as needles and syringes, gloves, masks and surgical supplies including surgical equipment, custom procedure trays) which commenced operations on 1 November 2021 and financing services of the Group which commenced operations on 1 September 2021.

On a year-on-year performance, the revenue of the Group for FYE 31 March 2021 increased by approximately RM9.57 million or 71.67% to RM22.92 million as compared to FYE 31 March 2020. For the FPE 31 December 2021, the Group registered revenue of RM15.38 million which was an increase of approximately RM8.86 million or 135.89% as compared to the revenue generated in FPE 31 December 2020 of RM6.52 million.

The revenue generated from the investment holdings and manufacturing segments were on a declining trend from FYE 31 March 2020 to FYE 31 March 2021 was primarily attributed to the outbreak of the Coronavirus disease (“**COVID-19**”) which caused the interruption of the business activities in these segments. Although operations have since re-commenced after the Movement Control Order, but under strict Standard Operating Procedures, the Group is faced with disrupted operational efficiency and sub-optimal utilisation of assets. Collectively, this have impacted the Group’s performance. For the FPE 31 December 2021, the revenue generated from investment holding and manufacturing segments was RM1.30 million and RM6.06 million respectively and was stable compared to the previous corresponding period of RM1.07 million and RM6.27 million respectively for the FPE 31 December 2020.

The increase in the overall revenue of the Group from FYE 31 March 2020 to FYE 31 March 2021 was mainly from the property development segment which registered a significant increase of RM13.37 million or 948.23% from RM1.41 million in FYE 31 March 2020 to RM14.78 million in FYE 31 March 2021. The increase was primarily contributed by the joint development of the SA65 project, namely Casa Perdana at Simpang Ampat which encompasses the development of 97 units of terrace houses on an approximately 6.9 acres of land, with an estimated gross development value of RM55 million. For FPE 31 December 2021, the revenue generated from the property development segment was RM8.71 million as compared to nil in the corresponding period due to the sale of the unsold units from previous phases/inventory units during the financial year.

As part of its efforts to diversify its revenue stream, the Company had on 1 September 2021, entered into a share sale agreement with Dato’ Sri Chong Wei Chuan, Chong Wei Liang and Dato’ Khoo Yik Chou for the acquisition of 100.0% equity interest in Total IPCO for a total purchase consideration of RM2.0 million. The acquisition of Total IPCO was completed on the same day. Total IPCO is principally involved in the investment holding, management activities and money lending services. The acquisition of Total IPCO marks the Group’s venture into the money lending business and provides an opportunity to diversify its existing business activities to include money lending business as well as to expand the revenue stream of the Group. Please refer to the announcement dated 1 September 2021 for further details on the acquisition of Total IPCO.

The money lending business has started contributing to the net profit of the JMG Group since the acquisition of Total IPCO. Based on the audited financial statement of Total IPCO for the FPE 31 July 2021, Total IPCO recorded a PAT and NA of approximately RM0.02 million and RM2.02 million respectively. The audited net profit and NA of Total IPCO as at 31 July 2021 does not result in a diversification in operations of the Group. However, the Board anticipates that, barring any unforeseen circumstances, the Group’s new business activities in the money lending business following its expansion plans will potentially contribute 25.0% or more of the Group’s net profits and/or result in a diversion of 25.0% or more of the NA of the Group to an operation which differs widely from those operations previously carried on by the Group. As such, the Board proposes to seek the approval from the Shareholders for the Proposed Diversification pursuant to Paragraph 10.13(1) of the LR at the Company’s forthcoming EGM.

Notwithstanding the Proposed Diversification, the Board intends to continue with the Group’s existing business activities.

### **2.3.1 Details of money lending business**

Total IPCO is a holder of a moneylender licence issued under the Moneylenders Act 1951 by the Registrar of Moneylenders (under the purview of Ministry of Housing and Local Government). Total IPCO target customers are mainly Small Medium Enterprises (“**SMEs**”) to provide short

term loans to such businesses. To expand its money lending business, Total IPCO had on 4 October 2021, entered into a share sale agreement with Datuk Tan Cheng Yam, Tan Eng Hwa and Pinjam Gadai 916 Sdn Bhd to purchase 51.0% of the total issued share capital of MYK Capital for a total purchase consideration of RM1.22 million. The acquisition of MYK Capital was completed on 4 October 2021. MYK Capital's principal business is the provision of licensed credit community services and operates as a licensed moneylender with a moneylender licence issued pursuant to the Moneylenders Act 1951.

MYK Capital is expected to bring in a new stream of revenue to the Group as it targets a different group of borrowers i.e. mainly individuals within the low to medium income group. Through MYK Capital, Total IPCO will leverage on the vast experience of the other shareholders of MYK Capital who are also directors of MYK Capital, namely Datuk Tan Cheng Yam and his son, Tan Eng Hwa who are also the controlling shareholders and directors of SGTC, which has various branches located in the northern region of Malaysia.

As part of its expansion plans and subject to the approval of the relevant authorities, Total IPCO intends to set-up up to twenty (20) new branches with a drive-through concept via MYK Capital mainly in Penang, Kuala Lumpur, Selangor and Johor in the next twenty-four (24) months with the first drive through money lending outlet opened in Butterworth, Penang. The drive-through concept is expected to offer borrowers convenience (with a shorter time for transaction), safety (as the borrowers do not need to leave their vehicle) and privacy. MYK Capital currently has one (1) branch at Ground Floor, No. 6759, Jalan Kampung Gajah, 12200 Butterworth, Pulau Pinang, Malaysia.

### **2.3.2 Information on Total IPCO**

Total IPCO is a private limited company incorporated in Malaysia on 27 August 2020 with its registered office at 39, Irving Road, 10400 George Town, Pulau Pinang and its headquarters and business address at 1-4-8, I-Avenue, Medan Kampung Relau 1, 11900 Bayan Lepas, Pulau Pinang. As at the LPD, Total IPCO has only one (1) branch which is operating at the business address as set out above. Total IPCO is principally involved in investment holding, management activities and provision of money lending services. Total IPCO has been issued a moneylender licence pursuant to Moneylenders Act 1951 on 15 April 2021 and commenced its business under the Group on 1 September 2021.

As at the LPD, the total issued share capital of Total IPCO is RM2.0 million comprising 2,000,000 ordinary shares. Total IPCO is wholly-owned by JMG. The directors of Total IPCO are Dato' Khoo Yik Chou and Chong Wei Liang.

#### **(i) Subsidiaries of Total IPCO**

##### **(a) UTEX Ltd**

UTEX Ltd was incorporated in Malaysia under Labuan Companies Act 1990 on 9 September 2020 with its registered office at Unit No. 3A-16, Level 3A, Labuan Times Square, Jalan Merdeka, 87000 Federal Territory of Labuan. UTEX Ltd principal activities is to be involved in business-to-business consultancy which aims to provide financial consultancy services to businesses. However, as at the LPD, UTEX Ltd has yet to commence its business. UTEX Ltd has filed the latest unaudited accounts for the period of 9 September 2020 up to 31 December 2020 with the Labuan Financial Services Authority on 30 September 2021. Based on the latest unaudited accounts for the period ended 31 December 2020, UTEX Ltd recorded net losses after tax of USD10,908 (or equivalent to RM43,774 based on exchange rate of RM4.013:USD1.00 as at 31 December 2020) and at a net liabilities position of (USD9,908) (or equivalent to RM39,761 based on exchange rate of RM4.013:USD1.00 as at 31 December 2020).

As at the LPD, the issued share capital of UTEX Ltd is USD1,251,000 comprising 1,251,000 ordinary shares. UTEX Ltd is wholly-owned by Total IPCO. Dato' Khoo Yik Chou is the sole director of UTEX Ltd.

(b) MYK Capital

MYK Capital is a private limited company incorporated in Malaysia on 2 August 2019. MYK Capital is principally involved in the business of provision of licensed credit community services. MYK Capital has been issued a moneylender's licence pursuant to Moneylenders Act 1951 on 8 September 2021 and commenced its business on 4 October 2021.

As at the LPD, the issued share capital of MYK Capital is RM2.0 million comprising 200,000 ordinary shares and 1,800,000 preference shares. MYK Capital is 51%-owned by Total IPCO. The ordinary and preference shareholders of MYK Capital are as follows: -

**Ordinary shareholders**

Name	No. of ordinary shares	Percentage
Total IPCO	102,000	51.0%
Datuk Tan Cheng Yam	49,000	24.5%
Tan Eng Hwa	49,000	24.5%
<b>Total</b>	<b>200,000</b>	<b>100.0%</b>

**Preference shareholders**

Name	No. of preference shares	Percentage
Total IPCO	918,000	51.0%
Pinjam Gadai 916 Sdn. Bhd. Registration No. 202001043384 (1399705-K)/Incorporated in Malaysia	882,000	49.0%
<b>Total</b>	<b>1,800,000</b>	<b>100.0%</b>

Based on the latest audited financial statements of MYK Capital for the financial period 2 August 2019 (date of incorporation) to 31 December 2020, MYK recorded net losses after tax of RM1,632 and its net assets stood at RM8,368.

(ii) **Historical financial information**

The key historical financial information of Total IPCO since incorporation up to FPE 31 July 2021 based on the audited financial statements are as follows: -

	FPE 31 July 2021* RM'000
Revenue	427
PBT	36
PAT	17
Current Assets	790
Current Liabilities	108
Total Assets	2,123
Total Liabilities	108
Shareholders' funds/NA	2,016
No. of shares in issue ('000)	2,000
Total Borrowings	N/A
Basic EPS (sen)	0.83

	<b>FPE 31 July 2021*</b> <b>RM'000</b>
PBT margin (%)	8.38
PAT margin (%)	3.87
Gearing ratio (times)	N/A
Current ratio (times)	7.35

Note: -

\* Excluding MYK Capital as MYK Capital is a new subsidiary of Total IPCO on 4 October 2021

### 2.3.3 Key management personnel

The Board has identified the following experienced key management personnel to lead and oversee the operations of the money lending business, which will be led by Dato' Khoo Yik Chou, who is currently the Joint Managing Director of JMG Group, Chong Wei Liang, who is currently the Deputy Chairman/Executive Director of JMG Group, Datuk Tan Cheng Yam and Tan Eng Hwa as the key personnel to spearhead the money lending business. Further details of the qualification and experience of the key management personnel are set out below: -

- (i) **Dato' Khoo Yik Chou, David ("Dato' David")**, a Malaysian, aged 35, is also the director of Total IPCO. Dato' David Khoo is a Chartered Accountant and Chartered Governance Professional. He holds Practising Certificate and is a Member of the Malaysian Institute of Accountants (MIA) and a Member of Chartered Tax Institute of Malaysia (CTIM). He is also a licensed Tax Agent approved by Ministry of Finance Malaysia.

Dato' David began his professional career in 2010 as an audit associate in KPMG Malaysia where he was later promoted to audit assistant manager in 2014. During his tenure with KPMG, he was involved in both internal and external audit for companies in various industries including manufacturing, retail and wholesale, construction, property development, investment, engineering, used car, tourism and etc.

In 2014, Dato' David set up his own firm, KYC & Associates, which provides professional services such as accounting, corporate secretarial, incorporation, liquidation, assurance, management consultancy, and financial planning. He later set up Total Coaching Sdn Bhd in 2015 and Total GS Taxation Sdn Bhd in 2016. Total Coaching Sdn Bhd provides full corporate advisory services including estate planning, wealth planning, midshore management, sales and services tax, risk planning and etc. while Total GS Taxation Sdn Bhd is a licensed tax agent company.

Dato' David is the Founder and Managing Director for Total Group Berhad which is an investment holding for the Total group of companies. He is also the Joint Managing Director of JMG Group since 15 June 2021.

Dato' David is responsible for managing clients' portfolio of Total IPCO and marketing Total IPCO's services provided to corporate owners. With his experience and network, it is expected that he will be able to reach out to borrowers from various industries.

- (ii) **Chong Wei Liang ("Mr Chong")**, a Malaysian, aged 38, is the director of Total IPCO. He is also the Deputy Chairman/Executive Director of JMG Group. He is a certified DISC Training Instructor, certified Neuro-Linguistic Programming (NLP) Practitioner of USA and OKR Certified Training Instructor. He has approximately ten (10) years of management experience including in providing sales training, team

management, coaching and developing marketing strategies. Mr Chong was also the founder of Team Unity Advisory Sdn Bhd, which is a financial services firm focusing on the insurance segment and Yi Ta Group Sdn Bhd, which operates as an academy for training and consulting for corporations.

Mr Chong will be responsible for handling the risk assessment of Total IPCO where he will be involved in assessing the profiles of borrowers and evaluation of transaction risks for its money lending business.

- (iii) **Datuk Tan Cheng Yam (“Datuk Tan”)**, a Malaysian, aged 62, is the director of MYK Capital. He was granted Pingat Jasa Kebaktian (PJK) title in 1996, Pesuruhjaya Sumpah in 1997, Bintang Kebaktian Masyarakat (BKM) in 1998, Ahli Mahkota Kedah (AMK) in 2000, Darjah Mulia Seri Melaka (DMSM) in 2004, Jasa Pendamai Kedah (JP) in 2008 and Dato’ Setia Diraja Kedah (DSDK) title in 2013 and was awarded the Darjah Cemerlang Seri Melaka (Datuk Wira - DCSM) in 2016. He graduated from Tsinghua University in Degree of School of Economics and Management in 2014.

Datuk Tan was the founder of SGTC, which is in the operations of pawnshops which are dealing with gold and jewellers in the states of Perlis and Kedah. Datuk Tan will be the advisor to Total IPCO in its money lending business. Datuk Tan is the father of Tan Eng Hwa.

- (iv) **Tan Eng Hwa (“Mr Tan”)**, a Malaysian, aged 34, is the director of MYK Capital. He graduated from Tunku Abdul Rahman College with Diploma in Accounting in 2007 and Advance Diploma in Financial Accounting in 2008. He was then awarded Global UGRAD Scholarship to the University of Wisconsin - Eau Claire USA in Accounting and Finance in 2009. He later obtained his ACCA in Sunway University in 2011 and subsequently a Master’s in Professional Accountancy from the University of London in 2019.

Mr Tan began his career with international accounting firm namely Deloitte in 2009 and in 2011, he joined Sri Guan Teik Group of Companies. In 2015, he founded his own accounting firm, EH Tan & Co., a member firm of Malaysia Institute of Accountants. He is a member of Malaysia Institute of Accountant (MIA) (2014), a fellow member of Association of Chartered Certified Accountants of UK (FCCA) (2019), a member of ASEAN CPA (2019), Chartered Member of Institute of Internal Auditors (CMIIA) and Associated Member of Chartered Tax Institute of Malaysia (ACTIM) (2018). He is also a licensed tax agent awarded by the Ministry of Finance under Section 153 of the Income Tax Act in 2018. He was bestowed the Pingat Jasa Kebaktian (PJK) and Bintang Kebaktian Masyarakat (BKM) by the Sultan of Kedah in 2014 and 2016 respectively.

Mr Tan is currently the Director in SGTC. He is also the Chief Executive Officer of Eviva Network Sdn Bhd which is involved in e-commerce, trading of IT related devices, providing web and email hosting and other technology related services. Mr Tan will also be the advisor to Total IPCO in its money lending business together with his father, Datuk Tan.

As at the LPD, Total IPCO and MYK Capital have a total of four (4) employees (excluding the directors/key management personnel as mentioned above). Depending on factors such as potential future business expansion, the Group may hire additional employees with the relevant experiences when the need arises.

There are no management agreements with the four (4) key personnel spearheading the money lending business. As set out in **Section 6.4** of the Circular, the money lending business performance of the Group and its future prospects depend significantly on the abilities, skills, experience, competency and continuous efforts of its key management personnel and the loss of any of

its key management personnel may have a material adverse impact on the money lending business of the Group. Notwithstanding, the Board will continue to develop and train its employees and may recruit experienced personnel from the financial, credit and/or banking industries to continue to grow its money lending business. Please refer to **Section 6.4** of this Circular for further details on the risk factor relating to the loss of key management personnel.

### 3. UTILISATION OF PROCEEDS

#### 3.1 Proposed Private Placement

Based on the indicative issue price of RM0.683 per Placement Share, the Proposed Private Placement is expected to raise gross proceeds of approximately RM65.98 million. The Company intends to utilise the proceeds from the Proposed Private Placement as following: -

<b>Proposed utilisation</b>	<b>RM'000</b>	<b>Expected timeframe from receipt of placement proceeds</b>
Frozen food business <sup>(1)</sup>	6,000	Within 3 months
Repayment of bank borrowings <sup>(2)</sup>	6,000	Within 3 months
Property development <sup>(3)</sup>	7,000	Within 24 months
Money lending business <sup>(4)</sup>	38,802	Within 24 months
Working capital <sup>(5)</sup>	7,580	Within 12 months
Estimated expenses <sup>(6)</sup>	600	Immediate
<b>Total</b>	<b>65,982</b>	

Notes: -

- (1) On 6 December 2021, the Board announced that the Company had on 5 December 2021 entered into a Joint Venture and Shareholders Agreement (“**JVSA**”) with YHL Foods Sdn Bhd (“**YHLF**”) and YHL Jadem Frozen Sdn Bhd (“**YHLJF**”). The Board intends to utilise RM6.00 million to finance the subscription of an additional 5,994,000 ordinary shares in YHLJF at a subscription price of RM1.00 each (“**Proposed Subscription**”).

The Company and YHLF have agreed to establish and participate in the joint venture through YHLJF to undertake the business of providing services in relation to processing of frozen seafood and cold storage facilities and export, import, sales, marketing and wholesale of all types of frozen seafood (“**Frozen Food Business**”). Pursuant to the joint venture, the Company, through its wholly-owned subsidiary, Total IPCO shall grant a loan of up to RM10.0 million to YHLJF for its working capital utilisation.

The shareholders and shareholding structure in YHLJF held upon incorporation and after the Proposed Subscription are as follows:

<b>Shareholders</b>	<b>No. of ordinary shares</b>	<b>No. of additional shares to be subscribed in relation to the Proposed Subscription</b>	<b>Total shares and percentage owned after the Proposed Subscription</b>
JMG	6,000	5,994,000	6,000,000 (60.0%)
YHLF	4,000	3,996,000	4,000,000 (40.0%)
<b>Total</b>	<b>10,000</b>	<b>9,990,000</b>	<b>10,000,000 (100.0%)</b>

As at the date of this Circular, the Proposed Subscription has yet to be completed.

Please refer to the announcement dated 6 December 2021 for further details on the joint venture.

- (2) As at the LPD, the total outstanding borrowings of the Group (comprising bank overdrafts, lease liabilities and bankers' acceptances) is RM7.97 million. The Board intends to utilise RM6.00 million to partially repay the Group's bank overdrafts. The Group's borrowing facilities as at the LPD and the intended allocation of proceeds as well as the potential interest savings per annum from the repayment are set out below:

<b>Type of facilities</b>	<b>Amount outstanding as at the LPD RM'000</b>	<b>Effective interest rate per annum %</b>	<b>Proposed allocation of proceeds RM'000</b>	<b>Estimated interest savings per annum RM'000</b>
Bank overdrafts	6,333	6.47-7.14	6,000	388
Lease liabilities	251	6.39	-	-
Bankers' acceptances	1,390	3.24	-	-
<b>Total</b>	<b>7,974</b>		<b>6,000</b>	<b>388</b>

Pursuant to the partial repayment of bank overdrafts, the Company's total borrowings is expected to reduce by approximately 75.24% to RM1.97 million. In addition, the Company's gearing ratio is expected to decrease from 0.06 times to 0.01 times. For the avoidance of doubt, the 3-month repayment period is the maximum estimated duration for the Company to partially repay the abovementioned banking facilities extended by the financial institutions. The Board shall use its discretion to allocate the proceeds for the repayment of bank borrowings including any claw back of funds between the repayment of bank overdrafts according to maturity/interest rate charged by the relevant financial institutions at the relevant point in time.

- (3) To part finance its property development project undertaken by Great Marvel Sdn. Bhd. ("GMSB"), a wholly-owned subsidiary of JMG. The property development projects entail two (2) residential housing developments on two (2) parcels of freehold land measuring approximately 3.6 acres and 13 acres, all in Mukim 14, Daerah Seberang Perai Selatan, Simpang Ampat, Pulau Pinang namely "Ritze Perdana 53 units" and "Jade Perdana" ("Development Projects").

#### **Details of the Development Projects**

For information purposes, the estimated Gross Development Value ("GDV"), the estimated Gross Development Cost ("GDC") and the expected profit to be derived from the Development Projects is set out below: -

<b>Development project</b>	<b>Ritze Perdana 53 units</b>	<b>Jade Perdana</b>
<b>Type of proposed development</b>	: 53 units of three storey terrace houses	155 units of double storey terrace houses and 16 units of zero lot bungalows
<b>Estimated GDV<sup>(1)</sup></b>	: RM31.08 million	RM103.89 million
<b>Estimated GDC<sup>(2)</sup></b>	: RM25.84 million	RM86.78 million
<b>Estimated gross development profit</b>	: RM5.25 million	RM17.11 million

Notes: -

- (1) The estimated GDV is based on the total sales value of the development based on a similar type of development in Simpang Ampat with adjustments made to the selling prices of the development after taking into consideration the market improvement of the location, facilities and size of floor area.
- (2) The estimated GDC is based on estimated cost such as predevelopment charges, site preparation, infrastructure and building construction cost, sales and marketing fees and professional fees.

For information purposes, GMSB had on 17 November 2021 obtained the Advertising Permit and Developer's License ("APDL") for development project of Ritze Perdana 53 units. The construction works for the said development project is expected to commence by third quarter of year 2022.

Meanwhile for Jade Perdana, GMSB had on 2 November 2021 submitted the necessary documents to Local Authority/ Majlis Bandaraya Seberang Perai ("MBSP") in order to carry out the development of the said development project based on the development order. As at the LPD, the approval from MBSP is still pending and is expected to be obtained by the fourth quarter of 2022. The construction works is expected to commence by the first half of 2023.

The estimated allocation of the aforesaid construction and development costs are set out below: -

<b>Description</b>	<b>RM'million</b>
Ritze Perdana 53 units	
Construction and development costs, which include amongst others, the following: -	4.0
i. Professional fees	
ii. Site clearance and earthwork, piling works	
iii. Preliminary mobilisation works	
iv. Material costs	
Jade Perdana	
Construction and development costs, which include amongst others, the following: -	3.0
i. Compensation of low cost houses due to increase density	
ii. Land re-alienation cost	
iii. Professional fees (40% of total professional fees)	
<b>Total</b>	<b>7.0</b>

For the avoidance of doubt, any shortfall in the development cost of the Development Projects shall be funded via a combination of bank borrowings, progressive collections from sales billings, internally generated funds and future equity fundraising exercise(s) of the Group. The Company may be required to provide corporate guarantee for banking facilities to be obtained by GMSB from any licensed financial institution(s), in respect of the Development Projects. Nevertheless, the Company will continuously monitor and review the additional banking facilities to be obtained by GMSB and its cash flows position to ensure GMSB's ability to meet its debt obligations is not compromised throughout the development period of its development project(s). As at the LPD, the Company is of the view that the funds raised from the Proposed Private Placement coupled with the Company's internally generated funds and bank borrowings is sufficient to fund the Development Projects. As such, the Company may only consider any further equity fundraising exercise for the Development Projects is such need arises in the future.

(4) The Board intends to utilise RM38.80 million of the proceeds from the Proposed Private Placement to finance its money lending business. The detailed breakdown is as follows:-

<b>Description</b>	<b>RM'million</b>	<b>%</b>
Set-up of new money lending outlets (including renovation and setting up cost) <sup>(a)</sup>	3.57	9.20
Working capital <sup>(b)</sup>	35.23	90.80
<b>Total</b>	<b>38.80</b>	<b>100.00</b>

- (a) As set out in Section 2.3.1 above, the Company intends to set-up up to twenty (20) new branches with a drive-through concept via MYK Capital mainly in Penang, Kuala Lumpur, Selangor and Johor in the next twenty-four (24) months. It is estimated that RM3.57 million (based on 51% shareholdings in MYK Capital) is required as Total IPCO's 51% portion for the set-up cost for the new branches.
- (b) To be utilised as funds/cash buffer as capital to provide loans and financing to its customers under its money lending business.

Any shortfall for its money lending business shall be funded via internally-generated funds and future equity fundraising exercise(s) of the Group (if required) whilst any excess funds arising from the above shall be utilised as additional funds/cash buffer for the money lending business.

- (5) *To fund the day-to-day operations of the Group including office-related overheads and staff-related expenses and settlement of the Group's trade and other payables, further breakdown as follows: -*

<b>Description</b>	<b>RM'million</b>	<b>%</b>
<i>Operating expenses and administrative expenses such as utilities, rental costs, transportation costs, marketing costs and other miscellaneous items</i>	2.00	26.39
<i>Payment of salaries to staff of the Group</i>	3.08	40.63
<i>Settlement of the Group's trade and other payables</i>	2.50	32.98
<b>Total</b>	<b>7.58</b>	<b>100.00</b>

- (6) *The estimated expenses of RM0.60 million shall be utilised for the payment of professional fees, payment for the submission to authorities and other miscellaneous expenses. Any excess or shortfall will be clawed back to the working capital of the Group.*

### **3.2 Proposed ESOS**

The actual amount of proceeds to be raised from the Proposed ESOS will depend on the number of Option(s) granted and exercised at the relevant point of time and the Exercise Price upon the exercise of the Option(s).

The proceeds arising from the exercise of the Option(s) will be utilised for working capital purposes as and when received within the tenure of the Proposed ESOS. The exact timeframe for utilisation of the proceeds is not determinable at this juncture.

## **4. RATIONALE AND JUSTIFICATION FOR THE PROPOSALS**

### **4.1 Proposed Private Placement**

As detailed in **Section 3.1** of this Circular, the proceeds to be raised from the Proposed Private Placement is intended to be utilised for its existing business operations as well as working capital purposes without relying solely on internally-generated funds. The Proposed Private Placement would be able to facilitate the value creation to the Group and its shareholders as well as allowing the Group flexibility in respect of financial allocations for its operational requirements. The Proposed Private Placement also provides the management of the Group the flexibility and control of the internally-generated funds of the Group and at the same time reduce the reliance of the Group on bank borrowings which will require the Group to service interest and repay the principal sum on a periodic basis.

After due consideration, the Board is of the opinion that the Proposed Private Placement is the most appropriate avenue of fund raising as the Proposed Private Placement: -

- (i) enables the Group to raise additional funds without having to incur interest costs as compared to bank borrowings;
- (ii) allows the Company to raise funds expeditiously from the capital markets as opposed to other forms of fund raising; and
- (iii) strengthen the capital base as well as to improve the financial position of the Group.

For the avoidance of doubt, upon the completion of the Proposed Private Placement, the Placement Share(s) will result in dilution to the Company's existing shareholders' shareholdings due to the increase in the number of JMG Share(s) pursuant to the Proposed Private Placement. For illustration purposes, following the completion of the Proposed Private Placement, the shareholdings of the existing shareholders of JMG (other than the substantial shareholders) will be diluted from 65.54% to 50.42%. The Board is of the view that the funds to be raised under the Proposed Private Placement at this juncture is crucial particularly for its money lending business expansion plans whereby it intends to roll out the expansion of up to twenty (20) new outlets via MYK Capital within the next twenty-four (24) months as well as capital for its money lending

business under Total IPCO. Notwithstanding that the funds to be utilised is proposed to be utilised over a period of twenty-four (24) months from receipt of the placement proceeds, the funds to be raised from the Proposed Private Placement will enable the Company to accelerate its plans for the expansion of the money lending outlets as the Company will require the necessary capital and funding to plan ahead and the set-up of branches will require time and the necessary approvals from the relevant authorities. The Group intends to set-up five (5) branches in 2022. In addition, the Group shall also utilise the funds to be raised under the Proposed Private Placement as additional capital for its money lending business which can be used to lend to a range of customers including investment holding companies, SMEs as well as start-up entrepreneurs for various purposes such as personal financing, seed capital for working capital, investment, new business and expansion of business as well as project financing to improve the bottomline of the Group. Moreover, the Company is of the view that there is market demand for such loans with many SMEs, retailers and individuals requiring funds to meet their cash flow needs following the expiry of the six (6)-month loan-repayment moratorium period granted by Bank Negara Malaysia (which began on 7 July 2021) and are unable to obtain financing from financial institutions.

The expansion is also in line with the Proposed Diversification to be undertaken by the Company whereby barring any unforeseen circumstances, the Group's new business activities in the money lending business will potentially contribute 25% or more of the Group's net profits and/or result in a diversion of 25% or more of the NA of the Group to an operation which differs widely from those operations previously carried on by the Group. In addition, the funds raised under this Proposed Private Placement shall also be utilised amongst others to fund its property development project, subscription of shares in the frozen food business as well as repayment of bank borrowings. Being a business incubator, the Group will require additional funds from time to time for its new business ventures or to carry out projects under its portfolio of businesses. The new business ventures refer to new business undertaken as a result of acquisition, subscription of shares or joint ventures entered into by the Group. The Company had in the last six (6) months up to the date of this Circular announced the following: -

- (i) Acquisition of 51% of MYK Capital, which is a money lending business by Total IPCO. Please refer to the announcement made on 4 October 2021;
- (ii) Memorandum of understanding between JMG and BHealthy Wellness Sdn Bhd to establish a strategic alliance and collaboration between the parties to undertake the proposed business venture of management of the wellness industry related businesses via a one-stop information technology control system. Please refer to the announcement dated 15 October 2021;
- (iii) Joint venture and shareholders agreement between JMG and YHLF for the purposes of the participation of JMG and YHLF in a joint venture through YHLJF to undertake a business venture of setting up an integrated frozen seafood processing facility with cold storage facilities. Please refer to the announcement made on 6 December 2021;
- (iv) Memorandum of understanding between JMG and MTG Timur Sdn Bhd to establish a strategic alliance and collaboration between the parties to undertake property development and/or construction projects. Please refer to the announcement made on 28 December 2021;
- (v) Memorandum of understanding between Jadem Trading Sdn Bhd ("**JTSB**"), a 51%-subsidiary of JMG and Shandong Xinhai Mining Technology & Equipment Inc. to establish a strategic alliance between the parties to collaborate and explore the business opportunities in the area of mineral processing and solutions. Please refer to the announcement made on 14 January 2022;
- (vi) Memorandum of understanding between Jadem Ganjaran Sdn Bhd, a wholly-owned subsidiary of JMG, and Penang Development Corporation ("**PDC**") to specify the preliminary arrangements of the respective parties with the aim of entering into a definitive agreement for the reclamation of a proposed site of land from Queensbay Mall to Jambatan Sultan Abdul Halim Muadzam Shah, Bayan Lepas, Penang and the construction of the proposed development on a proposed site. Please refer to the announcement made on 17 January 2022;

- (vii) Joint venture between JTSB and Finbond Heavy Machinery Sdn. Bhd. in respect of Jadem Finbond Heavy Machinery Sdn. Bhd. (“**JFHM**”) as the joint venture company to undertake the business of dealing and leasing in heavy machinery, trucks, tractors, bulldozers, excavators and all other kinds of equipment and description for commercial, industrial or business use. Please refer to the announcement made on 26 February 2022;
- (viii) Sale and purchase contract by JTSB with Rizhao Xinlanshan Asset Management Co., Ltd (“**Rizhao**”) for the supply of iron ore lumps by JTSB to Rizhao. Please refer to the announcement made on 26 February 2022;
- (ix) Mining agreement for a mining lease between JTSB and Silver Matrix Resources Sdn Bhd to carry out Mining Operations (as defined therein) on the land known as Lot No. 23112 located at Sungai Taku, Mukim Kuala Nal, Daerah Batu Mengkebang, Jajahan Kuala Krai, Kelantan Darul Naim measuring approximately 189.9 hectares. Please refer to the announcement made on 15 March 2022;
- (x) Acquisition of 60% of the total issued and paid-up share capital of M7 Medics Sdn Bhd for a purchase consideration of RM600,000.00 by Jadem eHealth Sdn. Bhd., a 51%-owned subsidiary of JMG from Lee Wee Keng and Ng Lee Chin. M7 Medics is principally involved in the business of (i) export and import of pharmaceutical and medical goods; (ii) manufacture of medical and dental instrument and supplies. Please refer to the announcement made on 25 March 2022.

In addition, taking into consideration the long-term and future funding requirements of the Group, the Company intends to raise further funds via a proposed renounceable rights issue to be announced at a later date. The funds to be raised under the rights issue is proposed to be utilised for the Group’s new business ventures and business incubators to form part of its diversified portfolio of businesses. However, as the Board has yet to enter into any definitive agreement for such ventures and the exact details of utilisation cannot be ascertained at this point in time, the Board is of the view that the Proposed Private Placement is the most appropriate avenue for raising funds at this juncture. Further details of the proposed renounceable rights issue together with its proposed utilisation will be announced in due course.

The Board recognises the potential dilutive effects arising from the placement exercise, hence, the Board has proposed to undertake a rights issue as its next fund raising exercise. The rights issue to be undertaken at a later stage will provide an opportunity for all the then existing shareholders of the Company to subscribe for their respective entitlement and/or to apply for excess application (if available) to retain/increase their shareholdings in the Company.

#### **4.2 Proposed ESOS**

The Proposed ESOS is undertaken to align the interests of the Eligible Person(s) with the corporate goals of the Group. The Proposed ESOS will provide the Eligible Person(s) with an opportunity to have equity participation in the Company and help achieve the following: -

- (i) to recognise the contribution of the Eligible Person(s) whose services are valued and considered vital to the operations and continued growth of the Group;
- (ii) to motivate the Eligible Person(s) towards improved performance through greater productivity and loyalty;
- (iii) to inculcate a greater sense of belonging and dedication as the Eligible Person(s) are given the opportunity to participate directly in the equity of the Company;
- (iv) to retain the Eligible Person(s), hence ensuring that the loss of key personnel is kept to a minimum level; and

- (v) to reward the Eligible Person(s) by allowing them to participate in the Group's profitability and eventually realise any capital gains arising from appreciation in the value of JMG Share(s).

The Proposed ESOS is also extended to the non-executive Director(s) of the Group to instil a greater sense of involvement and enhance the working relationship between the non-executive Director(s) and the Group, in recognition of their services and contributions which are valued by the Group as these non-executive Director(s) discharge important functions on the Board.

#### **4.3 Proposed Diversification**

The Proposed Diversification enables the Group to venture into the money lending business. The money lending business and the Proposed Diversification allow the Group to have an additional revenue stream to improve its financial performance as well as to reduce dependence on its existing business activities. The Board anticipates that the money lending business would provide an opportunity for the Group to grow its revenue and enhance its financial performance and financial position.

### **5. INDUSTRY OUTLOOK AND FUTURE PLANS**

#### **5.1 Overview and outlook of the Malaysian economy**

The Malaysian economy contracted by 4.5% in the third quarter of 2021 (2Q 2021: +16.1%). This was largely attributable to the strict containment measures particularly in July, under Phase 1 of the National Recovery Plan (NRP). Economic activity subsequently picked up as more states transitioned into Phase 2 with less restrictive containment measures. On the supply side, all economic sectors registered a contraction. The construction sector contracted the most due to operating capacity limits. On the expenditure side, domestic demand declined by 4.1% (2Q 2021: +12.4%), weighed down mainly by the contraction in private consumption and investment activities, while continued increase in public sector consumption spending provided support to growth. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a decline of 3.6% (2Q 2021: -1.9%).

Headline inflation moderated to 2.2% during the quarter (2Q 2021: 4.1%). This was due mainly to the dissipation of the base effect from fuel prices, and the implementation of the three-month electricity bill discounts. Core inflation remained at 0.7% during the quarter (2Q 2021: 0.7%).

For 2021, the domestic economy is on track to expand by 3.0% - 4.0%. Growth will be supported by the increase in economic activities as containment measures are progressively relaxed, amid continued policy support. The various relaxations of restrictions for fully vaccinated individuals including for interstate travel would also spur tourism-related activities. In addition, the strength in global demand will continue to support export growth.

Year-to-date, headline inflation has averaged 2.3%, and is projected to average between 2.0% and 3.0% for 2021. Underlying inflation, as measured by core inflation, is expected to average below 1.0% for the year. In 2022, headline inflation is projected to remain moderate. As economic activity normalises, core inflation is expected to edge upwards but remain benign given the continued spare capacity in the economy and slack in the labour market. The outlook, however, continues to be subject to global commodity price developments and some risk from prolonged supply-related disruptions.

*(Source: Economic and Financial Developments in Malaysia in the Third Quarter of 2021, Bank Negara Malaysia)*

The Malaysian economy expanded by 7.1% in the first half of 2021. Growth is expected to continue in the second half of the year, particularly in the fourth quarter, as more economic and social sectors operate at full capacity. The expected growth trajectory aligns with the successful vaccination programme under the National COVID-19 Immunisation Programme (PICK) and various stimulus and assistance packages to support the people and revitalise the economy. Overall economic growth is expected

to expand between 3% and 4% in 2021. Continuation of the packages to combat the COVID-19 will have spillover effects and boost the economy in 2022. Hence, with strong economic fundamentals and a diversified structure, the domestic economy is forecast to expand between 5.5% and 6.5% in 2022. Nevertheless, the favourable outlook is predicated on other factors, including the successful containment of the pandemic, effective PICK implementation, and strong global economic prospects.

*(Source: Economic Outlook 2022, Ministry of Finance)*

## **5.2 Overview and outlook of the money lending market in Malaysia**

As at end-3Q 2021, net financing expanded by 3.9% on an annual basis (2Q 2021: 4.4%). The moderation reflected lower growth in both outstanding loans (2.9%; 2Q 2021: 3.6%) and outstanding corporate bonds (6.5%; 2Q 2021: 6.9%).

Outstanding household loan growth moderated to 3.2% (2Q 2021: 5.3%), given lower growth across all loan purposes, due mainly to the extension of the nationwide lockdowns reintroduced in June. Both household loan applications (RM114.4 bn; 2Q 2021: RM151.8 bn) and disbursements (RM75.3 bn; 2Q 2021: RM82.8 bn) declined during the quarter. Nonetheless, household loan applications and disbursements improved in September, recording a broad-based increase across all purposes following the gradual relaxation of movement restrictions.

For the business segment, outstanding business loans expanded by 2.4% (2Q 2021: 1.3%), supported by higher growth in working capital loans (4.6%; 2Q 2021: 1.5%). Disbursements for working capital loans remained high during the quarter (RM205.0 bn; 2Q 2021: RM203.8 bn; 2017-19 average: RM158.7 bn), given continued drawdown of existing credit lines and sustained loan demand (RM41.5 bn; 2Q 2021: RM38.7 bn), which supported the financing needs of businesses over the period. By sector, the improvement in outstanding loan growth was mainly driven by the wholesale and retail trade restaurants and hotels (WRRH), and manufacturing sectors, in line with the resumption of business activities amid the reopening of the economy.

*(Source: Quarterly Bulletin in the Third Quarter of 2021, Bank Negara Malaysia)*

In the impact of disruptions caused by COVID-19 outbreak, Bank Negara Malaysia (“BNM”) to implement the additional assistance to support SMEs and individuals. BNM enhances the existing financing facilities under the BNM’s Fund for SMEs and increases the allocation of the facilities by an additional RM4.5 billion to support businesses impacted by the pandemic. To further expand the initiative to enable greater participation from financial institutions, the Government has agreed to allocate RM20 million to increase the seed capital of the iTEKAD programme.

*(Source: Additional assistance for SMEs and individuals under Budget 2022 dated 29 October 2021, Bank Negara Malaysia)*

## **5.3 Overview and outlook of the property market in Malaysia**

Malaysian’s GDP growth improved to 16.1% in Q2 2021 (Q1 2021: -0.5%) after four consecutive quarters of contraction. However, the strong growth for this quarter was also attributed to the low base recorded from the significant decline in Q2 2020 (-17.2%). The economic performance was supported mainly by the improvement in domestic demand and continued robust exports performance.

On a similar track to the country’s economic growth, the property market performance recorded a significant increase in the first half of 2021 (H1 2021) as compared to the same period last year (H1 2020).

In the property segment, there were several incentives initiated by the government aim to improve property market activities under Budget 2021:

- (i) To allocate a total of RM1.2 billion fund for providing comfortable and quality housing, especially for the low-income group.
- (ii) Full stamp duty exemption on instruments of transfer and loan agreement for first-time home buyers will be extended until 31 December 2025. This

exception is effective for sale and purchase executed from 1 January 2021 to 31 December 2025.

- (iii) Stamp Duty exemption on loan agreement and instruments of transfer given to rescuing contractors and the original house purchasers is extended for five (5) years. This exemption is effective for loan agreements and instruments of transfer executed from 1 January 2021 to 31 December 2025 for abandoned housing projects certified by Ministry of Housing and Local Government (KPKT).
- (iv) The Government to collaborate with selected financial institutions to provide a Rent-to-Own Scheme. The program will be implemented until 2022 involving 5,000 units PR1MA houses with a total value of more than RM1 billion.

The Short-term Economic Recovery Plan (PENJANA) which was introduced by the government since mid-2020 would have helped to cushion the impact of COVID-19 pandemic on property market in the second half of 2020 and 2021.

As COVID-19 cases spike in the country and nationwide lockdown was reimposed, the government has agreed to extend the Home Ownership Campaign (HOC), which ended on May 31 up to December 31, 2021.

The Overnight Policy Rate (“OPR”) was reduced to 1.75% since July 2020 remained unchanged at 1.75% until July 2021. Low OPR means low costs for borrowing or refinancing an existing home loan that could help to stimulate the property market.

On the demand-side, the amount of loan application and total loan approval for the purchase of residential property in H1 2021 increased 86.0% and 92.6% respectively but the percentage of approval against application was moderate at 35.3%. For the non-residential property, the amount of loan application and total loan approval saw similar pattern, increased by 52.6% and 58.9% respectively with an approval against application percentage of 34.4%.

*(Source: Property Market Report, First Half 2021, Valuation and Property Services Department, Ministry of Finance)*

#### **5.4 Overview and outlook of the food industry in Malaysia**

Total revenue of services sector recorded RM460.0 billion in fourth quarter 2021, registered positive growth of 5.3 per cent as compared to the same quarter 2020. The increment was fueled by Wholesale & Retail Trade, Food & Beverages and Accommodation segment (+RM17.9 billion; 5.1%). Meanwhile, total revenue on a quarterly basis registered a growth of 17.7 per cent or RM69.0 billion.

Total revenue for Wholesale & Retail Trade, Food & Beverages and Accommodation segment increased 5.1 per cent to RM370.1 billion as compared to the fourth quarter of 2020. This was contributed by Wholesale & Retail Trade sub-sector (+RM17.1 billion; 5.1%), Food & Beverages (+RM0.1 billion; 1.1%) and Accommodation (+RM0.6 billion; 52.0%). For quarter-on-quarter comparison, this segment increased 18.1 per cent.

Number of persons engaged in this segment grew 1.5 per cent to 2.8 million persons as compared to the fourth quarter of last year. Salaries & wages paid inclined 2.7 per cent to RM15.4 billion. For quarter-on-quarter comparison, number of persons engaged and salaries & wages paid grew 1.7 per cent and 3.7 per cent respectively.

Wholesale Trade activity recorded a sales value of RM169.7 billion, an increase of +RM8.2 billion (+5.1%) as compared to the fourth quarter of 2020. The increment was contributed by Other Specialised Wholesale (+RM3.1 billion; +4.9%), Wholesale of Food, Beverages & Tobacco (+RM3.1 billion; +9.9%) and Wholesale of Agricultural Raw Materials & Live Animals (+RM1.8 billion; +14.4%). For quarterly comparison, sales value of this activity recorded a growth of 9.9 per cent.

Sales value of Retail Trade activity registered a positive growth of 5.0 per cent to RM142.6 billion as compared to the fourth quarter of 2020. Among the groups that contributed to this growth were Retail Sale in Non-specialised Stores (+RM3.9 billion; +8.0%), Retail Sale of Automotive Fuel in Specialised Stores (+RM1.4 billion; +14.0%), Retail Sale of Other Household Equipment in Specialised Stores (+RM0.7 billion;

+4.2%) and Retail Sale of Food, Beverages & Tobacco in Specialised Stores (+RM0.7 billion; +8.0%). Compared to last quarter, this activity registered a positive growth of 11.5 per cent.

*(Source: Quarterly Services Statistics, Fourth Quarter 2021, Department of Statistics Malaysia)*

All economic sectors recorded an improvement in the fourth quarter of 2021. Consumer-related activities continued to recover amid the reopening of the economy. On the domestic front, the relaxation of containment measures and increased consumer confidence amid strong vaccination progress facilitated a recovery in demand for consumer products such as food, clothing and vehicles.

*(Source: Quarterly Bulletin in the Fourth Quarter of 2021, Bank Negara Malaysia)*

## **5.5 Future prospects of the Group**

The Proposed Diversification will allow the Group to expand its existing business to include money lending business which is expected to have an additional revenue stream to the Group.

The Group will also leverage on the experience of Dato' David, Mr Chong, Datuk Tan and Mr Tan for the money lending business and together with the intended recruitment of additional employees with the relevant expertise in the industry. The Board believes that the Group is able to grow the money lending business after taking into consideration that there are borrowers who may not have access to credit facilities from licensed financial institutions due to strict requirements imposed by the financial institutions. As such, the Group believes that its money lending segment may be able to meet the demands from this underserved segment.

Premised on the above, the Board believes that the lending market in Malaysia will provide opportunities for the Group to grow the money lending business which is expected to contribute positively to the future earnings of the Group.

For the property development division, the Board in view of the positive response to the Casa Perdana joint development, the Group is launching the Ritze Perdana series located at SA65 in the current financial year. The said development will feature a total of 97 units of terrace houses on an approximately 6.9 acres of land, with an estimated gross development value of RM55 million.

The Group will build on the successful strategic partnerships for property development to maximise the return on shareholders' equity. The continued development of SA65 project at Simpang Ampat will contribute positively to the Group's revenue in the coming years.

The Board believes that the joint venture through the medium of YHLJF in the Frozen Food Business represents a strategic opportunity for the Group to expand its business into the frozen seafood segment and provide the additional revenue streams for the Group in the future.

The Board in opinion of the outbreak of COVID-19, which may affect the business operations and financial performance of the Group mainly due to travel and movement restriction and other precautionary measures imposed by relevant local authorities that resulted in delays in commencement of work and delivery of products to customers. Meanwhile the economy fallout from the outbreak of COVID-19 pandemic has presented the Group with several business proposals in growth areas that will be complementary to the existing business activities, as well as providing the additional revenue streams for the Group in the near future. The Board is cautiously optimistic of the future prospects of the Group moving forward.

*(Source: Management of JMG Group)*

## 6. RISK FACTORS

The risk factors associated with the Proposed Diversification, which may not be exhaustive, include the following: -

### 6.1 Business diversification risk

The Group is principally involved in three (3) main business segments namely, investment holdings, manufacturing and property development. Upon completion of the Proposed Diversification, the Group will be exposed to risks inherent in the money lending business such as risks arising from its lending as well as the borrowers' default in making repayments for borrowings granted by its money lending subsidiary. Any economic risk which may arise due to monetary and fiscal policies changes which give rise to a fluctuation in interest or profit rates, and inflation could also affect the money lending business in Malaysia.

As such, the Group intends to leverage on the experiences of the key management personnel as set out in **Section 2.3.3** of this Circular, who are familiar with the operating dynamics in the marketplace of the money lending business to lead the planning, development and operations of the money lending business.

### 6.2 Licences and regulatory environment

Money lending is governed by the Moneylenders Act 1951, where the licensing regime for moneylenders which includes its issuance, renewal and suspension and revocation vests solely in the Ministry of Housing and Local Government.

Any unfavourable changes in regulatory conditions and government policies in Malaysia could materially and adversely affect the operational conditions of the Group. As the Group is dependent on its existing money lending licenses and any money lending license to be applied pursuant to its expansion plans, any non-renewal or non-issuance or revocation or suspension of its money lending license may impact the Group's financial performance as the Group may not be able to continue its operations in the money lending business.

The Group shall ensure compliance in its operation of the money lending business and will keep abreast with all the latest updates and relevant regulatory requirements including undertaking periodic reviews and assessment to ensure that it is in compliance with the necessary requirements in relation to its money lending business.

### 6.3 Credit risk

The Group provides lending to borrowers and is therefore exposed to the risk that the borrowers may not be able to repay their borrowings. Such risks could arise due to the deterioration in credit quality of borrowers or a general deterioration in the local economic conditions.

Although the Group carries out a comprehensive credit assessment and approval process to evaluate the creditworthiness of applicants and continuously monitor collections and minimise default risks, there is no assurance that the Group will not incur any loss attributed to the default risk of the borrowers.

### 6.4 The loss of key management personnel

The money lending business performance of the Group and its future prospects depend significantly on the abilities, skills, experience, competency and continuous efforts of its key management personnel as set out in **Section 2.3.3** of this Circular. The loss of any of its key management personnel simultaneously or within a short span of time without suitable and timely replacement, or the inability to attract and retain qualified and competent personnel, may have a material adverse impact on the money lending business of the Group.

The Board will continue to develop and train its employees and may recruit experienced personnel from the financial, credit and/or banking industries to continue to grow its money lending business. The Group believes that with the continuous development of corporate culture, remuneration, promotion, succession planning and employee

benefits policies, the Group will be able to retain, attract and hire more talent to drive its future growth.

## 6.5 Financing risk

The Group may require further funding which may be derived from a combination of internally-generated funds and borrowings to expand its money lending business. If the Group obtains bank borrowings, the Group will incur fixed interest expenses and is obligated to repay the borrowings. The interest rates of borrowings are dependent on various factors, which include general economic and capital market conditions and the credit status of the Group with the financial institution.

To mitigate such risk, the Group will actively review its debt portfolio taking into consideration the level and nature of borrowings and seek to adopt a cost-effective financing option.

However, there is no assurance that the Group will be able to repay all of its borrowings and service all interest payments as the ability to repay the principal sum and interest payments on the borrowings is dependent on the money lending business generating sufficient cash in the future, which is subject to many external factors beyond the Group's control.

To mitigate such risk, the Group will undertake a comprehensive credit assessment to evaluate the creditworthiness of the applicants and period review to identify any non-performing loans.

## 6.6 Competition risk

Being a new entrant in the money lending industry, the Group will face competition from the existing money lending business companies especially those large-scale licensed moneylenders and licensed financial institutions. There is no assurance that the Group will be able to compete against current and future competitors or that competitive pressure will not materially and adversely affect the business operations and/or financial condition of the Group.

To mitigate such risk, the Group will actively develop its own customer base by providing money lending service to potential borrowers.

## 7. EFFECTS OF THE PROPOSALS

### 7.1 Share capital

The Proposed Diversification does not have any effect on the share capital of JMG.

The pro forma effects of the Proposed Private Placement and the Proposed ESOS on the issued share capital of the Company are set out below: -

	No. of JMG Shares	Issued share capital (RM)
Existing JMG Shares as at the LPD	322,020,794	160,498,693
To be issued pursuant to the Proposed Private Placement <sup>(i)</sup>	96,606,238	65,982,061
<b>After the Proposed Private Placement</b>	<b>418,627,032</b>	<b>226,480,754</b>
To be issued assuming full exercise of Options <sup>(ii)</sup>	62,794,055	42,888,339
<b>After the full exercise of Options</b>	<b>481,421,087</b>	<b>269,369,093</b>

Notes: -

(i) Based on an illustrative issue price of RM0.683 per Placement Share

(ii) Assuming the Proposed Private Placement is completed before the Proposed ESOS and all the Option(s) are exercised into new JMG Share(s) based on an illustrative exercise price of RM0.683 per new JMG Share(s)

## 7.2 NA and gearing

The Proposed Diversification does not have any effect on the NA and gearing of JMG.

The pro forma effects of the Proposed Private Placement on the NA and gearing of the Company are set out below: -

	<b>Audited as at 31 March 2021 (RM)</b>	<b>Subsequent adjustments up to the LPD<sup>(i)</sup> (RM)</b>	<b>After the Proposed Private Placement<sup>(ii)</sup> (RM)</b>
Share capital	126,784,397	160,498,693	226,480,754
Accumulated losses	(36,868,828)	(37,098,828)	(37,698,828)
<b>Shareholders' fund/NA</b>	<b>89,915,569</b>	<b>123,399,865</b>	<b>188,781,926</b>
Non-controlling interest	2,586,883	2,586,883	2,586,883
<b>Total Equity</b>	<b>92,502,452</b>	<b>125,986,748</b>	<b>191,368,809</b>
No. of JMG Shares	126,784,397	322,020,794	418,627,032
NA per JMG Share (sen)	70.92	38.32	43.66
Total borrowings	9,038,382	7,923,620	1,923,620 <sup>(iii)</sup>
Gearing ratio (times)	0.10	0.06	0.01

Notes: -

- (i) *After adjusting the issuance of 22,272,000 placement shares at RM0.58 each, issuance of 15,424,000 placement shares at RM0.59 each, the issuance of 5,400,000 placement shares at RM0.61 each, the issuance of 6,500,000 placement shares at RM0.73 each and the issuance of 6,178,000 placement shares at RM0.592 each and deducting the estimate expenses of RM150,000 and RM80,000 for Private Placement I and Private Placement II (as defined in Section 14 of the Circular)*
- (ii) *After the issuance and allotment of 96,606,238 Placement Share(s) at an indicative issue price of RM0.683 per Placement Share and after deducting estimated expenses of the Proposed Private Placement of RM0.60 million.*
- (iii) *Assuming partial repayment of bank borrowings amounting to RM6.00 million.*

Under MFRS 2 on share-based payment, the Option(s) granted under the Proposed ESOS will need to be measured at fair value on the date of the granting of the Options and recognised as an expense in the statement of comprehensive income of the Group over the vesting period and the recognition of such MFRS 2 charge would not affect the NA of the Group as the corresponding amount will be classified as an equity compensation reserve which forms part of the shareholders' equity. The extent of the effect of the Proposed ESOS on the JMG Group's consolidated earnings and EPS cannot be determined at this juncture as it would depend on the fair value of the Options and/or JMG Shares as at the respective dates of the granting of the Options. However, it is important to note that the potential cost of the Options pursuant to the Proposed ESOS does not represent a cash outflow and is merely an accounting treatment.

The Board will consider the potential impact of MFRS 2 and any other applicable accounting standards on the JMG Group's future earnings before allocating and granting the Options to the Eligible Persons.

The Proposed ESOS is not expected to have any immediate material effect on the NA and gearing of the Group until such time when the Option(s) granted under the Proposed ESOS are exercised.

The effects on the NA and gearing of the Group will depend on, amongst others, the Exercise Price of the Option(s), the number of new JMG Share(s) to be allotted and issued upon the exercise of the Option(s) and the potential effect on the future earnings of the Group arising from the adoption of the MFRS 2.

For illustrative purposes, upon exercise of the Option(s) under the Proposed ESOS, the NA per JMG Share is expected to: -

- (i) increase if the Exercise Price is higher than the NA per JMG Share; or
- (ii) decrease if the Exercise Price is lower than the NA per JMG Share,

at the point of the Option(s) being exercised.

### 7.3 Earnings and EPS

#### 7.3.1 Proposed Private Placement

The Proposed Private Placement, which is expected to be completed in the second quarter of 2022, is not expected to have any material effect on the earnings of the Group for the FYE 31 March 2022. However, the EPS of the Group is expected to be diluted upon completion of the Proposed Private Placement as a result of the increase in the number of JMG Share(s) in issue arising from the Proposed Private Placement.

The Proposed Private Placement is expected to contribute positively to the earnings of the Group thereafter in view of the utilisation of proceeds as set out in **Section 3.1** of this Circular.

#### 7.3.2 Proposed ESOS

The Proposed ESOS is not expected to have any immediate material effect on the earnings of the Group until such time when the Option(s) granted under the Proposed ESOS are exercised. Any potential effects on the earnings of the Group will depend on the number of new JMG Share(s) to be issued upon the exercise of the Option(s) granted under the Proposed ESOS, the Exercise Price and the potential impact of the MFRS 2. However, the EPS of the Group is expected to be diluted upon the issuance of new JMG Share(s) pursuant to the Proposed ESOS if and when the Option(s) are exercised in the future.

#### 7.3.3 Proposed Diversification

Barring any unforeseen circumstances, the Proposed Diversification is not expected to have any immediate effects on the earnings of the Group for the FYE 31 March 2022. However, the Board believes that the Proposed Diversification will contribute positively to the future earnings of the Group.

### 7.4 Convertible securities

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

### 7.5 Shareholdings of the substantial shareholders

The Proposed Diversification does not have any effect on the shareholdings of the substantial shareholders of JMG.

The pro forma effects of the Proposed Private Placement on the shareholdings of the substantial shareholders of the Company are set out below: -

	As at the LPD				After Proposed Private Placement			
	Direct		Indirect		Direct		Indirect	
	No. of JMG Shares	%	No. of JMG Shares	%	No. of JMG Shares	%	No. of JMG Shares	%
Global Legacy Partners Sdn Bhd	50,000,000	15.53	-	-	50,000,000	11.94	-	-
JMR Consolidated Holdings Sdn Bhd	34,264,262	10.64	-	-	34,264,262	8.18	-	-
X Infinity Holding Sdn Bhd	25,850,000	8.03	-	-	25,850,000	6.17	-	-
X Infinity Group Berhad <sup>(i)</sup>	-	-	25,850,000	8.03	-	-	25,850,000	6.17
Dato' Ir. Dr. Goh Yong Chee <sup>(ii)</sup>	-	-	61,236,962	19.02	-	-	61,236,962	14.63

	As at the LPD				After Proposed Private Placement			
	Direct		Indirect		Direct		Indirect	
	No. of JMG Shares	%	No. of JMG Shares	%	No. of JMG Shares	%	No. of JMG Shares	%
Legacy Trust Company Limited <sup>(iii)</sup>	-	-	50,000,000	15.53	-	-	50,000,000	11.94
Dato' Sri Chong Wei Chuan <sup>(iv)</sup>	850,000	0.26	25,850,000	8.03	850,000	0.20	25,850,000	6.17

Notes: -

- (i) Deemed interested by virtue of its shareholdings in X Infinity Holding Sdn Bhd.
- (ii) Deemed interest by virtue of the shareholding held by his spouse as well as his shareholdings in JMR Consolidated Holdings Sdn Bhd, GNK Management Sdn Bhd and Zenith Super Sdn Bhd.
- (iii) Deemed interest by virtue of its shareholdings in Global Legacy Partners Sdn Bhd.
- (iv) Deemed interest by virtue of his shareholdings in X Infinity Holding Sdn Bhd.

The Proposed ESOS is not expected to have any immediate material effect on the shareholdings of the substantial shareholders of JMG until and unless new JMG Share(s) are issued pursuant to the exercise of the Option(s). Any potential effect on the shareholdings of the substantial shareholders of JMG would depend on the number of new JMG Share(s) to be issued at the relevant point in time.

## 8. HISTORICAL SHARE PRICES

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

	Highest (RM)	Lowest (RM)
<b>2021</b>		
March	1.180	1.070
April	1.150	1.000
May	1.140	1.000
June	1.040	0.660
July	0.900	0.655
August	0.810	0.420
September	0.605	0.485
October	0.630	0.565
November	0.685	0.645
December	0.685	0.640
<b>2022</b>		
January	0.735	0.650
February	0.795	0.650

Last transaction market price as at 25 January 2022  
(being the latest trading day prior to the announcement on the Proposals) 0.710

Last transaction market price as at LPD 0.735

(Source: Bloomberg)

## 9. APPROVALS REQUIRED

The Proposals are subject to the approvals being obtained from the following new JMG Share(s) on the Main Market of Bursa Securities: -

- (i) Bursa Securities for the listing of and quotation for the following: -
  - (a) the Placement Share(s) to be issued pursuant to the Proposed Private Placement; and
  - (b) up to 15.0% of the total number of issued JMG Share(s) to be issued under the Proposed ESOS;
- (ii) the Shareholders for the Proposals at an EGM to be convened.

The approval of Bursa Securities referred to in (i) above was obtained vide its letter dated 23 March 2022, subject to the following conditions: -

	<b>Conditions imposed</b>	<b>Status of compliance</b>
(i)	JMG and Malacca Securities must fully comply with the relevant provisions under the LR pertaining to the implementation of the Proposed Private Placement and Proposed ESOS.	To be complied
(ii)	JMG and Malacca Securities are required to inform Bursa Securities upon the completion of the Proposed Private Placement.	To be complied
(iii)	JMG/Malacca Securities is required to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders approving the Proposed Private Placement, prior to the listing of the new shares to be issued pursuant to the Proposed Private Placement.	To be complied
(iv)	Malacca Securities is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Paragraph 6.43(1) of the LR and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed ESOS.	To be complied
(v)	JMG is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the issuance of new shares under the Proposed ESOS as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied
(vi)	JMG and Malacca Securities are required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed.	To be complied
(vii)	Malacca Securities must submit to Bursa Securities with details of the placees in accordance with Paragraph 6.15 of the LR as soon as practicable after each tranche of placement and before the listing of the new shares to be issued pursuant to the Proposed Private Placement.	To be complied

	Conditions imposed	Status of compliance
(viii)	<p>JMG is required to make quarterly updates via Bursa LINK (simultaneous with the submission of Quarterly Report) on the following:</p> <p>(a) the status on each of the event, project or purpose for which the total proceeds raised from the Proposed Private Placement are utilised for, including but not limited to, the percentages of completion of projects/initiatives;</p> <p>(b) where relevant, details on where the balance of proceeds raised is being placed (pending utilisation). If it is parked with asset management company/fund manager, to disclose the name of the asset management company/fund manager;</p> <p>(c) the summary of placement shares issued and allotted as follows:</p> <p>(1) date of price fixing and issuance date of placement shares (each tranche);</p> <p>(2) quantity of placement shares issued and allotted;</p> <p>(3) issue price and basis in arriving at (each tranche); and</p> <p>(4) aggregate number of placement shares issued and allotted as at the end of each quarter.</p>	To be complied

## 10. INTER-CONDITIONALITY

The Proposed Diversification and Proposed Private Placement are inter-conditional upon one another.

The Proposed ESOS is not conditional upon any other corporate exercises proposed or to be undertaken by the Company.

As at the LPD, there are no corporate exercises that have been announced and/or pending implementation by the Company.

## 11. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the Directors and/or major shareholders of the Company and/or persons connected with them has any interest, whether direct or indirect, in the Proposals.

All the Director(s) are Eligible Person(s) under the Proposed ESOS and are therefore deemed interested in the Proposed ESOS by virtue of their eligibility for the Option(s) and to the extent of their respective potential allocation of Option(s), as well as allocations to persons connected with them (if any), under the Proposed ESOS.

As at the LPD, Directors' shareholdings in JMG are as follows: -

	As at the LPD			
	Direct		Indirect	
	No. of JMG Shares	%	No. of JMG Shares	%
Calvin Lau <sup>(i)</sup>	-	-	8,000,000	2.48
Dato' Khoo Yik Chou	263,400	0.08	-	-

	As at the LPD			
	Direct		Indirect	
	No. of JMG Shares	%	No. of JMG Shares	%
Hj. Abdul Shukor Bin P A Hj. Mohd Sultan	-	-	-	-
Chong Wei Liang	-	-	-	-
Dennis Chung Vui Ming	-	-	-	-
Tan Yen Yeow	-	-	-	-
Loh Seong Yew	-	-	-	-

Note: -

(i) *Deemed interested by virtue of his shareholdings in Clive Holding Sdn Bhd.*

Notwithstanding this, the Director(s) have deliberated on the Proposed ESOS and have agreed to present the Proposed ESOS to the Shareholders for their consideration and approval.

Accordingly, the Director(s) have abstained and will continue to abstain from all deliberations and voting in respect of any specific allocation of Option(s) to themselves respectively as well as the specific allocations to any persons connected with them at the relevant Board meetings of the Company. The Director(s) will also abstain from voting in respect of their direct and/or indirect shareholdings in JMG on the resolutions pertaining to their respective specific allocations of Option(s) as well as any specific allocations to any persons connected with them to be tabled at the EGM of JMG to be convened. The Director(s) have also undertaken to ensure that persons connected to them (if any) will also abstain from voting in respect of their direct and/or indirect shareholdings in JMG on the resolutions pertaining to any specific allocations of Option(s) to the Director(s) respectively as well as the specific allocations to any persons connected with them under the Proposed ESOS at the EGM of JMG to be convened.

## 12. DIRECTORS' RECOMMENDATION

The Board having considered all aspects of the Proposals, including but not limited to the rationale and effects of the Proposals (including the risk factors of the Proposed Diversification) is of the opinion that the Proposals are in the best interests of the Company and its shareholders.

Accordingly, the Board (except for the interested directors who have abstained from expressing an opinion and making any recommendation in respect of their respective proposed allocations, as well as allocations to persons connected with them under the Proposed ESOS) recommends that the Shareholders **VOTE IN FAVOUR** of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

## 13. ADVISERS AND PLACEMENT AGENT

Malacca Securities has been appointed as the Adviser for the Proposals and the Placement Agent in respect the Proposed Private Placement.

## 14. FUND RAISING PROPOSALS OF THE COMPANY FOR THE PAST FIVE (5) YEARS

Save for the two (2) private placements announced by the Company as detailed below, the Company did not undertake any other fund-raising exercises for the past five (5) years preceding the date of this Circular: -

- (i) JMG had on 13 April 2021 announced a private placement of up to 10.0% of the total number of issued JMG Share(s) to third party investor(s) ("**Private Placement I**"), further details are set out as below: -
  - (a) on 23 June 2021, the 1st tranche of the placement of 6,500,000 placement shares at the issue price of RM0.73 each were listed and quoted on the Main Market of Bursa Securities, raised gross proceeds of approximately RM4.75 million; and
  - (b) on 16 July 2021, the final tranche of the placement of 6,178,000 placement shares at the issue price of RM0.592 each were listed and quoted on the Main

Market of Bursa Securities, raised gross proceeds of approximately RM3.66 million and marking the completion of the private placement.

The details of the utilisation of the abovesaid aggregate gross proceeds of approximately RM8.40 million as at the LPD are as follows: -

Details of utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000
Property development expenses <sup>(1)</sup>	2,252	129	2,123
Partial repayment of bank borrowings	6,000	6,000	-
Estimated expenses	150	150	-
<b>Total</b>	<b>8,402</b>	<b>6,279</b>	<b>2,123</b>

Note: -

(1) *The property development expenses were earmarked for one of the Group's project, namely Taman Perdana Phase 3A, which consist of 44 units of three-storey link houses at Simpang Ampat, Pulau Pinang. The construction works for this project is expected to commence in the second quarter of 2022. Please refer to the announcement dated 13 April 2021 for further details of the project. As at the LPD, the Company had utilised RM129,450 for the development cost of the project which includes planning and survey fee, admin and marketing expenses, project management fee and legal and consultant fees. The balance gross proceeds of RM2.12 million is expected to be fully utilised by the third quarter of 2023 to finance the construction and development cost of the said development project.*

- (ii) JMG had on 12 October 2021 announced a private placement of up to 20.0% of the total number of issued JMG Share(s) to third party investor(s) ("**Initial Announcement**"). JMG had on 14 October 2021 further announced that subsequent to the Initial Announcement, the Board has decided to reallocate the utilisation of proceeds to be raised from the said private placement after reconsidering the immediate funding requirements of JMG Group ("**Private Placement II**"), further details are set out as below: -
- (a) on 8 November 2021, the 1st tranche of the placement of 22,272,000 placement shares at the issue price of RM0.58 each were listed and quoted on the Main Market of Bursa Securities, raised gross proceeds of approximately RM12.92 million;
- (b) on 23 November 2021, the 2nd tranche of the placement of 15,424,000 placement shares at the issue price of RM0.59 each were listed and quoted on the Main Market of Bursa Securities, raised gross proceeds of approximately RM9.10 million; and
- (c) on 9 December 2021, the final tranche of the placement of 5,400,000 placement shares at the issue price of RM0.61 each were listed and quoted on the Main Market of Bursa Securities, raised gross proceeds of approximately RM3.29 million and marking the completion of the private placement.

The details of the utilisation of the abovesaid aggregate gross proceeds of approximately RM25.31 million as at the LPD are as follows: -

Details of utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000
Partial repayment of bank borrowings	6,000	6,000	-
Working capital for money lending business <sup>(1)</sup>	19,232	15,080	1,152
Estimated expenses	80	80	-
<b>Total</b>	<b>25,312</b>	<b>24,160</b>	<b>1,152</b>

Note: -

(1) *The balance amounting to approximately RM1.15 million will be kept as a cash buffer for its financing activities under the Group's money lending business for a range of customers including investment holding companies, small and medium-sized enterprises as well as start-up entrepreneurs for various purposes such as personal*

*financing, seed capital for working capital, investment, new business and expansion of business as well as project financing.*

## 15. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposals are expected to be completed by the second quarter of 2022, as depicted below: -

Date	Events
21 April 2022	<ul style="list-style-type: none"><li>• EGM for, <i>inter-alia</i>, tabling for the Proposals</li></ul>
End of April 2022	<ul style="list-style-type: none"><li>• Completion of the Proposed Diversification</li><li>• Announcement of the Effective Date for implementation of the Proposed ESOS</li></ul>
Early of May 2022	<ul style="list-style-type: none"><li>• Listing of and quotation for the 1st tranche of the Placement Share(s)</li></ul>
Mid of May 2022	<ul style="list-style-type: none"><li>• Listing of and quotation for the 2nd tranche of the Placement Share(s)</li></ul>
End of May 2022	<ul style="list-style-type: none"><li>• Listing of and quotation for the final tranche of the Placement Share(s)</li><li>• Completion of the Proposed Private Placement</li></ul>

## 16. EGM

The EGM, the notice of which is enclosed together with this Circular, will be conducted on a fully virtual basis through live streaming and online remote participation via ARB WeMeet operated by ARB WeMeet Sdn Bhd at the main venue at No. 17-02, Q Sentral, 2A, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia. The EGM will be hosted virtually via the website link at <https://member.arbwemeet.com> (Domain registration no with MYNIC: DIA457700) on Thursday, 21 April 2022, at 10:00 a.m., or any adjournment thereof, for the purpose of considering and, if thought fit, passing, with or without modifications, the resolutions to give effect to the Proposals.

If you are unable to attend and vote in person at the EGM, you may complete and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Registered Office of the Company at 39 Irving Road, 10400 Georgetown, Pulau Pinang, Malaysia not less than 48 hours before the respective date and time stipulated for the EGM, or any adjournment thereof. Please refer to the Administrative Guide of the EGM enclosed in this Circular.

The lodging of the Proxy Form does not preclude you from attending the EGM and voting in person should you subsequently decide to do so.

## 17. FURTHER INFORMATION

Please refer to the attached appendices for further information.

Yours faithfully  
For and on behalf of the Board  
**JADE MARVEL GROUP BERHAD**

**HJ. ABDUL SHUKOR BIN P A HJ. MOHD SULTAN**  
Chairman/Independent Non-Executive Director

**ADDITIONAL INFORMATION****1. HISTORICAL FINANCIAL INFORMATION OF JMG GROUP**

The financial information of the Group for the past three (3) FYEs 31 March 2019 to 2021 based on the audited financial statements and latest unaudited quarterly results for the nine (9)-month FPE 31 December 2021 are as follows: -

	Audited			Unaudited nine (9)-month
	FYE 31 March 2019 (RM'000)	FYE 31 March 2020 (RM'000)	FYE 31 March 2021 (RM'000)	FPE 31 December 2021 (RM'000)
Revenue	15,972	13,352	22,922	15,378
Gross profit ("GP")	2,013	2,299	10,247	4,475
PBT/(Loss) before taxation ("LBT")	(842)	(6,464)	4,791	1,716
PAT/(Loss) after taxation ("LBT") attributable to:				
- Owners of the parent	(997)	(7,129)	4,036	1,738
- Non-controlling interests	(80)	(5)	(28)	(31)
Current Assets	45,028	37,757	49,908	84,604
Current Liabilities	17,132	9,634	12,233	13,308
Total Assets	114,039	99,349	105,668	143,163
Total Liabilities	18,410	10,854	13,165	14,240
Shareholders' funds/NA	93,009	85,880	89,916	125,368
Weighted average no. of JMG Share(s) in issue ('000)	126,784	126,784	126,784	215,666
Total Borrowings	13,545	5,988	9,038	7,061
Basic EPS/(Loss) per share ("LPS") (sen)	(0.79)	(5.62)	3.18	0.81
GP margin (%)	12.61	17.22	44.70	29.10
PBT/(LBT) margin (%)	(5.27)	(48.41)	20.90	11.16
PAT/(LAT) margin (%)	(6.24)	(53.39)	17.61	11.30
Current ratio (times)	2.63	3.92	4.08	6.36
Gearing ratio (times)	0.15	0.07	0.10	0.06

**Commentaries: -****(i) FYE 31 March 2020**

The Group recorded revenue of RM13.35 million for FYE 31 March 2020 which represents a decrease of RM2.62 million or 16.40% as compared to RM15.97 million for FYE 31 March 2019. The decrease in revenue was mainly due to the decrease in revenue generated from the manufacturing segment which decreased RM3.31 million to RM11.56 million for FYE 31 March 2020 as compared to RM14.86 million for FYE 31 March 2019.

The Group recorded a LBT of RM6.46 million for FYE 31 March 2020 which represents a decrease of RM5.62 million as compared to the LBT of RM0.84 million for FYE 31 March 2019. The decrease in LBT was mainly due to a provision of RM4.98 million which has been set aside by the Group for property development costs incurred for the SA65 project.

**ADDITIONAL INFORMATION (cont'd)****(ii) FYE 31 March 2021**

The Group recorded revenue of RM22.92 million for FYE 31 March 2021 which represents an increase of RM9.57 million or 71.67% as compared to RM13.35 million for FYE 31 March 2020. The increase in revenue was mainly due to the revenue generated from the property development segment which increased RM13.38 million to RM14.78 million for FYE 31 March 2021 from RM1.41 million for FYE 31 March 2020.

The Group recorded PBT of RM4.79 million for FYE 31 March 2021 which represents an increase of RM11.26 million as compared to the LBT of RM6.46 million for FYE 31 March 2020. The increase in PBT recorded was mainly due to higher contribution from the property development segment.

**(iii) Nine (9)-month FPE 31 December 2021**

The Group recorded revenue of RM15.38 million for FPE 31 December 2021. This was mainly driven by the contribution from the property development segment amounting to RM8.71 million, which was equivalent to 56.65% of the total revenue of the Group.

The Group recorded PBT of RM1.72 million for FPE 31 December 2021, which was mainly attributable to the sales of land and completed units from the SA65 project.

**2. IMPACT OF THE PROPOSED PRIVATE PLACEMENT AND VALUE CREATION TO THE COMPANY**

The Proposed Private Placement will enable the Company to raise funds without incurring additional interest expenses as compared to bank borrowings. Notwithstanding that, the EPS of the Company is expected to be diluted as a result of the increase in the number of JMG Share(s) arising from the new issuance of shares from the Proposed Private Placement. The Proposed Private Placement is also expected to enlarge the share base of the Group and increase the NA of the Group which is expected to strengthen the Group's financial position. The effects of the Proposed Private Placement on the issued share capital, the NA and gearing, earnings and EPS, and shareholdings of the substantial shareholders of the Company are disclosed in **Section 7** of this Circular.

The Proposed Private Placement will allow the Company to raise proceeds of approximately RM65.98 million which shall be utilised to finance the subscription of the frozen food business, the repayment of bank borrowings, the property development project, the money lending business, the working capital requirements and estimated expenses as detailed in **Section 3.1** of this Circular.

**3. ADEQUACY OF THE PROPOSED PRIVATE PLACEMENT TO ADDRESS THE FINANCIAL CONDITION OF THE COMPANY**

The Board is of the view that the Proposed Private Placement is able to address the current financial concerns and funding requirements of the Group as set out in **Section 3.1** of this Circular for the time being. Notwithstanding that the Group had earlier raised funds via two (2) private placement exercises and there were unutilised balances as at the LPD, the proceeds utilised from the aforesaid fund-raising exercises had been earmarked for other purposes as set out in **Section 14** of the Circular which defers from the current proposed utilisation as follows:-

- (i) In relation to the property development expenses, the funds raised under Private Placement I of RM2.25 million has been earmarked for its Taman Perdana Phase 3A project, which consist of 44 units of three-storey link houses at Simpang Ampat, Pulau Pinang whilst the funds proposed to be utilised under the property development under the Proposed Private Placement of RM5.0 million is to be utilised for its Ritze Perdana 53 units project comprising 53 units of three-storey terrace houses and Jade Perdana project comprising 155 units of double storey terrace houses and 16 units of zero lot bungalows both located at Simpang Ampat, Pulau Pinang;

---

**ADDITIONAL INFORMATION (cont'd)**

---

- (ii) In relation to the money lending business, the proceeds raised under Private Placement II of RM19.23 million has been utilised to provide financing under its money lending business with an unutilised balance of approximately RM1.15 million to-date which will be kept as a cash buffer for its financing activities. The funds to be raised under the Proposed Private Placement of RM38.80 million is earmarked for its expansion plans to set-up up to twenty (20) new branches of its money lending outlets mainly in Penang, Kuala Lumpur, Selangor and Johor in the next twenty-four (24) months and additional funds/cash buffer as capital for its money lending business.

Premised on **Section 2** of this appendix and after taking into consideration the effects of the Proposed Private Placement on the issued share capital, the NA and gearing, the earnings and EPS, and the shareholdings of the substantial shareholders as set out in **Section 7** of the Circular, the Board is of the view that the Proposed Private Placement is adequate to address the funding requirements of the Group at this juncture particularly for the money lending business with the aim to improve the bottom-line and financial condition of the Company and the Board anticipates that barring any unforeseen circumstances, the Group's new business activities in money lending business will potentially contribute 25.0% or more of the Group's net profits and/or result in a diversion of 25.0% or more of the NA of the Group.

In addition, taking into consideration the long-term and future funding requirements of the Group, the Company intends to raise further funds via a proposed renounceable rights issue to be announced at a later date which may be further utilised for its existing business as well as new business ventures and business incubators to form part of its diversified portfolio of businesses. The management of the Group will continue to review and assess the Group's working requirements from time-to-time to determine the adequacy of its funding requirements.

**JADE MARVEL GROUP BERHAD  
DRAFT BY-LAWS OF THE EMPLOYEES' SHARE OPTION SCHEME**

**1. NAME OF SCHEME**

This Scheme shall be called the “**Jade Marvel Group Berhad’s Employees’ Share Option Scheme**” and for purposes of these By-Laws, it shall be referred to as the “**Employees’ Share Option Scheme**” or the “**Scheme**”.

**2. DEFINITIONS AND INTERPRETATIONS**

2.1 In these By-Laws unless the context otherwise requires the following terms and expressions shall have the following meanings:

<b>"Act"</b>	:	The Companies Act, 2016 and any subsequent amendments from time to time includes every statutory modification or re-enactment thereof for the time being force.
<b>"Adviser"</b>	:	A person who is permitted to carry on the regulated activity of advising corporate finance under the Capital Markets and Services Act 2007.
<b>"Approved Auditor"</b>	:	Has the meaning given to “approved company auditor” in Section 2(1) of the Act and shall be the external auditor for the time being of the Company or such other external auditor as may be nominated by the Board.
<b>"Authorised Nominee"</b>	:	A person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under Part VIII of the Rules of Bursa Depository.
<b>"Available Balance"</b>	:	The unissued share capital of the Company which is available for offer of Option(s) subject to the maximum limit as set out in By-Law 3.2 and after deducting all Shares under Option(s) which have been granted.
<b>"Board"</b>	:	The Board of Director(s) of JMG for the time being.
<b>"Bursa Depository" or "the Depository"</b>	:	Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W)).
<b>"Bursa Securities" or "the Exchange"</b>	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W)).
<b>"By-Laws"</b>	:	The rules, terms and conditions of the Scheme set out herein.
<b>"CDS"</b>	:	Central Depository System governed under the Central Depositories Act, as amended from time to time.
<b>"CDS Account"</b>	:	Account established by Bursa Depository for a depositor for the recording of deposits of securities and dealings in such securities by the depositor.

**DRAFT BY-LAWS (cont'd)**

<b>“Central Depositories Act”</b>	:	The Securities Industry (Central Depositories) Act 1991 including any amendments made thereto from time to time.
<b>“Date of Expiry”</b>	:	The last day of the duration of the Scheme referred to in By-Law 4 hereof or such other date which the ESOS Committee may in its discretion decide, subject always to any further extension of period or early termination in accordance with the provisions of By-Law 4 hereof.
<b>“Daily Official List”</b>	:	A list specifying all securities which have been admitted for listing on Bursa Securities and which have not been removed.
<b>“Deposited Security(ies)”</b>	:	A security standing to the credit of a CDS Account and includes a security in a CDS Account that is in suspense.
<b>“Depositor”</b>	:	A holder of a CDS Account.
<b>“Director(s)”</b>	:	A natural person who holds a directorship in an executive or non-executive capacity in any company in the JMG Group;
<b>“Effective Date”</b>	:	The date the last of the approvals and/or conditions referred to in By-Law 4.1 hereof have been obtained and/or complied with;
<b>“Eligible Person(s)”</b>	:	An Employee(s) or Director(s) of the JMG Group who meets the criteria of eligibility for participation in the Scheme as set out in By-Law 6 hereof.
<b>“Employee(s)”</b>	:	A natural person who is employed by and on the payroll of any company in the JMG Group, including Director(s) within the JMG Group.
<b>“Entitlement Date”</b>	:	The date as at the close of business on which the names of the shareholders of the Company must appear on the Company’s record of depositors in order to participate in any dividends, rights, allotments or other distributions.
<b>“ESOS” or “Scheme”</b>	:	The Employees’ Share Option Scheme for the grant of Option(s) to selected Eligible Person(s) to subscribe for new JMG Share(s) on the terms as set out herein.
<b>“ESOS Committee”</b>	:	The committee appointed from time to time by the Board pursuant to By-Law 17 to administer the Scheme.
<b>“Exercise Period”</b>	:	The specific period or periods within an Option Period during which Option(s) may be exercised by Grantee(s), as determined by the ESOS Committee subject to By-Law 4 hereof.
<b>“Exercise Price”</b>	:	The price at which the Grantee(s) shall be entitled to subscribe for every new JMG Share(s) by exercising his Option(s) as determined in accordance with By-Law 9 hereof.
<b>“Government”</b>	:	The Government of Malaysia.
<b>“Grantee(s)”</b>	:	Any Eligible Person(s) who has accepted the Offer by the Company in accordance with the terms of the Scheme.

## DRAFT BY-LAWS (cont'd)

<b>“JMG Group” or “Group”</b>	:	JMG and its Subsidiaries.
<b>“JMG” or “Company”</b>	:	Jade Marvel Group Berhad (Registration No.: 200201024617 (592280-W)), a public limited company incorporated in Malaysia.
<b>“JMG Share(s)” or “Share(s)”</b>	:	Ordinary share(s) in the capital of the Company.
<b>“Listing Requirement”</b>	:	The Main Market Listing Requirements of Bursa Securities.
<b>“Market Day(s)”</b>	:	Any day(s) on which Bursa Securities is open for trading of securities.
<b>“Maximum Allowable Allotment”</b>	:	The maximum number of new JMG Share(s) that can be offered to an Eligible Person(s) to be determined by the ESOS Committee in accordance with By-Law 7 hereof.
<b>“Maximum Scheme Limit”</b>	:	The maximum number of new JMG Share(s) which may be made available and/or issued upon the exercise of the Option(s) under the Scheme which shall not in aggregate exceed fifteen percent (15%) of the total number of issued Share(s) (excluding treasury shares) at any point in time during the tenure of the Scheme.
<b>“Offer”</b>	:	An offer made in writing by the ESOS Committee to a selected Eligible Person(s) in the manner indicated in By-Law 5 hereof.
<b>“Offer Date”</b>	:	The date on which an Offer is made to a selected Eligible Person(s) to participate in the Scheme by the ESOS Committee.
<b>“Option(s)”</b>	:	The right of a Grantee(s) to subscribe for new JMG Share(s) pursuant to the contract constituted by the selected Eligible Person(s)' acceptance of an Offer in the manner indicated in By-Law 8 hereof, and where the context so requires, means any part of the Option(s) as shall remain unexercised.
<b>“Option Period”</b>	:	A period commencing from the date an Offer is accepted in accordance with By-Law 8 until the Date of Expiry or such other date as may be specifically stated in such Offer for an Eligible Employee(s) to exercise the Option(s) as the ESOS Committee may in its discretion decide PROVIDED ALWAYS THAT provided that no Option Period shall extend beyond the period referred to in By-Law 4 hereof.
<b>“Person(s) Connected”</b>	:	Has the meaning given to “person connected” adopted in Paragraph 1.01 of the Listing Requirements.
<b>“Registered Office”</b>	:	The registered office of JMG from time to time.
<b>“RM and sen”</b>	:	Ringgit Malaysia and sen, respectively.
<b>“Rules of Bursa Depository”</b>	:	The Rules of Bursa Depository as issued pursuant to the Central Depositories Act.

- “Senior Management”** : An Employee(s) of the JMG Group holding senior positions falling within the category of senior management as may be determined by the ESOS Committee from time to time.
- “Subsidiary(ies)”** : A subsidiary company of JMG within the meaning of Section 4 of the Act which is not dormant and shall include a subsidiary company which is existing as at the Effective Date and those which are incorporated or acquired at any time during the duration of the Scheme.

## 2.2 In these By-Laws:

- (i) Any reference to a statutory provision shall include any subordinate legislation made from time to time under the provision and any listing requirements, policies and/or guidelines of Bursa Securities and/or any other relevant regulatory authority (whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities and/or any other relevant regulatory authority).
- (ii) Any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these By-Laws so far as such modification or re-enactment applies or is capable of applying to any Option(s) offered and accepted prior to the expiry of the Scheme and shall include also any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly been replaced.
- (iii) Words denoting the singular shall include the plural and references to gender shall include both genders and the neuter.
- (iv) Any liberty or power which may be exercised or any determination which may be made hereunder by the ESOS Committee or the Board may be exercised at the ESOS Committee's or the Board's discretion.
- (v) The headings in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws; and
- (vi) If an event occurs on a stipulated day which is not a Market Day(s), then the stipulated day will be taken to be the first Market Day(s) after that day PROVIDED ALWAYS if such date shall fall beyond the duration of the Scheme, then the stipulated day shall be taken to be the preceding Market Day(s).

## 2A. THE OBJECTIVES OF THE SCHEME

The establishment of this ESOS is to: -

- (i) recognise the contribution of the Eligible Person(s) whose services are valued and considered vital to the operations and continued growth of the JMG Group;
- (ii) motivate the Eligible Person(s) towards improved performance through greater productivity and loyalty;
- (iii) inculcate a greater sense of belonging and dedication as the Eligible Person(s) are given the opportunity to participate directly in the equity of the Company;
- (iv) retain the Eligible Person(s), hence ensuring that the loss of key personnel is kept to a minimum level; and

- (v) reward the Eligible Person(s) by allowing them to participate in the JMG Group's profitability and eventually realise any capital gains arising from appreciation in the value of the JMG Share(s).

The Scheme is also extended to the non-executive Director(s) of the JMG Group to instil a greater sense of involvement and enhance the working relationship between the non-executive Director(s) and the Group, in recognition of their services and contributions which are valued by the Group as these non-executive Director(s) discharge important functions on the Board.

### **3. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME**

- 3.1 Each Option(s) shall be exercisable into one (1) new JMG Share, fully issued and paid-up, in accordance with the provisions of these By-Laws.
- 3.2 The total number of new JMG Share(s) which may be made available and/or issued under the Scheme shall not be more than the Maximum Scheme Limit. The ESOS Committee has the discretion in determining whether the total number of new JMG Share(s) which may be made available under the Scheme shall be staggered over the duration of the Scheme.
- 3.3 Notwithstanding the provision of By-Law 3.2 above or any other provisions contained herein, in the event the maximum number of new JMG Share(s) comprised in the Option(s) granted under the Scheme exceeds the Maximum Scheme Limit as a result of the Company purchasing its own Shares or undertaking any corporate proposal and thereby diminishing its issued Shares, no further Option(s) shall be offered until such time the total number of new JMG Share(s) comprised in the Option(s) granted or to be granted under the Scheme falls below the Maximum Scheme Limit. Any Option(s) granted prior to the adjustment of the total number of issued Shares of the Company shall remain valid and exercisable in accordance with the provisions of these By-Laws.

### **4. DURATION AND TERMINATION OF THE SCHEME**

- 4.1 The Effective Date for the implementation of the Scheme shall be the date the last of the following approvals and/or conditions have been obtained and/or complied with:
  - (a) the submission to Bursa Securities of the final copy of the By-Laws together with a letter of compliance pursuant to paragraphs 2.12 and 6.42 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;
  - (b) the approval-in-principle from Bursa Securities for the listing of and quotation for the new JMG Share(s) to be issued arising from under the Scheme;
  - (c) the shareholders' approval for the Scheme at an extraordinary general meeting;
  - (d) the approval of any other relevant authorities for the Scheme (if any); and
  - (e) the fulfilment of all conditions attached to the above approvals, if any.
- 4.2 The Scheme shall come in force on the Effective Date for a period of five (5) years commencing from the Effective Date ("**Initial Five Years**") PROVIDED ALWAYS THAT on or before the expiry thereof, the Board shall have the discretion upon recommendation of the ESOS Committee, without having to obtain the approval of the shareholders (unless otherwise required by the relevant authorities), to extend in writing the duration of the Scheme for another five (5) years or such shorter period as it deems fit immediately from the expiry of the Initial Five Years PROVIDED FURTHER THAT the total duration of the Scheme shall not be more than ten (10) years from the Effective Date. Unless otherwise required by the relevant authorities, no further approvals shall be required for the extension of the Scheme provided that the ESOS Committee shall serve appropriate notices to Grantee(s) and the Company shall make any announcements to Bursa Securities (if required) within thirty (30) days prior to the expiry of the original Scheme.

**DRAFT BY-LAWS (cont'd)**

- 4.3 The Company shall through its Adviser submit no later than five (5) Market Day(s) after the Effective Date of the implementation of these By-Laws, a confirmation to Bursa Securities of the full compliance of By-Law 4.1 above stating the Effective Date of implementation of the Scheme, together with a certified true copy of the relevant resolutions passed by the shareholders of the Company in the general meeting approving the Scheme.
- 4.4 Offers can only be made during the duration of the Scheme. Notwithstanding anything to the contrary, all unexercised Option(s) shall lapse at 5.00p.m. on the Date of Expiry.
- 4.5 Subject to compliance with the requirements of Bursa Securities and any other relevant regulatory authorities, the Company may at any time before the Date of Expiry, at its sole discretion without obtaining the approvals or consents from the Grantee(s) and/or the shareholders, terminate the continuation of this Scheme by way of passing a Board resolution and no further Offer(s) shall be made by the ESOS Committee. All Offer(s) outstanding but not yet accepted by the Eligible Employee(s) at the date of the said Board resolution shall automatically lapse or cease to have effect as at the date of the Board resolution and the Option(s) yet to be exercised shall automatically lapse or cease to have effect.
- 4.6 The Company shall immediately upon the termination of the Scheme before the Date of Expiry, announce to Bursa Securities the:-
- (i) effective date of termination of the Scheme;
  - (ii) number of Option(s) exercised or Share(s) vested; and
  - (iii) reasons for termination of the Scheme;

**5. OFFER**

- 5.1 The ESOS Committee may, at any time during the duration of the Scheme as defined in By-Law 4 hereof, make Offers in writing to any Eligible Person(s) whom the ESOS Committee may in its absolute discretion select (based on the criteria of allocation as set out in By-Law 7 herein).
- 5.2 The actual number of new JMG Share(s) which may be offered to an Eligible Person(s) shall be at the sole and absolute discretion of the ESOS Committee and shall not be less than one hundred (100) new Share(s) but no more than the Maximum Allowable Allotment and shall be in multiples of hundred (100) Shares.
- 5.3 The ESOS Committee shall state the following particulars in the letter of Offer:-
- (a) The number of Option(s) that are being offered to the Eligible Person(s);
  - (b) The number of JMG Share(s) which the Eligible Person(s) shall be entitled to subscribe for upon the exercise of the Option(s) being offered;
  - (c) The Option Period;
  - (d) The Exercise Period;
  - (e) The Exercise Price;
  - (f) The Offer Validity Period as defined in By-Law 8.1; and
  - (g) Any other information deemed necessary by the ESOS Committee.
- 5.4 Without prejudice to By-Law 18, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 5.3, the following provisions shall apply: -

**DRAFT BY-LAWS (cont'd)**

- (a) Within one (1) month after discovery of the error, the Company shall issue a supplemental letter of Offer, stating the correct particulars referred to in By-Law 5.3;
  - (b) In the event that the error relates to particulars other than the Exercise Price, the Exercise Price applicable in the supplemental letter of Offer shall remain as the Exercise Price as per the original letter of Offer; and
  - (c) In the event that the error relates to the Exercise Price, the Exercise Price applicable in the supplemental letter of Offer shall be the Exercise Price applicable as at the date of the original letter of Offer, save and except with respect to any Option(s) which have already been exercised as at the date of issue of the supplemental letter of Offer.
- 5.5 Subject to By-Law 3 hereof, nothing herein shall prevent the ESOS Committee from making more than one (1) Offer to any Eligible Person(s) **PROVIDED ALWAYS THAT** the total aggregate number of JMG Share(s) which may be offered to any Eligible Person(s) (inclusive of JMG Share(s) previously offered under the Scheme, if any) shall not exceed the Maximum Allowable Allotment of that Eligible Person(s) as set out in By-Law 7 hereof.
- 5.6 The ESOS Committee has the discretion not to make further additional Offers regardless of the amount of Available Balance.
- 5.7 The Offer shall automatically lapse and be null and void in the event of the death of the Eligible Person(s) or the Eligible Person(s) ceasing to be employed by the JMG Group or in the case of a Eligible Person(s) who is a non-executive Director(s), ceasing or resigning from the Board for any reason whatsoever prior to the acceptance of the Offer by the Eligible Person(s) in the manner set out in By-Law 8 hereof.
- 5.8 An Offer may be made upon such terms and conditions as the ESOS Committee may decide from time to time. Each Offer shall be made in writing and is personal to the Eligible Person(s) and is non-assignable and non-transferable.
- 5.9 After each adjustment following an alteration of the Company's share capital as stipulated in By-Laws 14.1 and 14.2 and the Company informing the Grantee(s) of such adjustment pursuant to By-Law 14.6, upon the return by a Grantee(s) of the original letter of Offer to the Company, that letter of Offer shall be amended or a new letter of Offer shall be issued within one (1) month from the date of return of the original letter, to reflect the adjustment made to the number of Option(s) granted to the Grantee(s) and/or the Exercise Price.
- 5.10 The Company shall keep and maintain at its own expense a register of Grantee(s) and shall enter the names, addresses and identify card numbers of the Grantee(s), the Maximum Allowable Allotment, the number of Option(s) offered, the number of Option(s) exercised, the Offer Date and the Exercise Price and other particulars as may be prescribed under Section 129 of the Act.
- 5.11 For the avoidance of doubt, there shall be no legal, equitable or other obligation whatsoever on the part of the ESOS Committee to consider making, or to make, any Offer to any or all of the Eligible Person(s).

**6. ELIGIBILITY**

- 6.1 Subject to By-Laws 6.2, 6.4 and 6.5 below, any Director(s) or an Employee(s) of the JMG Group shall be eligible to be considered for the offer of Option(s) under the Scheme.
- 6.2 In the case of an Eligible Person(s), he/she will be eligible if at the Offer Date, the following eligibility criteria is fulfilled: -
- (a) he/she is a Malaysian citizen has attained the age of at least eighteen (18) years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

- (b) with the exception of the non-executive Director(s):-
  - (i) he/ she shall be employed on full time basis and confirmed in service and has been employed by a company in the Group for at least twelve (12) months (unless the ESOS Committee under certain circumstances at its discretion reduces this period to a shorter period as it deems fit);
  - (ii) where the Director(s) or Employee(s) is under an employment contract, the contract term shall be for at least one (1) year and shall not have expired within three (3) months from the Offer Date;

and

- (c) he/she is has fulfilled any other eligibility criteria that the ESOS Committee may from time to time decide at its absolute discretion,

**PROVIDED ALWAYS THAT** the selection of any Director(s) or Employee(s) for participation in the Scheme shall be at the discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.

6.3 No Offer, allocation of Option(s) under the Scheme and the related allotment of JMG Share(s) shall be made to the following persons unless the shareholders of JMG Share(s) in a general meeting shall have approved the specific allocation and allotment to such persons:

- (a) any person who is a Director(s), major shareholder or chief executive of JMG or holding company of JMG ("**interested Director(s)**", "**interested major shareholder**" and "**interested chief executive**"); or
- (b) a person connected with an interested Director(s), interested major shareholder or interested chief executive ("**interested person connected with a Director(s), major shareholder or chief executive**").

In a meeting to obtain shareholders' approval in respect of the above allocation and allotment:

- (i) the interested Director(s), interested major shareholder, interested chief executive or interested person connected with a Director(s), major shareholder or chief executive; and
- (ii) where the allocation and allotment is in favour of an interested person connected with a Director(s), major shareholder or chief executive, such Director(s), major shareholder or chief executive,

must not vote on the resolution approving the said allocation and allotment. An interested Director(s), interested major shareholder or interested chief executive must ensure that such persons connected with him/her abstain from voting on the resolution approving the said allocation and allotment.

6.4 For the avoidance of doubt, the following persons are not Eligible Person(s) and do not qualify for participation in the Scheme: -

- (a) subject to By-Law 24 below, Employee(s) of a company which has ceased to be a Subsidiary(ies) of JMG;
- (b) a Director(s) or Employee(s) of a company within the Group which is dormant;
- (c) unless decided otherwise by the ESOS Committee in its discretion, Employee(s) recruited on a full time basis which has been employed for less than twelve (12) months;
- (d) unless decided otherwise by the ESOS Committee in its discretion, Employee(s) recruited under contracts of employment with less than one (1) year term;

- (e) Employee(s) who are on probation; and
  - (f) employees of associated companies of JMG Group.
- 6.5 A Grantee(s) under the Scheme shall not be entitled to participate in any other share issuance scheme which may be implemented by any other company in the JMG Group during the duration of the Scheme.
- 6.6 Eligibility under the Scheme does not confer on an Eligible Person(s) a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person(s) does not acquire or have any rights over or in connection with the Option(s) or the JMG Share(s) comprised herein unless an Offer has been made by the ESOS Committee to the Eligible Person(s) and the Eligible Person(s) has accepted the Offer in accordance with the terms of the Offer and the Scheme.
- 6.7 Subject to By-Laws 3.2 and 7.1, in the event that the ESOS Committee has determined that certain Eligible Person(s) are entitled to be offered additional Option(s) and the Available Balance is insufficient to grant their full additional entitlements, the Available Balance may be distributed on such basis as the ESOS Committee may determine.
- 6.8 The ESOS Committee has the discretion not to make further Offers regardless of the amount of Available Balance.
- 6.9 Where an Offer to an Eligible Person(s) who is a member of the ESOS Committee, such grant of Option shall be decided and carried out by the ESOS Committee PROVIDED ALWAYS that such Eligible Person(s) and persons connected to him who are also members of the ESOS Committee shall abstain from all deliberations and voting in respect of the Offer proposed to be granted to him/her at the relevant ESOS Committee meetings.

## **7. MAXIMUM ALLOWABLE ALLOTMENT AND BASIS OF ALLOCATION**

- 7.1 Subject to any adjustments which may be made under By-Law 14, the aggregate number of new JMG Share(s) that may be offered and allotted to any of the Eligible Person(s) shall be at the absolute discretion of the ESOS Committee, after taking into consideration, amongst others and where relevant, the Eligible Person(s)' position, ranking, performance, contribution, seniority, length of service, fulfilment of the eligibility criteria under By-Law 6 or such other matters including those set out below, which the ESOS Committee may in its sole and absolute discretion deem fit provided always that it is in accordance with any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time:-
- (i) the Director(s) and Eligible Person(s) shall not participate in the deliberation or discussion of their own allocation and the allocation to any Person(s) Connected with them;
  - (ii) the number of Share(s) allocated to any Eligible Person(s) who, either singly or collectively through Persons Connected with the Eligible Person(s), holds twenty percent (20%) or more in the total number of issued Shares (excluding treasury shares), shall not exceed ten percent (10%) of the total number of Share(s) to be issued under the Scheme;
  - (iii) at any point in time when an Offer(s) is made, not more than seventy percent (70%) of the new Share(s) available under the Scheme shall be allocated in aggregate to the Director(s) and Senior Management provided that proposed allocation of up to seventy percent (70%) is intended to incentivise and reward the Directors and senior management of the Group for their continued contribution to the Group;
  - (iv) that the aggregate number of Share(s) comprised in the Option(s) made available under the Scheme shall not exceed the Maximum Scheme Limit, but the ESOS Committee shall not be obliged in any way to grant Option(s) for all the specified maximum number of Share(s); and

- (v) that the imposition of any performance target to be achieved before the Option(s) can be granted and/or exercised by an Eligible Person(s) (if any) shall be determined by the ESOS Committee.

- 7.2 The ESOS Committee shall stagger the allocation of Option(s) available over the duration of the Scheme. The maximum allocation available for each financial year during the duration of the ESOS is as follows: -

<b>Financial Year</b>	<b>Maximum Allocation Available (based on the total number of issued JMG Share(s) at any point in time during the duration of the ESOS)</b>
1	5%*
2	5%*
3	3%*
4	1%*
5	1%

Note: -

- \* Any balance not allocated in the financial year shall be brought forward to the following financial year.

- 7.3 Subject to By-Law 18, the ESOS Committee may at its sole and absolute discretion and pursuant to By-Law 17, amend or vary and/or include or preclude any basis or criteria which is applied in considering Offers to Eligible Person(s) including details of the category of Employee(s) and/or thresholds of Maximum Allowable Allotment for which it shall deem necessary to introduce during the duration of the Scheme provided that these additional categories and/or basis are in compliance with the relevant Listing Requirements and applicable laws.
- 7.4 Any Eligible Person(s) who holds more than one (1) position within the Group (including a Director(s) who is an Employee(s) of the Group and who sits on the board(s) of Director(s) of any one (1) or more corporations within the Group), and is therefore an Eligible Person(s) in more than one category or capacity, shall be entitled to the Maximum Allowable Allotment of the higher category to be determined by the ESOS Committee at its sole and absolute discretion.
- 7.5 A Grantee(s) who is promoted during the duration of the Scheme may be eligible for consideration of new additional Share(s) under the Scheme at the discretion of the ESOS Committee up to the Maximum Allowable Allotment to be determined by the ESOS Committee for the category to which he has been promoted to. A Grantee(s) who is demoted to a lower employment category for whatever reason shall only be entitled to the allocation of that lower category unless an Offer has been made and accepted by him before such demotion.
- 7.6 An Employee(s) or Director(s) who during the duration of the Scheme becomes an Eligible Person(s) may be eligible to participate in the Scheme, the number of new Share(s) of which is to be decided by the ESOS Committee at its absolute discretion subject to any Maximum Allowable Allotment for the category to be determined by the ESOS Committee.
- 7.7 The ESOS Committee shall not be obliged in any way to offer to an Eligible Person(s) all of the specified Maximum Allowable Allotment. The decision of the ESOS Committee shall be final and binding.
- 7.8 The allocation of Option(s) pursuant to the Scheme shall be verified by the Company's Audit Committee, as being in compliance with the criteria set out in these By-Laws (where relevant) at the end of each financial year of the Company.
- 7.9 The ESOS Committee shall also have the sole and absolute discretion to the vesting period and/or criteria (if any) for the Option(s) granted under the Scheme, which will take into consideration, amongst others, the Group's financial performance and the Eligible Person(s)' performance over the vesting period, that must be achieved prior to the vesting or the exercise of the Option(s).

**8. ACCEPTANCE OF THE OFFER**

- 8.1 An Offer shall be valid for a period of thirty (30) calendar days from the Offer Date or such longer period as the ESOS Committee at its discretion, may determine on a case to case basis (“**Offer Validity Period**”). Acceptance of the Offer by an Eligible Person(s) shall be made by way of a written notice from the Eligible Person(s) to the ESOS Committee in the form prescribed by the ESOS Committee and accompanied by the payment of Ringgit Malaysia One (RM1.00) only as non-refundable consideration for the acceptance of each Offer (regardless of the number of shares comprised therein).
- 8.2 In the event that the Eligible Person(s) fails to accept the Offer or pay the acceptance consideration as set out in By-Law 8.1 hereof within the Offer Validity Period and in the manner aforesaid, the Offer shall be deemed to have lapsed.
- 8.3 Within thirty (30) calendar days after the due acceptance of the Offer in accordance with the provisions of this By-Law, the ESOS Committee shall issue to the Grantee(s) a certificate (“**Option(s) Certificate**”) in such form as may be determined by the ESOS Committee. For the avoidance of doubt, the Grantee(s) is entitled to exercise the Option(s) granted to and accepted by him/her in accordance with By-Law 8.1 above pending the issuance of a Option(s) Certificate by the ESOS Committee to the Grantee(s).
- 8.4 An administrative cost of Ringgit Malaysia Thirty (RM30.00) and any associated cost for the replacement of lost Option(s) Certificate shall be fully borne by the Grantee(s) and such Grantee(s) shall have to sign a statutory declaration for the loss of the Option(s) Certificate.

**9. EXERCISE PRICE**

- 9.1 The Exercise Price of each Share(s) comprised in any Option(s) shall be based on the five-(5) day volume weighted average market price (VWAMP) of the Share(s) transacted on Bursa Securities immediately preceding the Offer Date subject to a discount of not more than ten percent (10%) therefrom or such price or other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time during the duration of the Scheme as may be determined by the Board upon recommendation of the ESOS Committee.
- 9.2 The Exercise Price shall be stipulated on each Option(s) Certificate.
- 9.3 The Exercise Price shall be subject to any adjustments provided under By-Law 14 herein.

**10. EXERCISE OF OPTION**

- 10.1 Subject to By-Laws 10.2 and 10.7 hereof, an Option(s) can be exercised by the Grantee(s) by notice in the prescribed form to the Company on such day(s) of the calendar month (which shall be a Market Day(s)) as the ESOS Committee may notify the Grantee(s) during the Exercise Period in respect of all or any part of the JMG Share(s) comprised in the Option(s), such part being in multiples of one hundred (100) JMG Share(s) unless the ESOS Committee shall otherwise agree. Any partial exercise of an Option(s) shall not preclude the Grantee(s) from exercising the Option(s) in respect of the balance of the JMG Share(s) comprised in the Option(s).
- 10.2 Subject to By-Laws 14 and 18 hereof, the ESOS Committee may, at any time and from time to time, before and after an Option(s) is granted:
- (i) limit the exercise of the Option(s) to a maximum number of new JMG Share(s) and/or such percentage of the total new JMG Share(s) comprised in the Option(s) during such periods within the Option Period;
  - (ii) subject the exercise of the Option(s) to any vesting condition determined by the ESOS Committee at its sole and absolute discretion including but not limited to

- performance targets being achieved before an Option(s) can be exercised; and/or
- (iii) impose any other terms and/or conditions (including the time period to exercise the Option(s)) as the ESOS Committee may, in its sole discretion deem appropriate including amending or varying any terms and conditions imposed earlier.
- 10.3 Every such notice to exercise the Option(s) referred to in By-Law 10.1 hereof shall be accompanied by a remittance in RM in the form of a bankers' draft or cashiers' order drawn and payable in Malaysia or any other form acceptable to the ESOS Committee for the full amount of subscription monies (calculated in accordance with the provisions of By-Law 9 hereof) in relation to the number of new JMG Share(s) in respect of which the written notice is given. The Grantee(s) who exercises his Option(s) shall provide the ESOS Committee with his CDS Account number or the CDS Account number of his Authorised Nominee, as the case may be, in the notice referred to in By-Law 10.1 hereof.
- 10.4 The new JMG Share(s) to be issued pursuant to the exercise of an Option(s) will be credited directly into the CDS Account of the Grantee(s) or his Authorised Nominee, as the case may be and a notice of allotment stating the number of shares credited into such CDS Account will be issued to the Grantee(s) within eight (8) Market Day(s) (or such other period as may be prescribed by Bursa Securities) from the receipt by the Company of the written notice of exercise of the Option(s) together with the requisite remittance of subscription monies. No physical share certificate will be issued.
- 10.5 Any failure to comply with the procedures specified by the ESOS Committee or to provide information as required by the Company in the notice to exercise or inaccuracy in the CDS Account number provided shall result in the notice to exercise being rejected at the discretion of the ESOS Committee. The ESOS Committee shall inform the Grantee(s) of the rejection of the notice of exercise within ten (10) Market Day(s) from the date of rejection and the Grantee(s) shall not have deemed to have exercised his/her Option(s).
- 10.6 In the event that a Grantee(s) is subject to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service) the ESOS Committee shall have the right, to suspend the Grantee(s)' Option(s) pending the outcome of such disciplinary proceedings. The ESOS Committee may impose such terms and conditions as the ESOS Committee shall deem appropriate having regard to the nature of the charges made or brought against the Grantee(s) **PROVIDED ALWAYS THAT:**
- (a) in the event that such Grantee(s) shall subsequently be found not guilty of the charges which give rise to such disciplinary proceedings, the ESOS Committee shall reinstate the rights of such Grantee(s) to exercise his Option(s);
- (b) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such Grantee(s), the Option(s) shall immediately cease without notice and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of service of such Grantee(s) notwithstanding that such recommendation may be subsequently challenged by the Grantee(s) in any other forum; and
- (c) in the event such Grantee(s) is found guilty but not dismissed or termination of service is not recommended, the ESOS Committee shall have the right to determine at its discretion whether or not the Grantee(s) may continue to exercise his Option(s) and if so, to impose such limits, terms and conditions as it deems appropriate, on such exercise.

The Board may, after a warning/caution letter has been issued to a Grantee(s) by the relevant company within the Group, recommend to the ESOS Committee to suspend the Grantee(s)' Option(s). The ESOS Committee shall, upon receipt of such recommendation by the Board, suspend the Grantee(s)' Option(s) until such time as the Board determines at its discretion whether or not the Grantee(s) may continue to

**DRAFT BY-LAWS (cont'd)**

exercise his Option(s) and if so, whether to impose such limits, terms and conditions as the Board deems appropriate, on such exercise.

For the purpose of this By-Laws, a Grantee(s) shall be deemed to be subject to "disciplinary proceedings" if:

- (i) he/she is suspended from work pending investigation into his/ her conduct;
- (ii) he/she is issued with a letter requiring him/ her to attend an internal domestic inquiry; or
- (iii) such other instances as the Board may deem as being subject to disciplinary proceedings.

- 10.7 All Option(s) to the extent unexercised on the expiry of the Option Period applicable thereto shall lapse.
- 10.8 The Company will undertake to keep sufficient unissued JMG Share(s) to satisfy all outstanding Option(s), which may be exercisable from time to time during the existence of the Scheme.
- 10.9 Every Option(s) shall be subjected to the condition that no new JMG Share(s) shall be issued pursuant to the exercise of an Option(s) if such issue would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the Option Period or such period as may be extended.
- 10.10 The Company, the Board and the ESOS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities whatsoever and howsoever arising in the event of any delay on the part of the Company in allotting and issuing the Share(s) or in procuring the relevant authorities to list and quote the Share(s) subscribed for by a Grantee(s) or any delay in receipt or non-receipt by the Company of the notice to exercise the Option(s) or for any errors in any Offers or any other matters or dealings which are outside the control of the Company, the Board and/or the ESOS Committee.

**11. RIGHTS ATTACHING TO OPTION(S) AND THE NEW SHARE(S)**

- 11.1 The Option(s) shall not carry any right to vote at any general meeting of the Company until and unless the Grantee(s) shall have exercised their Option(s) and the new JMG Share(s) have been allotted and credited into their respective CDS Accounts.
- 11.2 A Grantee(s) shall not be entitled to any dividends, right or other entitlements on his unexercised Option(s) in relation to the Shares yet to be issued.
- 11.3 The new JMG Share(s) to be allotted upon the exercise of the Option(s) shall upon allotment, issuance and full payment, rank *pari passu* in all respects with the then existing JMG Share(s) save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions declared, the Entitlement Date of which is prior to the date of allotment of the said new JMG Share(s).
- 11.4 The new JMG Share(s) will be subject to all provisions of the Constitution of the Company.

**12. NON-TRANSFERABILITY**

- 12.1 An Option is personal to the Grantee(s) and subject to the provisions of By-Laws 13.1, 13.2, 13.3 and 13.5, it is exercisable only by the Grantee(s) personally during his lifetime whilst he is in the employment in any company in the Group.
- 12.2 An Option(s) so granted shall not be transferred, assigned, disposed of or subject to any encumbrances by the Grantee(s) save and except in the event of the death of the Grantee(s) as provided under By-Law 13.5. Any such transfer, assignment, disposal or encumbrance shall result in the automatic cancellation of the Option(s).

**13. TERMINATION OF THE OPTION(S)**

- 13.1 In the event a Grantee(s) ceases to be in the employment of the Group (or in the case of a non-executive Director(s) ceases to be a Director(s)) for whatever reason prior to the full exercise of an Option(s), such Option(s) or the balance thereof, as the case may be, shall forthwith cease to be valid without any claim against the Company PROVIDED ALWAYS THAT the ESOS Committee may, at its absolute discretion, by notice in writing, permit such Option(s) to remain exercisable during the Option Period if such cessation occurs by reason of:
- (i) retirement on attaining the retirement age under the Group's retirement policy; or
  - (ii) retirement before attaining the normal retirement age but with the consent of the ESOS Committee; or
  - (iii) transfer to any company outside the Group at the direction of the Company; or
  - (iv) redundancy; or
  - (v) ill-health, injury, physical or mental disability; or
  - (vi) the insanity of the Grantee(s); or
  - (vii) any other circumstances which are acceptable to the ESOS Committee subject to the approval and/or ratification by the Board.

Upon the termination of Option(s) pursuant to the above, the Grantee(s) shall have no right to compensation or damages or any claim against the Company for any loss of any right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his/her ceasing to hold office or employment or from the suspension of his/her right to exercise his/her Option(s) or his/her Option(s) ceasing to be valid.

- 13.2 Unless otherwise agreed in writing by the ESOS Committee at its absolute discretion, upon the resignation of the Grantee(s) from his employment or directorship with the Group (as the case may be), an Option(s) shall lapse forthwith on the date the Grantee(s) tenders his resignation. Any Option(s) which lapses upon the resignation of the Grantee(s) from his employment or directorship with Group (as the case may be), at the discretion of the ESOS Committee, shall be offered to other Eligible Person(s).
- 13.3 Where a Grantee(s) dies before the expiry of the Option Period, the whole or any part of the Option(s) held by the Grantee(s) that is unexercised shall lapse after the expiry of twelve (12) months from the date of the Grantee(s)' death unless exercised by the legal representatives of the Grantee(s) prior to the expiry of such period in accordance with the terms and/or conditions as set out by the ESOS Committee **PROVIDED ALWAYS THAT** no Option(s) shall be exercised after the expiry of the Option Period.
- 13.4 An Option(s) shall immediately become void and of no further force and effect upon the Grantee(s) being adjudicated a bankrupt.
- 13.5 In the event of the liquidation of the Company, all unexercised or partially exercised Option(s) shall lapse.

**14. ALTERATION OF SHARE CAPITAL DURING THE OPTION PERIOD**

- 14.1 In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of JMG Share(s) or reduction of capital or any other variation of capital, the Company shall cause such adjustment to be made to:

**DRAFT BY-LAWS (cont'd)**

- (a) the number of JMG Share(s) which a Grantee(s) shall be entitled to subscribe for upon the exercise of each Option(s); and/or
  - (b) the Exercise Price.
- 14.2 The following provisions shall apply in relation to an adjustment which is made pursuant to By-Law 14.1:
- (a) any adjustment to the Exercise Price shall be rounded up to the nearest one (1) sen; and
  - (b) in determining a Grantee(s)' entitlement to subscribe for JMG Share(s), any fractional entitlements will be disregarded.
- 14.3 By-Law 14.1 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:
- (a) an issue of new JMG Share(s) or other securities convertible into JMG Share(s) or rights to acquire or subscribe for JMG Share(s) in consideration or part consideration for an acquisition of any other securities, assets or business;
  - (b) a special issue of new JMG Share(s) to Bumiputera investors nominated by the Ministry of International Trade and Industry, Malaysia and/or other government authority to comply with the Government policy on Bumiputera capital participation;
  - (c) a private placement/restricted issue of new JMG Share(s) by the Company;
  - (d) an issue of new JMG Share(s) arising from the exercise of any conversion rights attached to securities convertible to JMG Share(s) or upon exercise of any other rights including warrants and/or convertible loan stocks (if any) issued by the Company;
  - (e) an issue of new JMG Share(s) upon the exercise of Option(s) pursuant to the Scheme;
  - (f) an issue of further Option(s) to Eligible Person(s) under these By-Laws;
  - (g) a purchase by the JMG of its own Share(s) pursuant to Section 127 of the Act.
- 14.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Subdivision 2, Division 7, Part III of the Act, By-Law 14.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company, save that By-Law 14.3 shall be applicable in respect of such part(s) of the Scheme which involve(s) any alteration(s) in the capital structure of the Company which falls within By-Law 14.3.
- 14.5 In the event the Court sanctions a compromise or arrangements between the Company and its members proposed for the purposes of, or in connection with, a scheme for arrangement or reconstruction of the Company under Subdivision 2, Division 7, Part III of the Act or its amalgamation with any other company or companies under Subdivision 2, Division 7, Part III of the Act, any Option(s) should remain exercisable by the Grantee(s) at any time and from time to time in the period commencing with the date upon which the compromise or arrangements is sanction by the court and ending with the date upon which it becomes effective or within the Option Period, whichever expires first. Upon the compromise or arrangement becoming effective, all Option(s), to the extent unexercised shall automatically lapse and shall become null and void.
- 14.6 Upon any adjustment being made, the ESOS Committee shall within ten (10) Market Day(s) give notice in writing to the Grantee(s), or his legal or personal representative where the Grantee(s) is deceased, to inform him/her of the adjustment and the event giving rise thereto.

- 14.7 Save for any alteration in the capital structure of the Company during the Option Period arising from bonus issues, all adjustments must be confirmed in writing by an Approved Auditor or Adviser or such other persons as allowed by Bursa Securities, acting as an expert and not as an arbitrator, to be in his opinion fair and reasonable. In addition, the Company shall, at the request of any Grantee(s), furnish such Grantee(s) with a certificate from an Approved Auditor or Adviser or such other persons as allowed by Bursa Securities (as the case may be) to the effect that in the opinion of such Approved Auditor or Adviser or such other persons as allowed by Bursa Securities (as the case may be), acting as an expert and not as an arbitrator, an adjustment is fair and reasonable either generally or as regards such Grantee(s), and such certification shall be final and binding on all parties.
- 14.8 The Company shall ensure that any adjustments made must be in compliance with the provisions for adjustment as provided in By-Law 14.9.
- 14.9 In addition to By-Law 14.1 and not in derogation thereof, the Exercise Price and the number of new JMG Share(s) relating to the Option(s) so far unexercised shall from time to time be adjusted in accordance with the following relevant provisions in consultation with an Approved Auditor or an Adviser or such other persons as allowed by Bursa Securities:
- (a) If and whenever a Share(s) by reason of any consolidation or subdivision or conversion shall have a different value, the Exercise Price shall be adjusted and the additional number of new Share(s) relating to the Option(s) to be issued shall be calculated in accordance with the following formula:

$$\text{New Exercise Price} = \left[ \frac{A}{B} \right] \times S$$

For consolidation of Share(s)

$$\text{New number of Share(s) under Option(s)} = T \times \left[ \frac{B}{A} \right]$$

For subdivision of Share(s)

$$\text{Additional Shares under Option(s)} = T \times \left[ \frac{B}{A} \right] - T$$

Where:-

A = the aggregate number of issued Shares immediately before such consolidation or subdivision or conversion;

B = the aggregate number of issued Shares immediately after such consolidation or subdivision or conversion;

S = existing Exercise Price; and

T = existing number of Share(s) under the Option(s)

Each such adjustment will be effective from the close of business on the Market Day next following the date on which the consolidation or subdivision or conversion becomes effective (being the date when the Share(s) are traded on Bursa Securities at the new value), or such period as may be prescribed by Bursa Securities.

- (b) If whenever the Company shall make any issue of Share(s) credited as fully paid, by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature and including any capital redemption reserve fund), the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\text{New Exercise Price} = S \times \left[ \frac{A}{A + B} \right]$$

and the additional new Share(s) relating to the Option(s) to be issued shall be calculated as follows:

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

Where

- A = the aggregate number of issued and fully paid-up Share(s) immediately before such bonus issue or capitalisation issue;
- B = the aggregate number of Share(s) to be issued pursuant to any allotment to shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and including any capital redemption reserve fund);
- S = existing Exercise Price; and
- T = existing number of Share(s) relating to the Option(s).

Each such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the books closure date for such issue.

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

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

$$\text{New Exercise Price} = S \times \left[ \frac{C - D}{C} \right]$$

- S = existing Exercise Price;
- C = the current market price of each Share(s) on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and
- D = (1) in the case of an offer or invitation to acquire or subscribe for Share(s) by way of rights under By-Law 14.9(c)(ii) above or securities convertible into JMG Share(s) or securities with

rights to acquire or subscribe for JMG Share(s) under By-Law 14.9(c)(iii) above, the value of rights attributable to one (1) Share(s) (as defined below); or

- (2) in the case of any other transaction falling within By-Law 14.9(c) hereof, the fair market value, as determined by the Adviser and/or an Approved Auditor, of that portion of the Capital Distribution attributable to one (1) Share.

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

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

where:

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

and in respect of the case referred to in By-Law 14.9(c)(ii) and c(iii) hereof, the number of additional new Share(s) comprised in the Option(s) to be issued shall be calculated as follows:

$$\text{Number of Additional Share(s)} = T \times \left[ \frac{C}{(C - D^*)} \right] - T$$

where

- T = existing number of Share(s) relating to the Option(s);
- C = as C above; and
- D\* = the "*value of rights attributable to one (1) Share(s)*" (as defined below).

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

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

where:

- C = as C above;
- E\* = the subscription price for one (1) new Share(s) under the terms of such offer or invitation; and
- F\* = the number of Share(s) which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) new Share.

For the purpose of By-Law 14.9(c) hereof, "*Capital Distribution*" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of Shares (not falling under By-Law 14.9(b) hereof) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and including any capital redemption reserve fund). Any dividend declared or provided for by the Company in the accounts of any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless the aggregate dividends declared or provided for the financial year is less than ten percent (10%) of the value of the JMG Share(s).

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

Such adjustments will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for the above transactions.

- (d) If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 14.9 (b) above and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 14.9(c)(ii) or (iii) above and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and where the Company makes an allotment to its ordinary shareholders as provided in By-Law 14.9(b) above and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 14.9(c)(ii) above and the entitlement date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the number of additional new JMG Share(s) relating to the Option(s) to be issued shall be calculated as follows:

$$\text{Number of Additional Share(s)} = T \times \left[ \frac{[(G + H^* + B) \times C]}{(G \times C) + (H^* \times I^*)} \right] - T$$

Where:

B = as B above;

C = as C above;

G = the aggregate number of issued Share(s) on the entitlement date;

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

H\* = the aggregate number of new Share(s) under an offer or invitation to acquire or subscribe for Share(s) by way of rights;

I = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Share(s) or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share(s), as the case may be;

**DRAFT BY-LAWS (cont'd)**

I\* = the subscription price of one (1) additional Share(s) under the offer or invitation to acquire or subscribe for Share(s);

S = as S above; and

T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the entitlement date for such issue.

- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Share(s) as provided in By-Law 14.9(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into or rights to acquire or subscribe for ordinary shareholders as provided in By-Law 14.9(c)(iii) above and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the number of additional new Share(s) relating to the Option(s) to be issue shall be calculated as follows:

$$\text{Number of Additional JMG Share(s)} = T \times \left[ \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

where:

C = as C above;

G = as G above;

H = as H above;

H\* = as H\* above;

I = as I above;

I\* = as I\* above;

J = the aggregate number of Share(s) to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Share(s) by the ordinary shareholders;

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share(s);

S = as S above; and

T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the entitlement date for the above transactions.

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 14.9(b) above and also makes an offer or invitation to acquire or subscribe for Share(s) to its ordinary shareholders as provided in By-Law 14.9(c)(ii) above, together with rights to acquire or subscribe for Share(s) as provided in By-Law 14.9(c)(iii) above, and the entitlement date for the purpose of allotment is also the entitlement date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the number of additional new Share(s) relating to the Option(s) to be issued shall be calculated as follows:

$$\text{Number of Additional JMG Share(s)} = T \times \left[ \frac{[(G + H^* + B) \times C]}{(G \times C) + (H^* \times I^*)} \right] - T$$

where:

- B = as B above;
- C = as C above;
- G = as G above;
- H = as H above;
- H\* = as H\* above;
- I = as I above;
- I\* = as I\* above;
- J = as J above;
- K = as K above;
- S = as S above; and
- T = as T above.

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

- (g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under By-Laws 14.9(c)(ii), (c)(iii), (d), (e) or (f) above), the Company shall issue either any Share(s) or any securities convertible into Share(s) or any rights to acquire or subscribe for Share(s), and in any such case, the "Total Effective Consideration per Share" (as defined below) is less than ninety per cent (90%) of the "Average Price of a Share" (as defined below) or, as the case may be, the price at which the Share(s) will be issued upon conversion of such securities or exercise of such rights is determined, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

where:

- L = the number of Share(s) in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
- M = the number of Share(s) which the "Total Effective Consideration" (as defined below) would have purchased at the Average Price of a Share(s) (exclusive of expenses); and

N = the aggregate number of Share(s) so issued or, in the case of securities convertible into Share(s) or rights to acquire or subscribe for Share(s), the maximum number (assuming no adjustment of such rights) of Share(s) issuable upon full conversion of such securities or the exercise in full of such rights.

For the purpose of By-Law 14.9(g), the “*Total Effective Consideration*” shall be determined by the Board with the concurrence of an Adviser and/or an Approved Auditor and shall be:

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

in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and “*Total Effective Consideration per Share*” shall be the Total Effective Consideration divided by the number of Share(s) issued as aforesaid or, in the case of securities convertible into Share(s) or securities with rights to acquire or subscribe for Share(s), by the maximum number of Share(s) issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of By-Law 14.9(g), the “*Average Price of a Share*” shall be the average price of one (1) Share(s) as derived from the last transacted price for one (1) or more board lots of Share(s) as quoted on Bursa Securities on the Market Day(s) comprised in the period used as a basis upon which the issue price of such Share(s) is determined.

Each such adjustment will be calculated (if appropriate retroactively) from the close of business on Bursa Securities on the next Market Day following the date on which the issue is announced, or (failing any such announcement) on the next Market Day following the date on which the Company determines the offering price of such Share(s). Each such adjustment will be effective (if appropriate retroactively) from the close of the Market Day preceding the date on which the issue is announced or (failing any such announcement) immediately preceding the date on which the Company determined the offering price of such Share(s), securities or rights.

- (h) For the purpose of paragraphs By-Laws 14.9 (c), (d), (e) and (f), the “*Current Market Price*” in relation to one (1) Share(s) for any relevant day shall be the either the last transacted price or average transacted price for the five (5) consecutive Market Days before such date or during such other period as many be determined in accordance with any guidelines issued, from time to time, by Bursa Securities.

- 14.10 Notwithstanding the other provisions referred to in By-Law 14.9, in any circumstances where the ESOS Committee consider that adjustments to the Exercise Price and/or any additional new Share(s) relating to Option(s) to be issued as provided for under the provisions hereof should not be made or should be calculated on a different basis or different date or that an adjustment to the Exercise Price and/or the issuance of additional new Share(s) relating to Option(s) should be made notwithstanding that no adjustment or further issuance is required under the provisions hereof, the Company may appoint an Adviser and/or an Approved Auditor to consider whether for any reasons whatever the adjustment calculation or determination to be made (or the absence of an adjustment calculation or determination) is appropriate or inappropriate as the case may be. If such Adviser and/or Approved Auditor shall consider the adjustment calculation or determination to be inappropriate, the adjustments shall be

modified or nullified (or an adjustment calculation or determination made even though not required to be made) in such manner as may be considered by such Adviser and/or Approved Auditor to be in their opinion appropriate.

**15. QUOTATION OF NEW SHARES**

If at the time of allotment of the new JMG Share(s) pursuant to the exercise of an Option(s), the existing issued ordinary shares of the Company are quoted on Bursa Securities, the Company shall make an application to Bursa Securities for its permission to deal in and for quotation of the new JMG Share(s) so allotted in accordance with By-Law 10.4.

**16. RETENTION PERIOD**

16.1 The ESOS Committee shall be entitled to prescribe or impose, in relation to any Offer, any condition relating to any retention period or restriction on sale, transfer, assign or otherwise dispose of as it deems fit. Grantee(s) are encouraged to hold the new Shares allotted and issued to them pursuant to the exercise of the Option(s) as investments rather than for any speculative purposes and/or for the realisation of any immediate gain.

16.2 The new JMG Share(s) to be allotted and issued to the Grantee(s) pursuant to the exercise of any Option(s) under this Scheme will not be subjected to any retention period except that a non-executive Director(s) must not sell, transfer or assign Shares obtained through the exercise of Option(s) offered to him pursuant to the Scheme within one (1) year from the Offer Date.

**17. ADMINISTRATION**

17.1 This Scheme shall be administered by the ESOS Committee comprising such persons as shall be appointed from time to time by the Board. The Board shall have the discretion as it deems fit to approve, rescind and/or revoke the appointment of any person in the ESOS Committee.

17.2 The Board shall have the power to determine all matters pertaining to the ESOS Committee, including without limitation setting the terms of reference for the ESOS Committee, composition, duties, powers and limitations. The Board is entitled at any time and from time to time to change the terms of reference of the ESOS Committee.

17.3 The ESOS Committee shall be vested with such powers and duties as are conferred upon it by the Board to administer the Scheme in such manner it shall in its discretion deem fit subject to these By-Laws, including but not limited to the following:

- (a) construe and interpret the Scheme and Option(s) granted under it, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the Scheme and its administration. The ESOS Committee in the exercise of this power may correct any defect, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for an Option(s) in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective;
- (b) determine all questions of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interests of the Company; and
- (c) do all acts and things and enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the Scheme which the ESOS Committee may in its discretion consider to be necessary or desirable for giving full effect to the Scheme.

**18. AMENDMENT AND/OR MODIFICATION TO THE SCHEME**

- 18.1 Subject to the compliance with the requirements of Bursa Securities and any other relevant authorities and their approvals being obtained (if required under the Listing Requirements and applicable laws and regulations), the ESOS Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of these By-Laws as it shall in its discretion think fit and the Board shall have the power by resolution to add to, amend or delete all or any of these By-Laws upon such recommendation **PROVIDED ALWAYS THAT** no additions or amendments to or deletions of these By-Laws shall be made which will:-
- (a) prejudice any rights then accrued to any Grantee(s) without the prior consent or sanction of that Grantee(s);
  - (b) prejudice any rights of the shareholders of the Company without the prior approval of the Company's shareholders in a general meeting; or
  - (c) alter to the advantage of any Eligible Person(s) in respect of any matters which are required to be contained in the By-Laws by virtue of Appendix 6E of the Listing Requirements, without the prior approval of the Company's shareholders in a general meeting unless allowed otherwise by the provisions of the Listing Requirements.
- 18.2 Any amendments/modifications to the By-Laws shall not contravene any of the provisions of the guidelines on employees share issuance schemes as stipulated under the Listing Requirements and/or any other relevant regulatory authority in relation to ESOS.
- 18.3 Upon amending and/or modifying all or any of the provisions of the Scheme, the Company shall within five (5) Market Day(s) after the effective date of the amendments cause to be submitted to Bursa Securities the amended By-Laws and a confirmation letter in the form required under the Listing Requirements that the said amendment and/or modification complies and does not contravene any of the provisions of the Listing Requirements on ESOS and the Rules of Bursa Depository.
- 18.4 The ESOS Committee shall within fifteen (15) Market Days of any modification and/or amendment made pursuant to these By-Laws, notify the Grantee(s) in writing of such modifications and/or amendments taking effect.

**19. DISPUTES**

- 19.1 In case any dispute or difference shall arise between the ESOS Committee and an Eligible Person(s) or a Grantee(s) or in the event of an appeal by an Eligible Person(s), as the case may be, as to any matter of any nature arising hereunder, such dispute or appeal must have been referred to and received by the ESOS Committee during the duration of the Scheme, then the ESOS Committee shall determine such dispute or difference by a written decision (without the obligation to give any reason thereof) given to the Eligible Person(s) and/or Grantee(s), as the case may be **PROVIDED THAT** where the dispute is raised by a member of the ESOS Committee, the said member shall abstain from voting in respect of the decision of the ESOS Committee in that instance.
- 19.2 In the event the Eligible Person(s) or Grantee(s), as the case may be, shall dispute the same by written notice to the ESOS Committee within fourteen (14) days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, provided that any Director(s) of the Company who is also in the ESOS Committee shall abstain from voting and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws. Under no circumstances shall a dispute or difference be brought to a court of law. Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the ESOS Committee shall be borne by such party.

19.3 Notwithstanding the foregoing provisions of By-Law 19.1 and By-Law 19.2 above, matters concerning adjustments made pursuant to By-Law 14 shall be referred to an Approved Auditor or the Adviser of the Company who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.

## **20. SCHEME NOT A TERM OF EMPLOYMENT**

This Scheme shall not form part of or constitute or in any way be construed as a term or condition of employment of any Employee(s). This Scheme shall not confer or be construed to confer on an Eligible Person(s) any special rights or privileges over the Eligible Person(s)' terms and conditions of employment in the Group under which the Eligible Person(s) is employed or any rights additional to any compensation or damages that the Eligible Person(s) may be normally entitled to arising from the cessation of such employment.

## **21. COSTS AND EXPENSES**

All fees, costs and expenses incurred in relation to the administration and management of the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of the new JMG Share(s) pursuant to the exercise of any Option(s) shall be borne by the Company. Notwithstanding this, the Grantee(s) shall bear any fees, costs and expenses incurred in relation to his/ her acceptance and exercise of the Option(s).

## **22. COMPANY'S CONSTITUTION**

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

## **23. INSPECTION OF AUDITED ACCOUNTS**

All Grantee(s) are entitled to inspect the latest audited accounts of the Company during the normal office hours on any working day at the Registered Office of the Company. The Company will make such disclosure in its annual report for as long as the Scheme continues in operation as from time to time required by the Listing Requirements including (where applicable) a statement by the audit committee verifying that the allocation of Option(s) pursuant to the Scheme is in compliance with the criteria for allocation disclosed by the Company to the Eligible Person(s).

## **24. TRANSFER FROM OTHER COMPANIES TO THE GROUP**

In the event that:

- (i) a director(s) or an employee(s) who was employed in a company which is not within the Group and is subsequently transferred from such company to any company within the Group; and
- (ii) a director(s) or an employee(s) who was in the employment of a company which subsequently becomes a member of the Group as a result of a restructuring exercise or otherwise involving the Company and/or any company within the Group with any of the first mentioned company stated in (i) above;

(the first mentioned company in (i) and (ii) above are hereinafter referred to as the "**Previous Company**"), such a director(s) or an employee(s) of the Previous Company ("**the Affected Director(s)/Employee(s)**"), shall, if the Affected Director(s)/Employee(s) satisfies all the conditions of the By-Laws hereunder, be eligible to participate in the Scheme on the following conditions:

- (i) be entitled to continue to exercise all such unexercised Option(s) which were granted to him/her under the Previous Company's ESOS in accordance with the By-Laws of such Previous Company's ESOS but he/she shall not, upon such transfer or restructuring or divestment as the case may be, be eligible to participate for further Option(s) of such Previous Company's ESOS; and/or

- (ii) be eligible to participate in the Scheme only for the remaining duration of the Scheme, subject to the ESOS Committee's approval; and/or
- (iii) if the Affected Director(s)/Employee(s) had participated in the Previous Company's ESOS, the number of new JMG Share(s) to be offered to such Affected Director(s)/Employee(s) under the Scheme shall be subject to the discretion of the ESOS Committee.

## 25. DIVESTMENT FROM THE GROUP

25.1 If a Grantee(s) who was in the employment of a company in the JMG Group, which was subsequently divested wholly, or in part, from the JMG Group which resulted in the company cease to be a Subsidiary(ies) of the Group, then such Grantee(s):

- (i) will be entitled to continue to exercise all such unexercised Option(s) which were granted to him/her under the Scheme within a period of three (3) months from the date of completion of such divestment and within the Option Period, failing which the right of such Grantee(s) to subscribe for that number of the new JMG Share(s) or any part thereof granted under such unexercised Option(s) shall automatically lapse upon the expiration of the said three (3) months' period and be null and void and of no further force and effect; PROVIDED ALWAYS THAT the ESOS Committee will have the right to extend such period at the absolute discretion which will be decided by the ESOS Committee; and
- (ii) shall not be eligible to participate for further Option(s) under the Scheme as from the date of such divestment.

25.2 For purposes of By-Law 25.1, where the Grantee(s) was in the employment of a company which was Subsidiary(ies) in the JMG Group and that company was subsequently partially divested from the JMG Group but the effective interest of JMG in such company is still more than fifty percent (50%), then such company is deemed not divested from the Group and such Grantee(s) remains entitled to all his/ her rights in relation to the unexercised Option(s) under the Scheme.

## 26. TAKEOVER

Notwithstanding By-Law 10 hereof and subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant regulatory authorities, in the event of:

- (i) a take-over offer being made for the Company, under Malaysian Code on Take-Over and Mergers, 2016 and the Rules on Take-Over, Mergers, and Compulsory Acquisitions, to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the take-over offer ("**Offeror**") or any persons acting in concert with the Offeror), a Grantee(s) will be entitled within such period to be determined by the ESOS Committee, to exercise all or any part of his/her Options and the Board shall use their best endeavours to procure that such a general offer be extended to the new Share(s) that may be issued pursuant to the exercise of the Options under this By-Law; and
- (ii) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of new JMG Share(s) under the provisions of the Capital Markets and Services Act 2007 and gives notice to the Company that it intends to exercise such right on a specific date ("**Specific Date**"), a Grantee(s) will be entitled to exercise all or any part of his Option from the date of service of the said notice to the Company until the expiry of the Specific Date.

In the foregoing circumstance, if the Grantee(s) fails to exercise his Option(s) or elects to exercise only in respect of a portion of such Share(s) by the Specific Date, then the Option(s), or as the case may be, the Option(s) in relation to such balance Share(s), shall automatically lapse after the Specific Date and be null and void.

**27. SCHEME OF ARRANGEMENT, AMALGAMATION AND RECONSTRUCTION**

Notwithstanding By-Law 10 hereof and subject to the discretion of the ESOS Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company under Section 370 of the Act or its amalgamation with any other company or companies under Section 370 of the Act, any Option(s) shall remain exercisable by the Grantee(s) at any time during the period commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending on the date upon which it becomes effective, or such other date as the ESOS Committee may deem fit. Upon such date, all Option(s), to the extent unexercised, shall automatically lapse and shall become null and void.

**28. SUBSEQUENT EMPLOYEES SHARE ISSUANCE SCHEMES**

Subject to the approval of the relevant authorities and/or the shareholders of the Company, the Company may establish a new ESOS after the expiry date of this Scheme if this Scheme is not renewed or upon termination of this Scheme. Where this Scheme has been renewed (in accordance with By-Law 4), a new ESOS may be established upon expiry of the renewed ESOS, if any.

**29. NO COMPENSATION**

29.1 A Grantee(s) who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office.

29.2 No Eligible Person(s) or Grantee(s) or legal personal representatives shall bring any claim, action or proceeding against the Company or the Board of JMG or the ESOS Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his Option(s) or his Option(s) ceasing to be valid pursuant to the provisions of these By-Laws, as may be amended from time to time in accordance with By-Law 18 hereof.

**30. TAXES**

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

**31. WINDING UP**

In the event that a resolution is passed or a court order is made for the winding up of the Company, all outstanding Option(s) shall be automatically terminated commencing from the date of such resolution or the date of the court order.

**32. RIGHTS OF A GRANTEE(S)**

The Option(s) shall not carry any rights to vote at any general meeting of the Company. The Grantee(s) shall not in any event be entitled to any dividends, rights or other entitlements on his unexercised Option(s).

**33. SEVERABILITY**

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

**34. GOVERNING LAW AND JURISDICTION**

34.1 These By-Laws shall be governed and construed in accordance with the laws of Malaysia and the Grantee(s) shall submit to the exclusive jurisdiction of the Courts of

**DRAFT BY-LAWS (cont'd)**

Malaysia in all matters connected with the obligations and liabilities of the parties hereto under or arising out of these By-Laws.

- 34.2 Any proceeding or action shall be instituted or taken in Malaysia and the Grantee(s) irrevocably and unconditionally waives any objection on the ground of venue or forum non-convenience or any other grounds.
- 34.3 Any Offer made to Eligible Person(s) pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the ESOS Committee in the Offer.

**35. NOTICE**

- 35.1 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person(s) or the Grantee(s) pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given:-
- (a) if it is sent by ordinary post by the Company to the Eligible Person(s) or the Grantee(s) at the last address known to the Company as being his address, such notice shall be deemed to have been received three (3) Market Day(s) after posting;
  - (b) if it is given by hand to the Eligible Person(s) or the Grantee(s), such notice or request shall be deemed to have been received on the date of delivery;
  - (c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person(s) or the Grantee(s), such notice or request shall be deemed to have been received upon confirmation or notification received after the sending of notice or request by the Company.

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

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

**36. ERRORS AND OMISSIONS**

- 36.1 If in consequence of an error or omission, the ESOS Committee discovers/determines that: -
- (a) an Eligible Person(s) who was selected by the ESOS Committee or Company has not been given the opportunity to participate in the Scheme on any occasion; or
  - (b) the number of shares allotted and issued and/or transferred to an Eligible Person(s) (including those allotted and issued and/or transferred pursuant to an exercise of Option(s)) on any occasion is found to be incorrect;

and such error or omission cannot be corrected within the relevant period specified in the Scheme, the ESOS Committee may do all such acts and things to rectify such error or omission and ensure that the Eligible Person(s) is given the opportunity to participate in the Scheme and/or the aggregate number of Shares to which the Eligible Person(s) is correctly entitled to.

*[The rest of this page is intentionally left blank]*

**FURTHER INFORMATION****1. DIRECTORS' RESPONSIBILITY STATEMENT**

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

**2. CONSENT AND CONFLICT OF INTEREST**

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

As at the LPD, Malacca Securities is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Adviser for the Proposals and the Placement Agent in respect the Proposed Private Placement.

**3. MATERIAL COMMITMENTS**

As at the LPD, there is no material commitments incurred or known to be incurred by the Company, which upon becoming enforceable may have a material effect on the business or financial position of the Company.

**4. CONTINGENT LIABILITIES**

As at the LPD and save as disclosed below, there is no contingent liabilities incurred or known to be incurred by the Company, which upon becoming enforceable may have a material effect on the business or financial position of the Company: -

<b>Contingent liabilities</b>	<b>RM'000</b>
Corporate guarantees given by the Company to local banks and third parties for credit facilities granted to certain subsidiaries	8,334
<b>Total</b>	<b>8,334</b>

---

**FURTHER INFORMATION (cont'd)**


---

**5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

Save as disclosed below, JMG Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and has no knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings which might materially or adversely affect the Group's financial position or business: -

The Company is named as the second defendant (together with Dato' IR. Goh Nai Kooi @ Gah Mai Kwai as the first defendant ("D1")) in the civil suit filed by Nanjing Changjiang Waterway Engineering Bureau ("**the Plaintiff**") on 22 November 2019. The Plaintiff claims against the Company for, *inter alia*: -

- (i) a declaration that the Company, as the holding company of J.M.R. Construction Sdn Bhd\* (Company No. 55263) ("**JMR Construction**") is liable to pay the Plaintiff the following claims arising from the arbitration award dated 22 October 2012 in favour of the Plaintiff against JMR Construction in an earlier separate arbitration proceedings between the Plaintiff and JMR Construction:
  - (a) RM29,092,052.70;
  - (b) US\$1,849,467.28;
  - (c) 5.0% p.a. interest on the above sums from 22 October 2012 until settlement;
  - (d) cost of RM364,038.00 in the arbitration proceedings; and
  - (e) costs of the case on an indemnity basis.
- (ii) an order for D1 and the Company to be jointly and severally liable for the sums in subparagraphs (i) (a) to (e) as abovesaid.

*Note: -*

\* *JMR Construction has ceased to be a subsidiary of JMG since 29 October 2012 as JMG had disposed of all its entire 100.0% equity interest in JMR Construction*

On 10 February 2020, the Company filed the Statement of Defence and two (2) interlocutory applications to strike out the Plaintiff's Writ and Statement of Claim and for security for costs against the Plaintiff. On 3 March 2021, the High Court allowed the Company's application to strike out the Plaintiff's Writ and Statement of Claim with costs of RM5,000.00 in the Company's favour, whilst dismissing the other application for security for costs with costs of RM2,000.00 in the Plaintiff's favour. Both the Plaintiff and the Company appealed to the Court of Appeal and the hearings for the appeals were heard on 19 January 2022. The Court of Appeal ruled in the Company's favour and ordered that the Plaintiff deposits the sum of RM35,000.00 with its solicitors Messrs. Ernest Azad as security for costs for the Company whilst allowing the Plaintiff's appeal against the High Court's decision to strike out its claim, and ordered that the case be remitted back to the High Court for a full trial with case management fixed on 26 January 2022.

On 11 February 2022, the Company filed an application for leave to appeal to the Federal Court against the Court of Appeal's decision delivered on 19 January 2022, which leave application is now scheduled for a hearing on 27 June 2022.

Meanwhile, the High Court has fixed the dates for the full trial to be heard from 3 October 2022 to 6 October 2022 pending the outcome of the hearing of the Company's application to Federal Court for leave to appeal to the Federal Court.

The litigation lawyers representing the Company in the above legal action are of the view that based on the circumstances of the case, they are cautiously optimistic that the Company will be able to defend the Plaintiff's claim.

---

**FURTHER INFORMATION (cont'd)**

---

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection by Shareholders at the registered office of the Company at 39, Irving Road, 10400 Georgetown, Penang, 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 the forthcoming EGM: -

- (i) the Constitution;
- (ii) audited consolidated financial statements of the Group for the past two (2) financial years up to the FYE 31 March 2021 and latest unaudited consolidated financial statements of the Group for the FPE 31 December 2021;
- (iii) draft By-Laws as set out in **Appendix II** of this Circular;
- (iv) the letter of consent and conflict of interest referred to in **Section 2** of this appendix; and
- (v) the relevant cause papers in respect of the material litigation referred to in **Section 5** of this appendix.

*[The rest of this page is intentionally left blank]*



**JADE MARVEL**  
GROUP BHD

**JADE MARVEL GROUP BERHAD**  
Registration No.: 200201024617 (592280-W)  
(Incorporated in Malaysia)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of Jade Marvel Group Berhad (“**JMG**” or “**Company**”) (“**EGM**”) will be conducted on a fully virtual basis through live streaming and online remote participation via ARB WeMeet operated by ARB WeMeet Sdn Bhd at the main venue at No. 17-02, Q Sentral, 2A, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia. The EGM will be hosted virtually via the website link at <https://member.arbwemeet.com> (Domain registration no with MYNIC: DIA457700) on Thursday, 21 April 2022, at 10:00 a.m., or any adjournment thereof, for the purpose of considering and, if thought fit, to pass with or without modification to give effect to the following resolutions: -

### **ORDINARY RESOLUTION 1**

**PROPOSED PRIVATE PLACEMENT OF UP TO 96,606,238 NEW ORDINARY SHARES IN JMG (“JMG SHARE(S)”) (“PLACEMENT SHARE(S)”), REPRESENTING 30.0% OF THE EXISTING TOTAL NUMBER OF ISSUED JMG SHARE(S) TO THIRD PARTY INVESTOR(S) (“PLACEE(S)”) TO BE IDENTIFIED LATER AT AN ISSUE PRICE TO BE DETERMINED LATER (“PROPOSED PRIVATE PLACEMENT”)**

“**THAT** subject to and conditional upon the passing of Ordinary Resolution 3 and the approvals of all relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to the Company to issue and allot up to 96,606,238 new JMG Share(s), representing 30.0% of the existing total number of issued JMG Share(s) to the Placees to be identified later at an issue price to be determined later.

**THAT** the Placement Share(s), which will be listed and quoted on the Main Market of Bursa Securities shall, upon allotment, issuance and full payment of the issue price of the Placement Share(s), rank equally in all respects with the existing JMG Share(s), save and except that the holder(s) of the Placement Share(s) will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Placement Share(s).

**AND THAT** the Board be and is hereby authorised to give effect to the Proposed Private Placement with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or permitted by any relevant authorities and to take all steps as they may consider necessary or expedient in the best interests of the Company in order to implement, finalise and give full effect to the Proposed Private Placement.”

### **ORDINARY RESOLUTION 2**

**PROPOSED ESTABLISHMENT OF AN EMPLOYEES’ SHARE OPTION SCHEME (“ESOS”) OF UP TO 15.0% OF THE TOTAL NUMBER OF ISSUED JMG SHARE(S) AT ANY POINT IN TIME DURING THE DURATION OF THE ESOS FOR THE ELIGIBLE DIRECTORS AND EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES (“JMG GROUP” OR “GROUP”) EXCLUDING ITS DORMANT SUBSIDIARIES (“PROPOSED ESOS”)**

“**THAT** subject to the approvals of all relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to the Company to establish, implement and administer the Proposed ESOS which involves the granting of ESOS options (“**Option(s)**”) to a director or employee of JMG Group who fulfills the eligibility criteria (“**Eligible Person(s)**”) and is eligible to participate in the Proposed ESOS as set out in the by-laws governing the Proposed ESOS (“**By-Laws**”).

**THAT** the Board be and is hereby authorised to allot and issue such number of new JMG Share(s) to the Eligible Person(s) from time to time as may be required pursuant to the exercise of Option(s) provided that the aggregate number of JMG Share(s) to be allotted and issued shall not exceed 15.0%

of the total number of issued JMG Share(s) at any point in time during the tenure of the Proposed ESOS as provided in the By-Laws.

**THAT** the Board be and is hereby authorised to make necessary applications, and to do all things necessary at the appropriate time or times to Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing of and quotation for the new JMG Share(s) which may hereafter from time to time be allotted and issued pursuant to the exercise of the Option(s) granted under the Proposed ESOS.

**THAT** such new JMG Share(s) to be allotted and issued upon the exercise of the Option(s) shall, upon allotment and issuance, rank equally in all respects with the then existing JMG Share(s), save and except that the holder(s) of the new JMG Share(s) will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment and issuance of the new JMG Share(s).

**THAT** subject to the By-Laws and compliance with the Main Market Listing Requirements of Bursa Securities (“**LR**”) and the approvals of any other authorities (if required), the Board be and is hereby authorised to amend and/or modify the By-Laws from time to time as may be required/permitted by the authorities or deemed to be necessary by the Board provided that such amendments and/or modifications are effected in accordance with the provisions in the By-Laws relating to amendments and/or modifications, to extend the duration of the ESOS for up to another five (5) years immediately from the expiry of the first five (5) years, provided always that such extension made pursuant to the By-Laws shall not in aggregate exceed a duration of ten (10) years from the effective date of implementation of the Proposed ESOS, without having to obtain any further approvals (including approval of the Shareholders).

**AND THAT** the Board be and is hereby authorised to give effect to the Proposed ESOS with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or permitted by any relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed ESOS.”

### **ORDINARY RESOLUTION 3**

#### **PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS ACTIVITIES OF JMG GROUP TO INCLUDE THE MONEY LENDING BUSINESS (“PROPOSED DIVERSIFICATION”)**

“**THAT** subject to and conditional upon the passing of Ordinary Resolution 1 and the approvals of all relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to the Group to diversify its existing business activities to include the money lending business.

**AND THAT** the Board be and is hereby authorised to do all acts, deeds and things and execute all necessary documents as they may deem fit or expedient in order to carry out, finalise and give effect to the Proposed Diversification with full powers to assent to or make any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Diversification.”

### **ORDINARY RESOLUTION 4**

#### **PROPOSED GRANT OF OPTIONS TO HJ. ABDUL SHUKOR BIN P A HJ. MOHD SULTAN, CHAIRMAN/INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY PURSUANT TO THE PROPOSED ESOS**

“**THAT** subject to and conditional upon passing of Ordinary Resolution 2 and the approval of all relevant authorities and/or parties (where required) being obtained for the Proposed ESOS, the Board be and is hereby authorised at any time and from time to time during the duration of the Proposed ESOS to grant such number of JMG Share(s) to Hj. Abdul Shukor Bin P A Hj. Mohd Sultan, the Chairman/Independent Non-Executive Director of the Company, subject to the provisions of the By-Laws of the Proposed ESOS, provided always that:

- (i) he must not participate in the deliberation or discussion of his own allocation, as well as that of the persons connected with him, under the Proposed ESOS;
- (ii) not more than ten percent (10.0%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of JMG Share(s) to be issued under the Proposed ESOS shall be allocated to him, if he either singly or

collectively through persons connected (as defined in the LR) with him, holds twenty percent (20.0%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more in the total number of issued JMG Share(s) (excluding treasury shares, if any), and

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESOS as set out in Appendix II of the Circular and the LR or any prevailing guidelines issued by Bursa Securities or any other relevant authorities.”

#### **ORDINARY RESOLUTION 5**

##### **PROPOSED GRANT OF OPTIONS TO CHONG WEI LIANG, DEPUTY CHAIRMAN/EXECUTIVE DIRECTOR OF THE COMPANY PURSUANT TO THE PROPOSED ESOS**

“**THAT** subject to and conditional upon passing of Ordinary Resolution 2 and the approval of all relevant authorities and/or parties (where required) being obtained for the Proposed ESOS, the Board be and is hereby authorised at any time and from time to time during the duration of the Proposed ESOS to grant such number of JMG Share(s) to Chong Wei Liang, the Deputy Chairman/Executive Director of the Company, subject to the provisions of the By-Laws of the Proposed ESOS, provided always that:

- (i) he must not participate in the deliberation or discussion of his own allocation, as well as that of the persons connected with him, under the Proposed ESOS;
- (ii) not more than ten percent (10.0%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of JMG Share(s) to be issued under the Proposed ESOS shall be allocated to him, if he either singly or collectively through persons connected (as defined in the LR) with him, holds twenty percent (20.0%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more in the total number of issued JMG Share(s) (excluding treasury shares, if any), and

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESOS as set out in Appendix II of the Circular and the LR or any prevailing guidelines issued by Bursa Securities or any other relevant authorities.”

#### **ORDINARY RESOLUTION 6**

##### **PROPOSED GRANT OF OPTIONS TO DENNIS CHUNG VUI MING, JOINT MANAGING DIRECTOR OF THE COMPANY PURSUANT TO THE PROPOSED ESOS**

“**THAT** subject to and conditional upon passing of Ordinary Resolution 2 and the approval of all relevant authorities and/or parties (where required) being obtained for the Proposed ESOS, the Board be and is hereby authorised at any time and from time to time during the duration of the Proposed ESOS to grant such number of JMG Share(s) to Dennis Chung Vui Ming, the Joint Managing Director of the Company, subject to the provisions of the By-Laws of the Proposed ESOS, provided always that:

- (i) he must not participate in the deliberation or discussion of his own allocation, as well as that of the persons connected with him, under the Proposed ESOS;
- (ii) not more than ten percent (10.0%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of JMG Share(s) to be issued under the Proposed ESOS shall be allocated to him, if he either singly or collectively through persons connected (as defined in the LR) with him, holds twenty percent (20.0%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more in the total number of issued JMG Share(s) (excluding treasury shares, if any), and

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESOS as set out in Appendix II of the Circular and the LR or any prevailing guidelines issued by Bursa Securities or any other relevant authorities.”

## **ORDINARY RESOLUTION 7**

### **PROPOSED GRANT OF OPTIONS TO DATO' KHOO YIK CHOU, JOINT MANAGING DIRECTOR OF THE COMPANY PURSUANT TO THE PROPOSED ESOS**

“**THAT** subject to and conditional upon passing of Ordinary Resolution 2 and the approval of all relevant authorities and/or parties (where required) being obtained for the Proposed ESOS, the Board be and is hereby authorised at any time and from time to time during the duration of the Proposed ESOS to grant such number of JMG Share(s) to Dato' Khoo Yik Chou, the Joint Managing Director of the Company, subject to the provisions of the By-Laws of the Proposed ESOS, provided always that:

- (i) he must not participate in the deliberation or discussion of his own allocation, as well as that of the persons connected with him, under the Proposed ESOS;
- (ii) not more than ten percent (10.0%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of JMG Share(s) to be issued under the Proposed ESOS shall be allocated to him, if he either singly or collectively through persons connected (as defined in the LR) with him, holds twenty percent (20.0%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more in the total number of issued JMG Share(s) (excluding treasury shares, if any), and

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESOS as set out in Appendix II of the Circular and the LR or any prevailing guidelines issued by Bursa Securities or any other relevant authorities.”

## **ORDINARY RESOLUTION 8**

### **PROPOSED GRANT OF OPTIONS TO TAN YEN YEOW, INDEPENDENT AND NON-EXECUTIVE DIRECTOR OF THE COMPANY PURSUANT TO THE PROPOSED ESOS**

“**THAT** subject to and conditional upon passing of Ordinary Resolution 2 and the approval of all relevant authorities and/or parties (where required) being obtained for the Proposed ESOS, the Board be and is hereby authorised at any time and from time to time during the duration of the Proposed ESOS to grant such number of JMG Share(s) to Tan Yen Yeow, the Independent and Non-Executive Director of the Company, subject to the provisions of the By-Laws of the Proposed ESOS, provided always that:

- (i) he must not participate in the deliberation or discussion of his own allocation, as well as that of the persons connected with him, under the Proposed ESOS;
- (ii) not more than ten percent (10.0%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of JMG Share(s) to be issued under the Proposed ESOS shall be allocated to him, if he either singly or collectively through persons connected (as defined in the LR) with him, holds twenty percent (20.0%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more in the total number of issued JMG Share(s) (excluding treasury shares, if any), and

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESOS as set out in Appendix II of the Circular and the LR or any prevailing guidelines issued by Bursa Securities or any other relevant authorities.”

## **ORDINARY RESOLUTION 9**

### **PROPOSED GRANT OF OPTIONS TO CALVIN LAU, INDEPENDENT AND NON-EXECUTIVE DIRECTOR OF THE COMPANY PURSUANT TO THE PROPOSED ESOS**

“**THAT** subject to and conditional upon passing of Ordinary Resolution 2 and the approval of all relevant authorities and/or parties (where required) being obtained for the Proposed ESOS, the Board be and is hereby authorised at any time and from time to time during the duration of the Proposed ESOS to grant such number of JMG Share(s) to Calvin Lau, the Independent and Non-Executive Director of the Company, subject to the provisions of the By-Laws of the Proposed ESOS, provided always that:

- (i) he must not participate in the deliberation or discussion of his own allocation, as well as that of the persons connected with him, under the Proposed ESOS;

- (ii) not more than ten percent (10.0%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of JMG Share(s) to be issued under the Proposed ESOS shall be allocated to him, if he either singly or collectively through persons connected (as defined in the LR) with him, holds twenty percent (20.0%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more in the total number of issued JMG Share(s) (excluding treasury shares, if any), and

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESOS as set out in Appendix II of the Circular and the LR or any prevailing guidelines issued by Bursa Securities or any other relevant authorities.”

#### **ORDINARY RESOLUTION 10**

#### **PROPOSED GRANT OF OPTIONS TO LOH SEONG YEW, NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR OF THE COMPANY PURSUANT TO THE PROPOSED ESOS**

“**THAT** subject to and conditional upon passing of Ordinary Resolution 2 and the approval of all relevant authorities and/or parties (where required) being obtained for the Proposed ESOS, the Board be and is hereby authorised at any time and from time to time during the duration of the Proposed ESOS to grant such number of JMG Share(s) to Loh Seong Yew, the Non-Independent and Non-Executive Director of the Company, subject to the provisions of the By-Laws of the Proposed ESOS, provided always that:

- (i) he must not participate in the deliberation or discussion of his own allocation, as well as that of the persons connected with him, under the Proposed ESOS;
- (ii) not more than ten percent (10.0%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of JMG Share(s) to be issued under the Proposed ESOS shall be allocated to him, if he either singly or collectively through persons connected (as defined in the LR) with him, holds twenty percent (20.0%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more in the total number of issued JMG Share(s) (excluding treasury shares, if any), and

subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESOS as set out in Appendix II of the Circular and the LR or any prevailing guidelines issued by Bursa Securities or any other relevant authorities.”

**BY ORDER OF THE BOARD OF  
JADE MARVEL GROUP BERHAD**

**OOI YOONG YOONG** (MAICSA 7020753 / SSM PC No. 202008002042)  
Company Secretary

Penang  
6 April 2022

Notes: -

1. *Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at the virtual EGM using RPV facilities provided by ARB WeMeet Sdn Bhd via its ARB WeMeet website at <https://member.arbwemeet.com>.*
2. *For the purpose of determining a member who shall be entitled to participate at the EGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, the Record of Depositors as at 12 April 2022. Only a member whose name appears on the Record of Depositors shall be entitled to participate the EGM or appoint proxy(ies) to participate on his/her behalf via RPV.*
3. *A member of the Company entitled to attend and vote at a meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his stead at the same meeting.*
4. *A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation save that the proxy must be of full age.*
5. *Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.*
6. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either: -*
  - (a) under the corporation's seal; or*
  - (b) signed under the hand of an officer or attorney duly authorised.*

*In the case of (b) be supported by a certified true copy of the resolution appointing such officer or certified true copy of the power of attorney.*
7. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
8. *Where a member 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 1 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.*
9. *To be valid the Form of Proxy duly completed must be deposited at the Registered Office of the Company at 39 Irving Road, 10400 Georgetown, Pulau Pinang, Malaysia not less than forty-eight (48) hours before the time for holding the EGM or any adjournment thereof.*
10. *Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly.*
11. *Last date and time for lodging the Form of Proxy is **Tuesday, 19 April 2022, at 10:00 a.m.***



**JADE MARVEL**  
GROUP BHD

**JADE MARVEL GROUP BERHAD**  
Registration No.: 200201024617 (592280-W)  
(Incorporated in Malaysia)

**ADMINISTRATIVE GUIDE**  
**EXTRAORDINARY GENERAL MEETING OF JADE MARVEL GROUP BERHAD**

**Time** : **Thursday, 21 April 2022**

**Date** : **10:00 a.m.**

**Online Meeting Platform** : **ARB WeMeet website at <https://member.arbwemeet.com>.  
(Domain Registration number with MYNIC: DIA457700)  
Operated by ARB WeMeetSdnBhd at the main venue at No. 17-02, Q Sentral, 2A, Jalan Stesen Sentral 2, KL Sentral 50470, Kuala Lumpur**

**MODE OF MEETING**

As part of the measures taken by Jade Marvel Group Berhad ("**JMG**" or "**Company**") to curb the spread of COVID-19 and taking into consideration the paramount safety and well-being of the members of the Company, the Extraordinary General Meeting ("**EGM**") of the Company will be held as a fully virtual meeting via live streaming and online remote voting via ARB WeMeet at its website at <https://member.arbwemeet.com>. An online meeting platform used to conduct the meeting can be recognised as the meeting venue or place as required under Section 327(2) of the Companies Act 2016, provided that the online platform located in Malaysia. Pursuant to the Securities Commission Malaysia Guidance, all meeting participants including the Chairman of the meeting, board members, senior management and shareholders are to participate in the meeting online.

The Company will continue to observe the guidelines issued by the Ministry of Health and will take all relevant precautionary measures as advised.

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of shareholders and proxies. Hence, you are to ensure that internet connectivity throughout the duration of the meeting is maintained.

Members and/or proxy(ies) and/or corporate representative(s) and/or attorney(s) **WILL NOT BE ALLOWED** to be physically present at the main venue on the day of the EGM. Members are instead invited and encouraged to participate in the upcoming virtual EGM from the comfort of your home or office.

**REMOTE PARTICIPATION AND VOTING FACILITIES ("RPV")**

Members are to attend, speak (including posing questions to the Board of Directors of the Company ("**Board**") via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the EGM using RPV provided by ARB WeMeet via its website at <https://member.arbwemeet.com>.

Members who appoint proxies to participate via RPV in the EGM must ensure that the duly executed form of proxy are deposited in a hard copy form at the Registered Office of the Company at 39 Irving Road, 10400 Georgetown, Pulau Pinang, Malaysia not later than **Tuesday, 19 April 2022, at 10:00 a.m.**

Authorised representatives of corporate members must deposit their original or duly certified certificate of appointment of authorised representative at the Registered Office of the Company not later than **Tuesday, 19 April 2022, at 10:00 a.m.** to participate via RPV in the EGM.

Attorneys appointed by power of attorney are to deposit their power of attorney at the Registered Office of the Company not later than **Tuesday, 19 April 2022, at 10:00 a.m.** to participate via RPV in the EGM.

*Note: -*

*As the EGM of JMG is a fully virtual meeting, members who are unable to participate in this EGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy.*

## PROCEDURES FOR PARTICIPATE IN RPV FACILITIES

Please follow the procedures to participate in RPV facilities as summarised below: -

	Procedure	Action
<b>BEFORE THE EGM DAY</b>		
(a)	Shareholders to Register with ARB WeMeet	<ul style="list-style-type: none"> <li>• Access website at <a href="https://member.arbwemeet.com">https://member.arbwemeet.com</a></li> <li>• Select "Sign Up" to sign up as user</li> <li>• Read and indicate your acceptance of the 'Privacy Policy' and 'Terms &amp; Conditions' by clicking on a small box <input type="checkbox"/>. Then select "<b>Next</b>".</li> <li>• Fill-in your details –               <ul style="list-style-type: none"> <li>(i) ensure your email address is valid</li> <li>(ii) create your own password</li> <li>(iii) add the CDS account then click "<b>OK</b>"</li> </ul> </li> <li>• Registration as user completed</li> <li>• An email notification will be sent to you.</li> <li>• Click the link in the email to verify account.</li> </ul> <p><u>Notes:</u></p> <ul style="list-style-type: none"> <li>• If you have signed up / registered as a user, you are not required to register again.</li> <li>• In order to be able to view the event, shareholders must add the related CDS in the profile (From the sign up or in the own profile).</li> </ul>
(b)	Submit Form of Proxy (hard copy) <ul style="list-style-type: none"> <li>➤ Individual Shareholders</li> <li>➤ Corporate Shareholders</li> <li>➤ Authorised Nominee</li> <li>➤ Exempt Authorised Nominee</li> </ul>	<ul style="list-style-type: none"> <li>• The hard copy Form of Proxy must be deposited at the Registered Office of the Company at 39 Irving Road, 10400 Georgetown, Pulau Pinang, Malaysia not less than 48 hours before the time appointed for holding the EGM or at any adjournment.</li> <li>a. Fill-in the details on the hard copy Form of Proxy by providing the following information:               <ul style="list-style-type: none"> <li>• Proxy(ies) and Corporate Representative                   <ul style="list-style-type: none"> <li>○ Name</li> <li>○ Number of MyKAD for Malaysian or passport for non-Malaysian</li> <li>○ Address, contact number and valid email address</li> </ul> </li> </ul> </li> <li>b. <b>Corporate Representative only</b> <ul style="list-style-type: none"> <li>➤ deposit the hard copy of Form of Proxy together with the following document to the Registered Office of the Company.                   <ul style="list-style-type: none"> <li>• Original / duly certified Certificate of Appointment as corporate representative</li> <li>• Photocopy of MyKAD / Passport of Corporate Representative</li> </ul> </li> </ul> </li> <li>c. <b>Individual Shareholders authorised nominee and exempt authorised nominee</b> <ul style="list-style-type: none"> <li>➤ deposit the hard copy Form of Proxy to the Registered Office of the Company</li> </ul> </li> <li>d. Submitted Form of Proxy will be verified</li> </ul>

	Procedure	Action
		<p>e. After verification, proxy(ies) and corporate representative will receive email notification.</p> <p>f. Please refer to the steps stated in the email notification given to participants for their participations in the meeting.</p> <p>g. Please click the “<b>WeMeet</b>” button in the notification email and you will be directed to the login page at <a href="http://member.arbwemeet.com">http://member.arbwemeet.com</a>.</p> <p>h. You may login with your email and you will be prompted to change password</p>
<b>ON THE DAY OF EGM</b>		
(c)	Login to ARB WeMeet	<ul style="list-style-type: none"> <li>Log in to <a href="https://member.arbwemeet.com">https://member.arbwemeet.com</a> with your registered email address and password for remote participation at the EGM at any time from 9.00 a.m. on <b>Thursday, 21 April 2022</b> as the online platform will be opened one (1) hour prior the commencement of the EGM for log in.</li> </ul>
(d)	Participate through Live Streaming	<ul style="list-style-type: none"> <li>When you are logged in, select the general meeting event you are attending.</li> <li>Click on the live streaming link to view the live streaming.</li> </ul>
(e)	Ask Question (real-time)	<ul style="list-style-type: none"> <li>Select “<b>Ask Question</b>” button to pose a question.</li> <li>Type in your question and select “<b>Submit</b>”.</li> </ul> <p><u>Note:</u> The Chairman of the EGM / Board of Directors will endeavour to respond to questions submitted by remote participations during the EGM. If there is time constraint, the responses will be e-mailed to you earliest possible, after the meeting.</p>
(f)	Online Remote Voting	<ul style="list-style-type: none"> <li>On the main page, scroll down and select “<b>Select CDS Account &amp; Vote Now</b>”.</li> <li>To vote, select your voting choice from the options provided.</li> <li>A confirmation screen will appear to show your selected vote.</li> <li>Select “<b>Next</b>” to continue voting for all resolutions.</li> <li>After you have completed voting, a Voting Summary appears to show all the resolutions with your voting choices.</li> <li>Select “<b>Finish Voting</b>” to submit your vote.</li> </ul> <p><u>Note:</u> Once you have confirmed and submitted your votes, you are able to change your voting choices in “View My Vote” before the event ends.</p>
(g)	View Voting Results	<ul style="list-style-type: none"> <li>On the event details page, scroll down and select “<b>View My Vote</b>”.</li> </ul>
(h)	End of remote participation	<ul style="list-style-type: none"> <li>Upon the announcement by the Chairman of the meeting on the closure of the EGM, the live streaming will end.</li> <li>You may log out from <a href="https://member.arbwemeet.com">https://member.arbwemeet.com</a></li> </ul>

## NO DOOR GIFT/FOOD VOUCHER

There will be no distribution of door gifts or food vouchers for the EGM as the meeting is conducted on a fully virtual basis.

We would like to thank our members for your kind cooperation and understanding during these challenging times.

## GENERAL MEETING RECORD OF DEPOSITORS ("ROD")

Only a depositor whose name appears on the ROD as at **12 April 2022** shall be entitled to attend, speak and vote at the EGM or appoint proxies to attend and/or vote on his/her behalf.

### POLL VOTING

- The voting at the EGM will be conducted by poll in accordance with Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- Members can proceed to vote on the resolutions at any time from the commencement of the EGM on **Thursday, 21 April 2022, at 10:00 a.m.** but before the end of the voting session which will be announced by the Chairman of the meeting. Kindly refer to the note above, "Procedures for Participate in RPV facilities" for guidance on how to vote remotely from the ARB WeMeet website at <http://member.arbwemeet.com>.
- Upon completion of the voting session for the EGM, the Independent Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolution is duly passed.

### RECORDING OR PHOTOGRAPHY

Strictly **NO** unauthorised recording or photography of the proceedings of the EGM is allowed.

### ENQUIRY

- a. If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays): -

**Aldpro Corporate Services Sdn Bhd**

General Line : +603-7890 0638  
Fax Number : +603-7890 1032  
Email : [admin@aldpro.com.my](mailto:admin@aldpro.com.my)

- b. For enquiries relating to Cloud Meeting Platform or issues encountered during the registration, log in, connecting to the live streaming and online voting facilities, please contact ARB WeMeet helpdesk during office hours on Mondays to Fridays from 9.00 a.m. to 5.00 p.m. (except on public holidays) as follows: -

General Line : +603-2276 1143  
Email : [supportsales@arbberhad.com](mailto:supportsales@arbberhad.com)



**JADE MARVEL GROUP BERHAD**  
 Registration No.: 200201024617 (592280-W)  
 (Incorporated in Malaysia)

**FORM OF PROXY**

No. of shares held	
CDS Account No.	

I/We \_\_\_\_\_ NRIC/Passport/Company No \_\_\_\_\_  
 (Full name in block)

Tel: \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_  
 (Full address and e-mail address)

being member(s) of JADE MARVEL GROUP BERHAD, hereby appoint: -

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Telephone No.		
Address			

\*and/or failing him/her

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Telephone No.		
Address			

or failing him/her, the Chairperson of the Meeting, as ^my/our proxy/proxies to vote for ^me/us and on ^my/our behalf at the Extraordinary General Meeting (“EGM”) of the Company which will be conducted on a fully virtual basis and entirely via remote participation and voting via ARB WeMeet operated by ARB WeMeet Sdn Bhd in Malaysia via the website link at <https://member.arbweemeet.com> (Domain registration no with MYNIC: DIA457700) on Thursday, 21 April 2022, at 10:00 a.m. or any adjournment thereof, and to vote as indicated below: -

Ordinary Resolutions		For	Against
1	Proposed Private Placement		
2	Proposed ESOS		
3	Proposed Diversification		
4	Proposed Grant of Options to Hj. Abdul Shukor Bin P A Hj. Mohd Sultan, Chairman/ Independent Non-Executive Director of the Company pursuant to the Proposed ESOS		
5	Proposed Grant of Options to Chong Wei Liang, Deputy Chairman/Executive Director of the Company pursuant to the Proposed ESOS		
6	Proposed Grant of Options to Dennis Chung Vui Ming, Joint Managing Director of the Company pursuant to the Proposed ESOS		
7	Proposed Grant of Options to Dato’ Khoo Yik Chou, Joint Managing Director of the Company pursuant to the Proposed ESOS		
8	Proposed Grant of Options to Tan Yen Yeow, Independent and Non-Executive Director of the Company pursuant to the Proposed ESOS		
9	Proposed Grant of Options to Calvin Lau, Independent and Non-Executive Director of the Company pursuant to the Proposed ESOS		
10	Proposed Grant of Options to Loh Seong Yew, Non-Independent and Non-Executive Director of the Company pursuant to the Proposed ESOS		

Please indicate with an “X” in the appropriate space provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022

\_\_\_\_\_  
 Signature\*

**Member/ Common Seal**

Notes: -

1. Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at the virtual EGM using RPV facilities provided by ARB WeMeetSdnBhd via its ARB WeMeet website at <https://member.arbwemeet.com>.
2. For the purpose of determining a member who shall be entitled to participate at the EGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, the Record of Depositors as at 12 April 2022. Only a member whose name appears on the Record of Depositors shall be entitled to participate the EGM or appoint proxy(ies) to participate on his/her behalf via RPV.
3. A member of the Company entitled to attend and vote at a meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his stead at the same meeting.
4. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation save that the proxy must be of full age.
5. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either: -
  - (a) under the corporation's seal; or
  - (b) signed under the hand of an officer or attorney duly authorised.In the case of (b) be supported by a certified true copy of the resolution appointing such officer or certified true copy of the power of attorney.

Then fold here

---

AFFIX  
STAMP

The Company Secretary  
**JADE MARVEL GROUP BERHAD**  
200201024617 (592280-W)  
(Incorporated in Malaysia)

39, Irving Road,  
10400 Georgetown, Pulau Pinang,  
Malaysia.

1st fold here

---

7. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
8. Where a member 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 1 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.
9. To be valid the Form of Proxy duly completed must be deposited at the Registered Office of the Company at 39 Irving Road, 10400 Georgetown, Pulau Pinang, Malaysia not less than forty-eight (48) hours before the time for holding the EGM or any adjournment thereof.
10. Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly.
11. Last date and time for lodging the Form of Proxy is Tuesday, 19 April 2022, at 10:00 a.m.