



TEX CYCLE TECHNOLOGY (M) BERHAD
(Company No. 642619-P)
(Incorporated in Malaysia under the Companies Act, 2016)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting of Tex Cycle Technology (M) Berhad ("**Tex Cycle**" or the "**Company**") will be held at Kota Permai Golf & Country Club, Room Permai 1, No.1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan on Wednesday, 4 October 2017, at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions, with or without modification:

ORDINARY RESOLUTION 1

PROPOSED BONUS ISSUE OF UP TO 85,396,500 NEW SHARES IN TEX CYCLE ("BONUS SHARE(S)") ON THE BASIS OF 1 BONUS SHARE FOR EVERY 2 EXISTING SHARES IN TEX CYCLE ("SHARE(S)" OR "TEX CYCLE SHARE(S)") HELD BY THE SHAREHOLDERS OF THE COMPANY WHOSE NAMES APPEAR ON THE RECORD OF DEPOSITORS OF THE COMPANY AS AT THE CLOSE OF BUSINESS ON AN ENTITLEMENT DATE ("ENTITLED SHAREHOLDERS") TO BE DETERMINED AND ANNOUNCED LATER ("ENTITLEMENT DATE") ("PROPOSED BONUS ISSUE")

"THAT subject to the approvals of all relevant regulatory authorities for the listing of and quotation for the Bonus Shares on the ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Board of Directors ("**Board**") is hereby authorised to capitalise an amount up to approximately RM8.54 million from the share premium and retained earnings accounts of the Company for the purpose of the Proposed Bonus Issue;

THAT the Board be and is hereby authorised to apply such capitalisation amount and to issue up to 85,396,500 fully paid Bonus Shares and such new Bonus Shares to be allotted to the Entitled Shareholders on the Entitlement Date;

THAT fractional entitlements of the Bonus Shares, if any, shall be disregarded, and dealt with in such manner as the Board shall in their absolute discretion deem fit and expedient, in the best interests of the Company;

THAT the Bonus Shares shall, upon allotment and issue, rank *pari passu* in all respects with the then existing Tex Cycle Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid prior to the date of allotment and issuance of the Bonus Shares;

AND THAT the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Bonus Issue with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue."

ORDINARY RESOLUTION 2

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE SCHEME OF UP TO 10% OF THE TOTAL NUMBER OF SHARES (EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME DURING THE DURATION OF THE SCHEME TO THE ELIGIBLE EXECUTIVE DIRECTORS AND EMPLOYEES OF TEX CYCLE AND ITS SUBSIDIARIES ("GROUP" OR "TEX CYCLE GROUP") WHICH ARE NOT DORMANT ("PROPOSED ESS")

"**THAT** subject to the approvals of all relevant regulatory authorities and/or parties (if required) approval and authority be and is hereby given to the Board to:

- (a) establish, implement and administer the Proposed ESS for the benefit of the eligible executive directors and employees of the Tex Cycle Group (excluding subsidiaries which are dormant) who meet the criteria of eligibility for participation in the Proposed ESS ("**Eligible Persons**") in accordance with the by-laws governing the Proposed ESS ("**By-Laws**"), a draft of which is set out in Appendix II of the Circular to the shareholders of Tex Cycle dated 18 September 2017 ("**Circular**");
- (b) to appoint a trustee to facilitate the implementation of the Proposed ESS ("**Trustee**") and authorise the Trustee to subscribe for new Shares, acquire and/or receive existing Shares for the purpose of the implementation and administration of the Proposed ESS and to do all such acts and things and enter into any transaction, agreement, deed, document or arrangement and make rules, regulations or impose terms and conditions or delegate part of its powers as may be necessary or expedient to the administration of the trust as the scheme committee may in its discretion direct for the implementation and administration of the Proposed ESS;
- (c) to authorise the Company and/or procure any one or more of the subsidiaries of the Company to provide, to the extent permitted by law, money or other assistance (financial or otherwise) from time to time (if required) to enable the Trustee to acquire new Tex Cycle Shares or acquire existing Tex Cycle Shares from the open market;
- (d) to make necessary applications to Bursa Securities and do all things necessary at the appropriate time or times for permission to deal in and for the listing of and quotation for the new Shares that may hereafter or from time to time be allotted and issued pursuant to the Proposed ESS;
- (e) to modify and/or amend the By-Laws from time to time as may be required provided that such modifications and/or amendments are effected and permitted in accordance with the provisions of the By-Laws;
- (f) to do all such acts and things, execute all such documents and to enter into such transactions, arrangements and agreements, deeds or undertakings and to make such rules or regulations, or impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed ESS and terms of the By-Laws; and
- (g) to allot and issue such number of new Tex Cycle Shares and/or procure for delivery such number of Tex Cycle Shares to the Trustee and the Eligible Persons pursuant to the Proposed ESS from time to time which may be available under the Proposed ESS, provided that the maximum number of Tex Cycle Shares to be allotted and issued, acquired or delivered pursuant to the Proposed ESS shall not at any point in time in aggregate exceed 10% of the total number of Shares of the Company (excluding treasury shares) or such other percentage of the total number of Shares of the Company (excluding treasury shares) that may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the Proposed ESS.

THAT the Board be and is hereby authorised to give effect to the Proposed ESS with full power to assent to any conditions, modifications, variations and/or amendments in any manner as it may deem fit and/or as may be required or imposed by the relevant authorities;

AND THAT the proposed By-Laws of the Proposed ESS as set out in Appendix II of this Circular, be and is hereby approved."

ORDINARY RESOLUTION 3

PROPOSED SPECIAL BUMIPUTERA ISSUE OF UP TO 40,260,000 NEW SHARES ("SPECIAL ISSUE SHARES") REPRESENTING 12.50% OF THE ENLARGED TOTAL NUMBER OF SHARES TO BUMIPUTERA INVESTORS TO BE IDENTIFIED AND/OR APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY ("MITI") ("BUMIPUTERA INVESTORS") AT AN ISSUE PRICE TO BE DETERMINED LATER ("PROPOSED SPECIAL BUMIPUTERA ISSUE")

"**THAT** subject to the approvals of all relevant regulatory authorities being obtained, approval be and is hereby given to the Company to allot and issue up to 40,260,000 Special Issue Shares representing 12.50% of the enlarged total number of Shares to the Bumiputera Investors at an issue price to be determined later at an issue price to be determined later in the manner set out in Section 2.3.3 of this Circular payable in full upon application by the Bumiputera Investors;

THAT the Special Issue Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Tex Cycle Shares, save and except that the Special Issue Shares will not be entitled to any dividends, rights, allotment and/or any other forms of distributions that may be declared, made or paid by the Company prior to the date of allotment and issuance of the Special Issue Shares;

AND THAT the Board be and hereby authorised to do all such acts and thing and to execute all necessary documents to give full effect to the Proposed Special Bumiputera Issue with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities and to take all steps and actions as they may deem necessary and expedient to finalise, implement and give full effect to the Proposed Special Bumiputera Issue."

ORDINARY RESOLUTION 4

PROPOSED ALLOCATION OF ESOS OPTIONS/ SHARE GRANTS TO HO SIEW CHOONG

"**THAT** subject to the passing of the Ordinary Resolution 2 and the approvals of all relevant regulatory authorities being obtained, the Directors be and are hereby authorised at any time and from time to time grant to Ho Siew Choong, being the Executive Chairman and a major shareholder of the Company, such number of Shares in the Company which will be vested in him at a specified future date and to allot and issue and/or deliver such number of ESOS Options/ Share Grants comprised in the Proposed ESS granted and/or awarded to him from time to time, provided always that:

- (a) not more than 75% of Tex Cycle Shares available under the Proposed ESS on any date shall be allocated to the executive directors and senior management of the Tex Cycle Group (excluding dormant subsidiaries within Tex Cycle Group); and
- (b) the allocation to any Eligible Person who, either singly or collectively through persons connected (as defined under the ACE Market Listing Requirements of Bursa Securities ("**Listing Requirement**")) with the Eligible Person holds 20% or more of the total number of Shares (excluding treasury shares) of the Company, shall not exceed 10% (or such percentage as the relevant authorities may permit) of the maximum Tex Cycle Shares available under the Proposed ESS,

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

ORDINARY RESOLUTION 5

PROPOSED ALLOCATION OF ESOS OPTIONS/ SHARE GRANTS TO PERIASAMY A/L SINAKALAI

"THAT subject to the passing of the Ordinary Resolution 2 and the approvals of all relevant regulatory authorities being obtained, the Directors be and are hereby authorised at any time and from time to time grant to Periasamy A/L Sinakalai, being the Managing Director and a major shareholder of the Company, such number of Shares in the Company which will be vested in him at a specified future date and to allot and issue and/or deliver such number of ESOS Options/ Share Grants comprised in the Proposed ESS granted and/or awarded to him from time to time, provided always that:

- (a) not more than 75% of Tex Cycle Shares available under the Proposed ESS on any date shall be allocated to the executive directors and senior management of the Tex Cycle Group (excluding dormant subsidiaries within Tex Cycle Group); and
- (b) the allocation to any Eligible Person who, either singly or collectively through persons connected (as defined under the Listing Requirement) with the Eligible Person holds 20% or more of the total number of Shares (excluding treasury shares) of the Company, shall not exceed 10% (or such percentage as the relevant authorities may permit) of the maximum Tex Cycle Shares available under the Proposed ESS,

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

ORDINARY RESOLUTION 6

PROPOSED ALLOCATION OF ESOS OPTIONS/ SHARE GRANTS TO HO SIEW CHEONG

"THAT subject to the passing of the Ordinary Resolution 2 and the approvals of all relevant regulatory authorities being obtained, the Directors be and are hereby authorised at any time and from time to time grant to Ho Siew Cheong, being the Executive Director and a major shareholder of the Company, such number of Shares in the Company which will be vested in him at a specified future date and to allot and issue and/or deliver such number of ESOS Options/ Share Grants comprised in the Proposed ESS granted and/or awarded to him from time to time, provided always that:

- (a) not more than 75% of Tex Cycle Shares available under the Proposed ESS on any date shall be allocated to the executive directors and senior management of the Tex Cycle Group (excluding dormant subsidiaries within Tex Cycle Group); and
- (b) the allocation to any Eligible Person who, either singly or collectively through persons connected (as defined under the Listing Requirement) with the Eligible Person holds 20% or more of the total number of Shares (excluding treasury shares) of the Company, shall not exceed 10% (or such percentage as the relevant authorities may permit) of the maximum Tex Cycle Shares available under the Proposed ESS,

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

ORDINARY RESOLUTION 7

PROPOSED ALLOCATION OF ESOS OPTIONS/ SHARE GRANTS TO HO SIEW WENG

"THAT subject to the passing of the Ordinary Resolution 2 and the approvals of all relevant regulatory authorities being obtained, the Directors be and are hereby authorised at any time and from time to time grant to Ho Siew Weng, being the Executive Director and a major shareholder of the Company, such number of Shares in the Company which will be vested in him at a specified future date and to allot and issue and/or deliver such number of ESOS Options/ Share Grants comprised in the Proposed ESS granted and/or awarded to him from time to time, provided always that:

- (a) not more than 75% of Tex Cycle Shares available under the Proposed ESS on any date shall be allocated to the executive directors and senior management of the Tex Cycle Group (excluding dormant subsidiaries within Tex Cycle Group); and
- (b) the allocation to any Eligible Person who, either singly or collectively through persons connected (as defined under the Listing Requirement) with the Eligible Person holds 20% or more of the total number of Shares (excluding treasury shares) of the Company, shall not exceed 10% (or such percentage as the relevant authorities may permit) of the maximum Tex Cycle Shares available under the Proposed ESS,

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

**BY ORDER OF THE BOARD
TEX CYCLE TECHNOLOGY (M) BERHAD**

**WONG YOUN KIM (MAICSA 7018778)
Company Secretary**

Selangor Darul Ehsan
18 September 2017

Notes:

- (1) *A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy(ies) to attend and vote on his(her) behalf.*
- (2) *A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at a meeting of a Company shall have the same rights as the member to speak at the meeting.*
- (3) *A member may appoint more than one (1) proxy to attend the same meeting. Where a member appoints two (2) or more proxies, he/she shall specify the proportion of his(her) shareholdings to be represented by each proxy.*
- (4) *Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.*
- (5) *The Form of Proxy shall be signed by the appointor or his(her) attorney duly authorised in writing or, if the member is a corporation, it must be executed under its common seal or by its duly authorised attorney or officers.*
- (6) *The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.*
- (7) *For the purpose of determining whether a member is entitled to attend this meeting, the Company shall be requesting from Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 55(3) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 28 September 2017. Only members whose names appear in the Record of Depositors as at 28 September 2017 will be entitled to attend, speak and vote at the Meeting.*