

**BWYS GROUP BERHAD [REGISTRATION NO. 202301000310 (1494229-W)]
("BWYS" OR "THE COMPANY")**

MUTUAL TERMINATION OF THE SHAREHOLDERS' AGREEMENT AND FIRST SUPPLEMENTAL AGREEMENT DATED 18 SEPTEMBER 2025 AND THE ENTERING INTO A NEW SHAREHOLDERS' AGREEMENT DATED 18 MAY 2026 BETWEEN THE COMPANY, LIONWISE HOLDING GROUP PTE. LTD., FXD GROUP SDN. BHD. AND BWYS COLOUR SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

Reference is made to the Company's earlier announcement dated 18 September 2025.

1. INTRODUCTION

The Board of Directors of the Company ("**Board**") wishes to announce that the shareholders' agreement and first supplemental agreement dated 18 September 2025 (collectively, the "**SHAs**") entered into between BWYS Metech Sdn. Bhd. (formerly known as YS Success Industries Sdn. Bhd.) [Registration No. 200801009666 (810954-P)] ("**BWYSM**"), a wholly-owned subsidiary of the Company, YS Global Industries Sdn. Bhd. ("**YSGI**"), an indirect wholly-owned subsidiary of the Company, Lionwise Holding Group Pte. Ltd. [Registration No. 202448164C], an 81.48%-owned subsidiary of Runwin International (HK) Holding Group Co., Limited [Registration No. 77287778] ("**Runwin**") ("**LHG**") and FXD Group Sdn. Bhd. [Registration No. 202401015265 (1561115-M)] ("**FXD**") and have been mutually terminated by all parties on 18 May 2026.

The SHAs was entered into to regulate the relationship inter se among BWYSM, LHG and FXD as shareholders of YSGI in relation to the proposed joint venture involving the manufacturing and sale of pre-painted ferrous and non-ferrous coils/ sheets, as well as wet paint and liquid coating products.

The termination of the SHAs was undertaken as part of the Group's internal restructuring and rationalisation exercise, pursuant to which the Group has incorporated a new special purpose vehicle, BWYS Colour Sdn. Bhd. ("**BWYS Colour**") to undertake the business of pre-painting process for metal coils and metal sheets including wet paint and liquid coating products ("**Proposed JV**"). Following the mutual termination of the SHAs, all parties shall be released and discharged from their respective obligations, liabilities, stipulations and covenants under the SHAs and none of the parties shall have any claims against the others arising therefrom.

Subsequent to the termination of the SHAs, the Company had on 18 May 2026 entered into a new shareholders' agreement with LHG, FXD and BWYS Colour ("**New SHA**") to form a joint venture ("**Proposed JV**") to regulate their relationship inter se as among the shareholders of BWYS Colour in relation to the undertaking of the Proposed JV.

The Proposed JV will be undertaken through the subscription of new ordinary shares in BWYS Colour by the Company, LHG and FXD pursuant to a capital injection into BWYS Colour. As at 7 May 2026, being the latest practicable date of this announcement ("**LPD**"), the issued and paid-up capital of BWYS Colour is RM1.00 comprising 1 ordinary share ("**OS**") held by the Company. Pursuant to the New SHA, the issued and paid-up capital of BWYS Colour will be increased to RM15,042,000.00 comprising 15,042,000 OS at an issue price of RM1.00 per share, held by or to be allotted to the shareholders in the following units and proportions:

Shareholders	Existing number of OS	Existing percentage of shareholdings	Resultant number of OS	Resultant percentage of shareholdings
BWYS	1	100.00%	7,600,000	50.52%
LHG	-	-	6,588,000	43.80%
FXD	-	-	854,000	5.68%
Total	1	100.00%	15,042,000	100.00%

Pursuant to the New SHA, the Company shall subscribe for an additional 7,599,999 OS for a total cash consideration of RM7,599,999.00, while LHG and FXD shall subscribe for 6,588,000 and 854,000 OS for total cash considerations of RM6,588,000.00 and RM854,000.00, respectively.

Upon completion of the aforesaid allotment and issuance of the new OS in BWYS Colour, BWYS Colour shall cease to be a wholly-owned subsidiary of the Company with its equity interest in BWYS Colour being diluted from 100.00% to 50.52%.

Pursuant to Rule 10.02 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"), the issuance of securities in a wholly-owned subsidiary, BWYS Colour, which results in the dilution of the Company's equity interest in BWYS Colour, is deemed as disposal of equity interest in BWYS Colour by the Company.

2. INFORMATION ON LHG

LHG was incorporated in Singapore under the Singapore Companies Act 1967 on 23 November 2024. LHG is principally involved in the wholesale of industrial, construction and related machinery and equipment n.e.c. and wholesale of metals and metal ores (e.g. steel pipes except general hardware).

As at the LPD, the issued share capital of LHG is SGD10,000.00 comprising 10,000 ordinary shares.

As at the LPD, the directors of LHG are Yu Meng Heng Henry, Yu Yongqian and Zhang Yuanyuan. The shareholders of LHG are as follows:

Shareholders	No. of ordinary shares held	Percentage of shareholdings held
Runwin	8,148	81.48%
Zhou Meng	1,852	18.52%
Total	10,000	100.00%

As at the LPD, the shareholders of Runwin are as follows:

Shareholders	No. of ordinary shares held	Percentage of shareholdings held
Wei Na	5,910	59.10%
Li CuiPing	2,045	20.45%
Ji ShengBing	2,045	20.45%
Total	10,000	100.00%

3. INFORMATION ON FXD

FXD was incorporated in Malaysia under the Companies Act 2016 on 18 April 2024. FXD is principally involved in the wholesale of other construction materials, hardware, plumbing and heating equipment and supplies n.e.c., activities of holding companies, other business support service activities n.e.c.

As at the LPD, the issued share capital of FXD is RM1,800,000.00 comprising 1,800,000 ordinary shares.

As at the LPD, the directors of FXD are Fan, Xiaodong and Lilian Woo Chen Nee. The shareholder of FXD is as follows:

Shareholder	No. of ordinary shares held	Percentage of shareholding held
Changzhou Lingdi International Trading Co., Ltd	1,800,000	100.00%

4. INFORMATION ON BWYS

BWYS was incorporated in Malaysia under the Companies Act 2016 on 4 January 2023 as a public limited company and is principally involved in investment holding and through its subsidiaries, are mainly involved in manufacturing of sheet metal products, supply of scaffoldings, trading of such related products and property dealing.

As at the LPD, the issued share capital of BWYS is RM202,479,560.81 comprising 1,025,213,000 OS.

As at the LPD, the directors of BWYS are Dato' Saidi Bin Ismail, Kang Beng Hai, Kang Yi Ki, Lim Chee Hoong, See Swee Sie and Teresa Tan Siew Kuan. The substantial shareholders of BWYS are as follows:

Substantial Shareholders	Direct		Indirect	
	No. of ordinary shares held	Percentage of shareholding held	No. of ordinary shares held	Percentage of shareholding held
Kang Beng Hai	668,910,000	65.246%	876,000*	0.085%
Ong Seow Yan	876,000	0.085%	668,910,000#	65.246%

Note:-

**Indirect interest held through his spouse, Ong Seow Yan's shareholdings in the Company*

#Indirect interest held through her spouse, Kang Beng Hai's shareholdings in the Company

5. INFORMATION ON BWYS COLOUR

BWYS Colour was incorporated in Malaysia under the Companies Act 2016 on 18 December 2025 as a private limited company. BWYS Colour is principally involved in the business of pre-painting process for metal coils and metal sheets including wet paint and liquid coating products .

As at the LPD, the issued share capital of BWYS Colour is RM1.00 comprising 1 OS. BWYS Colour is a wholly-owned subsidiary of BWYS.

As at the LPD, the directors of BWYS Colour are Kang Beng Hai and Kang Beng Teong.

6. SALIENT TERMS OF THE NEW SHA

The salient terms of the New SHA are set out in Appendix I of this Announcement.

7. BASIS AND JUSTIFICATION

The dilution in the Company's equity interest arises from the issuance of new ordinary shares in BWYS Colour to the joint venture partners for a total consideration of Ringgit Malaysia Seven Million Four Hundred Forty Two Thousand (RM7,442,000.00), which was determined on a willing-buyer, willing-seller basis after taking into account, inter alia, BWYS Colour's anticipated earnings potential, future growth prospects of the Proposed JV, and the strategic benefits derived from the partnership.

The capital injection is intended to strengthen BWYS Colour's financial position and will be utilised to fund its business expansion, working capital, and joint development initiatives under the Proposed JV.

8. RATIONALE AND BENEFITS OF THE PROPOSED JV

The Proposed JV is aligned with the Group's strategic focus on expanding its range of steel materials and steel related products. The Proposed JV represents a significant step forward in enhancing the Group's business prospects through collaboration with reputable and experienced partners.

The rationale and anticipated benefits of the Proposed JV are as follows:

(i) Strategic Collaboration

The Proposed JV enables the Group to collaborate with Runwin, through its subsidiary, LHG, a party with established expertise, market presence, and resources in the colour coated machine line industry. This partnership is expected to facilitate knowledge-sharing, innovation, and operational excellence.

(ii) Sustainability and Environmental Compliance

One of the key objectives of the Proposed JV is to align production methods with internationally recognised environmental standards. By leveraging innovative coating technologies, the Group aims to reduce carbon emissions, lower energy consumption, and minimise environmental impact throughout the production lifecycle. This initiative reflects the Group's commitment to sustainability and ESG principles.

(iii) Shared Risk and Capital Commitment

The Proposed JV allows for the sharing of financial and operational risks between the Group, LHG and FXD, while optimising capital allocation for the development and execution of the Project.

(iv) Synergies and Economies of Scale

The Proposed JV is expected to yield operational synergies, including cost efficiencies in procurement, shared technology, and streamlined processes, which will contribute to improved profitability and scalability.

(v) Potential Earnings Contribution

Upon successful implementation, the Proposed JV is expected to contribute positively to the Group's future earnings. The financial impact will depend on the performance of the Proposed JV and prevailing market conditions.

9. SOURCES OF FUNDS FOR THE PROPOSED JV

The subscription of shares in BWYS Colour by the Company pursuant to the Proposed JV will be funded through a combination of the Group's internally generated funds and/or bank borrowings, if required. The exact funding mix will be determined at the appropriate time based on the Group's cash flow requirements and prevailing market conditions. The Board is confident that the Group has sufficient financial resources to meet its obligations without adversely affecting its operations.

10. PROSPECTS

The Board is of the view that the Proposed JV marks a strategic step forward in expanding the Group's presence in the colour coating industry. By combining the technical expertise, production capabilities, and market access of both LHG and FXD, the Proposed JV is expected to enhance the Group's competitiveness and value proposition within the industry.

11. RISKS OF THE PROPOSED JV

11.1 Operational and Integration Risk

The success of the Proposed JV depends on the effective integration of the Group's operations with that of Runwin, through its subsidiary, LHG and FXD. Differences in corporate culture, business processes, or management styles could pose challenges in execution. The Group will mitigate this risk through clear governance structures, agreed-upon standard operating procedures (SOPs), and regular coordination between the parties.

11.2 Technology Implementation Risk

The Proposed JV plans to deploy innovative color coating technologies in its steel production processes. There is a risk that such technologies may face unforeseen technical challenges during implementation or may not deliver the anticipated efficiencies or environmental benefits. To manage this, the Group and its partners will conduct thorough testing, trial phases, and engage experienced technical teams.

11.3 Market and Industry Risk

Demand for steel and related products is cyclical and influenced by factors such as infrastructure spending, commodity prices, construction activity, and global trade dynamics. Market volatility could impact the Proposed JV's profitability. However, the Group aims to mitigate this by focusing on high-value, niche products and maintaining a diversified customer base.

11.4 Joint Venture and Partnership Risk

As the Proposed JV is a shared ownership structure, any misalignment in strategic direction, financial commitment, or decision-making with LHG and FXD may affect the progress and profitability of the Project. The New SHA will outline clear roles, dispute resolution mechanisms, and decision-making processes to safeguard the interests of both parties.

12. EFFECTS OF THE PROPOSED JV

12.1 Issued share capital and substantial shareholders' shareholdings

The Proposed JV will not have effect on the issued share capital and the shareholdings of the substantial shareholders of the Company as the Proposed JV does not involve any issuance of new ordinary shares in the Company.

However, in connection with the Proposed JV, the Company's wholly-owned subsidiary, BWYS Colour, will allot and issue new shares to the joint venture partners, LHG and FXD, resulting in a dilution of the Company's equity interest in its subsidiary.

Upon completion of the share issuance, the Company's shareholding in BWYS Colour will be diluted from 100.00% to 50.52%, while LHG and FXD will hold the remaining 43.80% and 5.68%, respectively.

Notwithstanding the dilution, BWYS Colour will remain a subsidiary of the Company, and the Company will retain management control.

12.2 Net assets, net assets per share and gearing

The Proposed JV is not expected to have any material effect on the net assets, net assets per share and gearing of the Group.

12.3 Earnings and earnings per share ("EPS")

The Proposed JV is not expected to have any immediate material impact on the earnings or EPS of the Group for the financial year ending 31 December 2026. However, it is expected to contribute positively to the Group's earnings in the medium to long term upon successful implementation and commencement of operations.

13. PERCENTAGE RATIOS

The highest percentage ratio applicable to the Proposed JV pursuant to Rule 10.02(g) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad is approximately 3.50% based on the project cost (as set out in Section 1 above) and latest audited total assets of BWYS for the financial year ended 31 December 2025 of RM429.86 million.

14. APPROVAL / CONSENT REQUIRED FOR THE PROPOSED JV

The Proposed JV is not subject to the approval of the shareholders of BWYS and any other authorities.

15. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED

None of the Directors and/or major shareholders of BWYS and/or persons connected with a director or major shareholder have any interest, direct or indirect in the Proposed JV.

16. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed JV, is of the opinion that the Proposed JV is in the best interest of the Company.

17. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed JV is expected to be completed in the third quarter of 2026.

18. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the New SHA is available for inspection at the registered office of the Company at Office Suite No. 603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor between 9.00 a.m. to 5.00 p.m. from Mondays to Fridays (except public holidays) for a period of not less than three (3) months from the date of this announcement.

This announcement is dated 18 May 2026.

APPENDIX I – SALIENT TERMS OF THE NEW SHA

1. CONDITIONS PRECEDENT

- 1.1 The Parties agree that the New SHA is conditional upon the satisfaction of the following conditions precedent ("**Conditions Precedent**"):
- 1.1.1 proof of successful transfer of the manufacturing license issued by the Malaysian Investment Development Authority to YSGI from YSGI to BWYS Colour or new issuance of the manufacturing license under BWYS Colour;
 - 1.1.2 duly executed mutual termination letters in respect of the five (5) cooperation agreements dated 18 September 2025 entered into between YSGI and Runwin as follows:
 - (a) the 1600 Multi-Function Colour Coating Production Line Annexure;
 - (b) the Colour Coating Paint Equipment Purchase and Sale Cooperation Agreement;
 - (c) the Colour Coating Paint Resin Equipment Purchase and Sale Cooperation Agreement;
 - (d) the Cooperation Agreement on the Remote Reconstruction Scheme of the Colour Coating Unit; and
 - (e) the Painting Project Technical Programme Cooperation Agreement;
 - 1.1.3 duly executed mutual termination or letter of the SHA; and
 - 1.1.4 successful incorporation of a private limited company under the name of 'BWYS Colmet Sdn Bhd' (or such other name as may be approved by CCM) as a wholly-owned subsidiary of BWYS Colour.
- 1.2 The Parties shall use their best endeavors to ensure the satisfaction of the conditions precedent on or before the expiry of two (2) months from the date of the New SHA or such other date as the Parties may mutually agree in writing ("**Cut-Off Date**"). If the Conditions Precedent are not satisfied or waived by the Cut-Off Date, this Agreement (save for the Surviving Clauses as defined in the New SHA) shall lapse and the Parties shall be released from their obligations hereunder.

2. EQUITY STRUCTURE

- 2.1 On the date on which the last of the conditions precedent have been fulfilled or otherwise waived in writing by BWYS, LHG and FXD (collectively, the "**Parties**" or "**Shareholders**"), the New SHA shall come into force and effect ("**Effective Date**"), and the issued and paid-up share capital of BWYS Colour shall be held by the Shareholders in accordance with the following proportion ("**Agreed Proportions**"):

Shareholder	Shareholding	
	No. of OS	Percentage (%)
BWYS	7,600,000	50.52
LHG	6,588,000	43.80
FXD	854,000	5.68
Total	15,042,000	100.00

- 2.2 As the Proposed JV will require capital contribution, on or before the cut-off date, the Shareholders shall contribute the agreed share capital of BWYS Colour of RM15,042,000.00, in accordance with the Agreed Proportions and in the following manner:

- 2.2.1 BWYS shall contribute RM7,600,000.00 to the share capital of BWYS Colour by way of cash in exchange for 7,600,000 OS representing 50.52% equity interest in BWYS Colour;
 - 2.2.2 LHG shall contribute RM6,588,000.00 to the share capital of BWYS Colour by way of cash in exchange for 6,588,000 OS representing 43.80% equity interest in BWYS Colour; and
 - 2.2.3 FXD shall contribute RM854,000.00 to the share capital of BWYS Colour by way of cash in exchange for 854,000 OS representing 5.68% equity interest in BWYS Colour.
- 2.3 No Shareholder shall, except with the prior written consent of the other Shareholders, create or permit to subsist any pledge, lien or charge over, or grant any option or other rights or dispose of any interest in, all or any of the Shares held by him (unless transferred by any of the Shareholders or alteration of the share capital of BWYS Colour in accordance with the terms of the New SHA) and any person in whose favour such pledge, lien or charge is created or permitted to subsist or such option or rights are granted or such interest is disposed of shall be subject to and bound by the same limitations and provisions as embodied in the New SHA.

3. OBLIGATIONS AND COVENANTS OF THE SHAREHOLDERS

3.1 BWYS

BWYS shall be responsible for the following under the New SHA:

- 3.1.1 managing the overall day-to-day operations of BWYS Colour;
- 3.1.2 building and maintaining strong relationships with key stakeholders, including employees, clients and suppliers of BWYS Colour;
- 3.1.3 promoting the Proposed JV to BWYS's existing network;
- 3.1.4 managing brand awareness and reputation of BWYS Colour; and
- 3.1.5 providing support and aligning with the objectives and execution of BWYS Colour's business plan.

3.2 LHG

LHG shall be responsible for the following under the New SHA:

- 3.2.1 subject to compliance with applicable local laws and regulations, the authority over production and operational decisions of BWYS Colour shall be vested in LHG, which shall be responsible for and shall implement such decisions, including leading and supervising BWYS Colour's technical output in relation to the Proposed JV, and ensuring that such output complies with the minimum quantity, technical specifications, and quality standards approved by the Board of Directors of BWYS Colour ("**BWYS Colour Board**");
- 3.2.2 providing all technical documentation, certifications, and support required to obtain operational approvals from relevant authorities;
- 3.2.3 ensuring the ongoing operations and maintenance of the machinery at BWYS Colour's designated manufacturing premises in connection with the Proposed JV;
- 3.2.4 development of technical training and standard operating procedures in respect of the machinery for BWYS Colour;

- 3.2.5 building and maintaining strong relationships with key stakeholders, including employees, clients and suppliers of BWYS Colour;
- 3.2.6 promoting the Proposed JV to LHG's existing network;
- 3.2.7 managing brand awareness and reputation of BWYS Colour; and
- 3.2.8 providing support and aligning with the objectives and execution of BWYS Colour's business plan.

3.3 FXD

FXD shall be responsible for the following under the New SHA:

- 3.3.1 building and maintaining strong relationships with key stakeholders, including employees, clients and suppliers of BWYS Colour;
- 3.3.2 promoting the Proposed JV to FXD's existing network;
- 3.3.3 managing brand awareness and reputation of BWYS Colour; and
- 3.3.4 providing support and aligning with the objectives and execution of BWYS Colour's business plan.

4. BUSINESS AND AFFAIRS OF THE COMPANY

4.1 Primary objectives

4.1.1 The primary objective of BWYS Colour shall be for the implementation and execution of the Proposed JV together with any variations and extensions of such activities related to the Proposed JV. BWYS Colour shall not undertake or carry on any other business without the prior approval of BWYS Colour Board.

4.1.2 The Shareholders agree that the BWYS Colour's operations shall be guided as follows:

- (a) BWYS shall have the authority to provide guidance on BWYS Colour's business operations and management, including functions such as supply chain, corporate affairs and compliance, general administration, finance, and human resources; and
- (b) LHG shall have the authority to provide guidance on the management of the color coating line and paint production workshops, product application data management, and the overseas market sales of color coated coils,

provided always that such guidance shall be channeled through and subject to the approval of BWYS Colour Board to ensure all operational decisions remain consistent with the annual business plan and budget prepared by BWYS Colour for each financial year ("**Business Plan**") and the applicable laws of Malaysia.

4.1.3 The Proposed JV shall be conducted in the best interest of the Parties on sound commercial profit-making principles so as to generate the maximum achievable profits available for distribution and otherwise in accordance with the general principles, as may be agreed to from time to time between the Parties.

4.2 Funding and Security

If BWYS Colour Board agrees that BWYS Colour requires funds for the purpose of operating or expanding the Proposed JV, the matter will be brought to the Shareholders. Subsequently, the Shareholders, at their sole discretion, shall determine from time to time the manner of raising such additional funds having regard to the intention of the Shareholders that wherever possible, the priority for the raising of funds for the Proposed JV shall be in the following order of preference:

- 4.2.1 loans and other credit facilities from banks and financial institutions, and if so required, upon the security of the assets of BWYS Colour; and
- 4.2.2 interest free shareholders' loans made by the Shareholders to BWYS Colour for the sum in accordance with the Agreed Proportions, to be subordinated to the loans and credit facilities of BWYS Colour from banks and/or financial institutions if such subordination is required.

4.3 Management

- 4.3.1 BWYS Colour Board will be responsible for the management and supervision of the business of BWYS Colour.
- 4.3.2 The Shareholders agree that unless otherwise determined by BWYS Colour Board, the managing director of BWYS Colour shall be the individual nominated by BWYS. The managing director of BWYS Colour shall have overall responsibility for the day-to-day operation of BWYS Colour, and BWYS Colour shall be managed by the key management team of BWYS Colour in the operation and management of the Proposed JV.
- 4.3.3 In consideration of the mutual obligations of the Parties herein contained, and except as the Parties may otherwise agree in writing or save as otherwise provided or contemplated in the New SHA, each of the Party shall exercise their powers so as to ensure that:
 - (a) BWYS Colour carries on the Proposed JV and conducts its affairs in a proper and efficient manner and for its own benefit;
 - (b) BWYS Colour and all the directors will comply strictly and expeditiously with the provisions of the New SHA and BWYS Colour's constitution;
 - (c) the business of BWYS Colour shall be carried on pursuant to BWYS Colour's set of formal standard operating procedures, internal control manuals and corporate policies adopted and amended by BWYS Colour Board from time to time ("**BWYS Colour's SOP**"), and other internal policies as agreed by the Parties; and
 - (d) BWYS Colour shall cause to be kept full and proper accounting records relating to the business, undertaking and affairs of BWYS Colour which records shall be made available at all reasonable times for inspection by the Shareholders and/or their respective duly appointed agents and representatives who shall have the right to make copies of or take such extracts from such records and documents as they shall deem fit.

4.4 Bank Account and Authorised Signatories

- 4.4.1 BWYS Colour shall open and maintain one (1) or more bank accounts in such banks or other financial institutions as the Directors may from time to time determine provided that all bank accounts to be opened by BWYS Colour shall be approved by BWYS Colour Board ("**BWYS Colour's Bank Accounts**").

- 4.4.2 The Parties have agreed that BWYS Colour's Bank Accounts shall be operated in accordance with this Clause 4.4 whereby all monies received from time to time by BWYS Colour shall be paid into such bank accounts for the time being in operation.
 - 4.4.3 All BWYS Colour's Bank Accounts for the purposes of BWYS Colour shall be maintained in the name of BWYS Colour and all cheques, bills or other instruments issued by BWYS Colour shall be in accordance with discretionary financial authority limits for management of BWYS Colour including joint signatories of cheques as may be approved by the Shareholders.
 - 4.4.4 The parties agree that BWYS Colour's Bank Accounts and any other bank accounts, cheques and/or remittance instruments maintained or issued in the name of or on behalf of BWYS Colour shall be operated by at least two (2) authorised signatories, of which one (1) whom shall be nominated by BWYS and one (1) by LHG and approved by BWYS Colour Board ("**BWYS Colour's Authorised Signatories**"). All payments and transactions shall require the signatures of both BWYS Colour's Authorised Signatories and shall be processed strictly in accordance with BWYS Colour's SOP approved by BWYS Colour Board.
 - 4.4.5 The Parties agree that all of BWYS Colour's Bank Accounts and financial matters shall be operated by jointly nominated financial personnel ("**Finance Manager**"), who shall be responsible for the day-to-day execution and monitoring BWYS Colour's Bank Accounts and overall financial position, including but not limited to accuracy of financial records and cash flow. While the Finance Manager may also be designated by BWYS Colour Board as one of BWYS Colour's Authorised Signatories, all transactions processed by the Finance Manager must be co-signed by a second BWYS Colour's Authorised Signatory. The Finance Manager shall report directly to BWYS Colour Board and ensure that all financial transactions are carried out in accordance with BWYS Colour's SOP approved by BWYS Colour Board.
 - 4.4.6 LHG and/or FXD shall not change or attempt to change any bank signatory instruction or any other instructions in connection with BWYS Colour's Bank Accounts, all other bank accounts, cheques and/or other forms of remittance maintained or issued by or on behalf of BWYS Colour without the prior written consent of BWYS.
 - 4.4.7 The Shareholders acknowledge that BWYS Colour may require financing from time to time and hereby agree that terms of the New SHA may be varied to comply with the conditions or requirements as may be imposed by the banks and financiers in which the Shareholders shall not unreasonably withhold their consent to such variations.
- 4.5 Accounts
- 4.5.1 The end of financial year of BWYS Colour shall be December 31 of each year or such other financial year approved by BWYS Colour Board from time to time to ensure alignment with the financial year end of BWYS for group consolidation and regulatory compliance purposes.
 - 4.5.2 BWYS Colour Board shall cause proper accounts to be kept of the assets and liabilities of BWYS Colour, all sums of monies received and expended and all transactions and such other accounting records as may be recommended by the auditors of BWYS Colour and in accordance with BWYS Colour's SOP and applicable laws, such records will be kept in the principal office of BWYS Colour and shall be available for inspection by the Parties during business hours upon reasonable notice of no less than five (5) business days prior to inspection. If any Shareholder identifies a specific and documented concern regarding a material error or irregularity in BWYS Colour's financial records or audited accounts, such Shareholder may, at its own cost and expense, appoint an independent firm of accountants to conduct a secondary review. Provided that, if such secondary review reveals a material discrepancy (i.e.

adjustment exceeding 5% of BWYS Colour's net asset value) in the original audit, the Company shall reimburse the costs of such secondary review.

- 4.5.3 BWYS Colour's financial records and audited accounts shall be in English and shall:
- (a) give a true and fair view of the assets and liabilities and financial position of BWYS Colour for each financial year or period;
 - (b) comply with the requirements of the Companies Act 2016 ("**CA 2016**") and all other relevant statutes; and
 - (c) have been prepared in accordance with generally accepted accounting principles of Malaysia and applied on a consistent basis.
- 4.5.4 On the Effective Date, BWYS Colour shall grant 'read-only' electronic access to its accounting system to one (1) authorized personnel appointed by LHG and/or FXD to review BWYS Colour's financial records. Such access is granted solely for oversight purposes and such personnel must comply with BWYS Colour's SOP and shall not have the authority to input, amend or delete any data within the system.

5. BOARD OF DIRECTORS

- 5.1 The Shareholders hereby agree that BWYS Colour Board shall comprise of four (4) Directors nominated as follows:

- 5.1.1. two (2) Directors to be nominated by BWYS; and
- 5.1.2. two (2) Directors to be nominated by LHG.

For the avoidance of doubt, no other Shareholder shall be entitled to nominate any director to BWYS Colour Board unless agreed in writing by BWYS and LHG. If a nominee of BWYS and LHG shall refuse to act as a director for any reason, then BWYS and LHG shall be entitled to remove such nominee from BWYS Colour Board and may elect in his/her place such other nominee.

- 5.2 BWYS and LHG shall have the right to appoint and remove its nominated directors from office at any time, and the right to determine from time to time the period which such persons shall hold office as director. In the event that a position on BWYS Colour Board shall be vacant for any reason whatsoever BWYS and LHG shall be entitled to nominate a new director to fill such vacancy in accordance to their respective entitlement in accordance with Clause 5.1. Any appointment or removal of a director pursuant to this Clause 5.1 shall be effected by written notice signed by or on behalf of the relevant Shareholder and delivered to the registered office of BWYS Colour (or such other address as BWYS Colour may notify in writing from time to time), and shall take effect upon receipt by BWYS Colour or such later date as may be specified in the notice.
- 5.3 The chairman of BWYS Colour Board shall be appointed from the Directors nominated by BWYS ("**Chairman**") and the Chairman shall have a casting vote in the event of equality of votes among the Directors, provided that the Chairman shall not be entitled to exercise such casting vote in respect of any matter relating to the technical output and/or production of the Proposed JV, where such matter strictly concerns the adherence to the minimum volume, technical specifications and quality standards approved by BWYS Colour Board.
- 5.4 In the event that a Shareholder sells or transfers the whole of its Shares ("**Transferor**") in accordance with Clause 8, then simultaneously with the completion of the sale or transfer of the Shares:

5.4.1 the Transferor shall cause such number of Directors as shall have been nominated by the Transferor to represent the Shares sold or transferred, to resign from such office without any compensation whatsoever and with a disclaimer of all rights to any claims that the Director may have against BWYS Colour, if any; and

5.4.2 the purchaser or transferee of the Shares shall be entitled to nominate its Directors in place of each of the Director who resigns or is removed pursuant to Clause 5.4.1.

6. BOARD MEETINGS AND ACTIONS REQUIRING BOARD APPROVAL

6.1 Decisions of BWYS Colour Board will be made by a majority vote (i.e. at least 3 out of 4 votes) of the Directors present and vote at a duly convened Board Meeting. For the avoidance of doubt, any alternate director duly appointed shall be entitled to attend, participate and vote as such Board Meetings in place of his appointor, and shall be entitled to exercise all powers, rights, duties, authorities and functions of the director appointing him. Where an alternate director represents more than one (1) director, such alternate director shall be entitled to one (1) vote for each director he represents.

6.2 Notwithstanding Clause 6.1 the following matters shall not be carried out unless by unanimous written consent of all Directors ("**Board Reserved Matters**"):

6.2.1 any amendment to BWYS Colour's constitution;

6.2.2 any change, increase or reduction in the issued share capital or the issuance of any shares, options, warrant or convertible instruments;

6.2.3 the incurrence by BWYS Colour of any capital expenditure (including the acquisition of any undertaking or asset) exceeding RM100,000;

6.2.4 the provision of any loan, advance, guarantee, security or other financial assistance by BWYS Colour to any director, shareholder or any third party;

6.2.5 any material change to the nature, scope or geography of the Proposed JV;

6.2.6 the entry into any merger, consolidation, joint venture or the acquisition of any other business or corporate entity;

6.2.7 the creation of any mortgage, charge, lien, or other encumbrance over BWYS Colour's assets or undertaking;

6.2.8 the entry into, amendment, or termination of any transaction or agreement with a Shareholder or any of its affiliates;

6.2.9 the appointment, removal, or change of BWYS Colour's statutory auditors;

6.2.10 the approval of the Business Plan or any material deviation exceeding 10% allocated under the approved Business Plan;

6.2.11 the commencement of any liquidation, winding-up, or insolvency proceedings, or the appointment of a receiver or manager;

6.2.12 the sale, lease, or disposal of the whole or a substantial part of BWYS Colour's assets or undertaking; or

6.2.13 the appointment, termination, or material amendment to the terms of employment (including the remuneration package) of any executive officer, including but not limited to the Managing Director, Chief Executive Officer, or Chief Financial Officer of BWYS Colour or its subsidiaries or any other employee/consultant whose total annual

remuneration package (including bonuses and benefits-in-kind) exceeds RM120,000.00.

- 6.3 A resolution in writing circulated to all the directors for the time being and signed or approved by majority of the directors (i.e. at least 3 out of 4 votes) by email shall be as valid and effectual as if it had been passed at a Board Meeting duly convened and may consist of several documents in the like form, each signed by one (1) or more of the directors. For the avoidance of doubt, a resolution signed by an alternate director shall be valid as if signed by the appointing director provided that the alternate director shall only be entitled to sign such resolution if the appointing director is unable to do so due to illness, absence from the country or wherein the appointing director has provided written consent for the alternate director to act on his behalf.

7. MEMBERS' MEETING AND ACTIONS REQUIRING MEMBERS' APPROVAL

- 7.1 Decisions of the Shareholders shall be passed by a majority of not less than seventy-five per cent (75%) if the voting rights of the Shareholders present and voting at a duly convened General Meeting save and except for matters that require special approval as set out in Clause 7.2.
- 7.2 Notwithstanding Clause 7.1, the following matters shall not be carried out unless by unanimous written consent of all Shareholders ("**Shareholders Reserved Matters**"):
- 7.2.1 alteration, amendment or replacement of the Constitution;
 - 7.2.2 change of BWYS Colour's name;
 - 7.2.3 reduction or increase of the share capital of BWYS Colour;
 - 7.2.4 issuance, allotment or creation of any Shares or securities convertible into Shares;
 - 7.2.5 voluntary winding up of BWYS Colour;
 - 7.2.6 change of company type (e.g., from private to public);
 - 7.2.7 approval of financial assistance for the purchase of Shares.
- 7.3 A resolution in writing circulated to all the Shareholders for the time being and signed or approved by majority of not less than seventy-five per cent (75%) of the Shareholders by email shall be as valid and effectual as if it had been passed at a General Meeting duly convened and may consist of several documents in the like form, each signed by one (1) or more of the Shareholders.

8. TRANSFER OF SHARES

- 8.1 Lock-in period
- 8.1.1 Each Shareholder hereby covenants and undertakes to the other Shareholders and to BWYS Colour that it shall not sell, transfer, assign, pledge, encumber, or otherwise dispose of any of its Shares or any interest therein for a period of three (3) years from the Effective Date ("**Lock-in Period**").
 - 8.1.2 Upon expiry of the Lock-in Period, LHG or FXD shall have the right to serve written notice to BWYS and BWYS Colour, requiring BWYS to purchase their Shares ("**Put Option Shares**") ("**Put Option Notice**"). BWYS shall acquire the Put Option Shares

from LHG and/or FXD subject to the satisfaction of all necessary regulatory approvals and statutory solvency tests.

- 8.1.3 Within thirty (30) days of the Put Option Notice, BWYS Colour shall at its own cost procure a Valuer to conduct an audit of BWYS Colour's financial statements based on the preceding month from the date of service of the Put Option Notice.
- 8.1.4 The Put Option Shares shall be at a price equal to 90% of the net asset value of BWYS Colour per Share ("**Put Option Price**").
- 8.1.5 BWYS shall pay the Put Option Price in cash to LHG or FXD (as the case may be) within sixty (60) days from the date of determination of the Put Option Price and in exchange for payment, LHG or FXD (as the case may be) shall deliver the Transfer Documents to BWYS within seven (7) days of the date of payment of the Put Option Price. The Parties shall use their best endeavours to complete the transaction contemplated under the Put Option within six (6) months from the date of the Put Option Notice. In the event that such completion is delayed due to pending regulatory or shareholder approvals or statutory compliance requirements, such period shall be automatically extended for a further period of three (3) months.

8.2 Right of first refusal

Unless otherwise waived in writing by all the Shareholders, the Shareholders shall not, directly or indirectly, sell, transfer, assign, or otherwise dispose of their respective shareholding or part thereof in BWYS Colour otherwise in accordance with the following restrictions and provisions namely:

- 8.2.1 the Transferor shall give a notice in writing ("**Transfer Notice**") to BWYS Colour of the desire to transfer or dispose of their Shares, specifying the number of Shares to be transferred or disposed. The Transfer Notice shall constitute BWYS Colour as the agent of the Transferor for the sale of all the Shares of the Transferor ("**Relevant Shares**"). BWYS Colour shall act as facilitator and administrator of the transfer process and shall notify other Shareholders of the proposed transfer in accordance with this Clause 8.2 and the Transfer Notice shall not be revocable except with the consent of BWYS Colour Board;
- 8.2.2 if within sixty (60) days after the date of the Transfer Notice, the Transferor and the other Shareholders have agreed upon the price per Share, then such price shall be the prescribed price ("**Prescribed Price**"). In default of such agreement, the Prescribed Price shall be the fair market value thereof as determined by the Valuer appointed by BWYS Colour Board. Such valuation of the Shares shall be determined and completed no later than thirty (30) days from the expiry of the sixty (60) days period of the Transfer Notice;
- 8.2.3 Following the determination of the Prescribed Price, the Relevant Shares shall promptly be offered by BWYS Colour by notice in writing to other Shareholders, for purchase at the Prescribed Price within a period of sixty (60) days from such notice ("**Prescribed Period**"). Such offer shall be open for acceptance at any time within the Prescribed Period;
- 8.2.4 upon acceptance of an offer to purchase by the other Shareholders ("**Transferee**") within the Prescribed Period, BWYS Colour shall give notice in writing thereof to the Transferor and the Transferor shall be bound upon payment of the Prescribed Price to transfer the Relevant Shares to the Transferee. The purchase shall be completed (subject to relevant approvals under Clause 8.2.8 having been obtained) at a place and time to be determined by BWYS Colour Board within 7 days from the date of such notice;

- 8.2.5 if the Transferor shall fail or refuse to transfer any Relevant Shares to the Transferee, the Directors may authorise a person to execute and deliver on the Transferor's behalf the necessary transfer and BWYS Colour may receive the purchase money in trust for the Transferor and cause the Transferee to be registered as the holder of the Relevant Shares. The receipt of the purchase money by BWYS Colour shall be good discharge to the Transferee (who shall not be bound to see to the application thereof) and after the Relevant Shares are registered in the name of the Transferee, the validity of the exercise of the aforementioned powers shall not be questioned by any person;
- 8.2.6 if the offer for sale the Relevant Shares shall not be accepted by any of the other Shareholders within the Prescribed Period then the Transferor shall, subject to Clause 8.3, be at liberty to transfer or dispose of the Relevant Shares to a third party purchaser or a bona fide sale at any price not being less than the Prescribed Price (after deducting as appropriate any dividend or other distribution declared or made after the date of the Transfer Notice and to be retained by Transferor). In the event of any transfer of the Relevant Shares to a third party purchaser pursuant to Clause 8.2.6, each Party shall, subject to the provisions of Clauses 8.2.7 and 8.2.8, cause or procure their respective nominees on BWYS Colour Board to approve the proposed transfer;
- 8.2.7 if as a result of transferring the Relevant Shares in accordance with the foregoing provisions of Clause 8, the Transferor would not hold any Shares in BWYS Colour, the Transferor shall procure that upon such transfer all Directors appointed by the Transferor pursuant to the New SHA shall thereupon resign;
- 8.2.8 any transfer, disposal or sale of shares contemplated by Clause 8 shall be subject to the approval of the relevant governmental or statutory authority, should such approval be required in law or in practice; and
- 8.2.9 Clause 8.1 shall apply mutatis mutandis to any transfer, disposal or sale of Shares to a third party.

8.3 Transfer requirements

The Shareholders agree and undertake that as conditions precedent to transferring any of its Shares to any third party purchaser ("**Third Party Transferee**"), the Transferor shall incorporate the following conditions into such transfer:

- 8.3.1 the Third Party Transferee signs a Deed of Adherence pursuant to which the Transferee accepts and agrees to be bound by the terms of this Agreement (subject only to such variations, addition and other alterations as may be necessary to make such covenant consistent with this Agreement and this Agreement shall have full force and effect and shall be read and construed and be enforceable as if the terms of such covenant were inserted in this Agreement by way of addition or substitution or deletion, as the case may be) and until such transferee signs and delivers such deed to BWYS Colour, BWYS Colour shall not register any such person as the holder of any Share;
- 8.3.2 the Third Party Transferee shall assume all the liabilities of the Transferor;
- 8.3.3 the Transferor shall remain liable and be responsible for the due discharge, performance and observance of all its liabilities and obligations whether actual or contingent arising out of or in respect of or in connection with the New SHA and in respect of the Shares to be transferred at any time up to and including the date of the transfer and shall remain entitled to all rights and benefits arising out of or in respect of or in connection with such Shares for such period of time; and

- 8.3.4 receipt of all approvals (which shall be subsisting and in full effect on the date of such transfer and under conditions, if any, acceptable to the shareholders) as may be required for such transfer.

8.4 Transfer to Affiliates

- 8.4.1 The Parties agree that Clause 8.2 shall not apply in the case of transfers by any Shareholder to any of its Affiliates provided that such transfer complies with Clause 8.4.
- 8.4.2 If any Shareholder intends to transfer all or part of its Shares to any of its Affiliates, such relevant entity shall provide a thirty (30) days' notice to inform the remaining Shareholders, provided always that such Affiliate is in good standing, whose reputation does not result in any negative perception to the BWYS Group's brand and reputation and is not a direct or indirect competitor of the BWYS Group, and that such transfer is in accordance with applicable laws.
- 8.4.3 The Transferor shall procure that any transferee of the transferred Shares under this Clause 8.4 shall execute the Deed of Adherence.

8.5 Free of Encumbrances

An obligation to transfer a Share under the provisions of the New SHA shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any Encumbrance.

9. ISSUE OF NEW SHARES

- 9.1 Unless otherwise waived in writing by all of the Shareholders, if BWYS Colour proposes to issue any new Shares ("**New Shares**"), the New Shares shall before issue be offered for subscription in the first instance to the Shareholders in proportion as nearly as practicable to the number of Shares held by them respectively. BWYS Colour shall promptly give written notice ("**Subscription Notice**") to all of the Shareholders, describing the subscription price and number of New Shares, the terms upon which BWYS Colour proposes to issue the New Shares and the proposed closing date of the issuance. The Shareholders shall have such period of time, as stipulated in the Subscription Notice but in no event less than fourteen (14) days from the date of the Subscription Notice ("**Offer Period**"), to agree in writing to subscribe for such number of New Shares in accordance with the Agreed Proportions at the price and upon the terms specified before the closing date set forth in the Subscription Notice.
- 9.2 In the event any of the Shareholders fail to give notice of its intention to subscribe in full the New Shares in accordance with the Agreed Proportions within the Offer Period, BWYS Colour shall offer such New Shares in respect of which a Shareholder's subscription rights under the Subscription Notice which were not exercised in full or part pursuant to the Subscription Notice ("**Residual Subscription Shares**") on terms not more favourable than those comprised in the Subscription Notice, to the other Shareholders who have earlier exercised their full right to subscribe for the New Shares in accordance with the Agreed Proportions and shall be accepted within fourteen (14) days from the date of the offer ("**Additional Offer Period**").
- 9.3 Upon expiry of the Additional Offer Period, any Residual Subscription Shares which have not been subscribed by the other Shareholders, such Residual Subscription Shares shall be offered to a third party approved by all of the Shareholders on terms not more favourable than those comprised in the Subscription Notice.

10. DRAG ALONG RIGHT

- 10.1 Drag along right

Any Shareholders shall have a drag along right ("**Drag Along Sellers**") to require all the remaining Shareholder to sell all of their Shares together with the Drag Along Sellers ("**Dragged Along Shareholder**") in the event the Drag Along Sellers wishes to sell fifty-three per cent (53%) or more of the total issued share capital of BWYS Colour ("**Drag Along Right**") provided that the current NAV at the time of exercise of the Drag Along Right ("**Current NAV**") is at least two (2) times of the NAV stated in the latest audited accounts of BWYS Colour. For the purpose of this Clause 10, the Current NAV shall be verified by the Valuer, whose determination shall be final and binding. The costs of such Valuer shall be borne by the Drag Along Sellers. The terms and conditions (including price) of such sale by any Dragged Along Shareholder shall be no less favourable than that is offered by the Drag Along Sellers, to a third party ("**Drag Along Buyer**").

10.2 Drag along procedure

10.2.1 In the event of an exercise of the Drag Along Right, the Dragged Along Shareholder shall be bound to participate in such exercise and shall undertake all necessary and desirable actions for consummation of the exercise, including appointing the relevant Drag Along Sellers, who is exercising the rights to be its agent or attorney to execute all relevant transfer forms with respect to the Drag Along Right.

10.2.2 Any Director may, as the agent or attorney of the Dragged Along Shareholder, execute any documents necessary to transfer the Dragged Along Shareholder's Shares to the Drag Along Buyer and may receive the purchase price and pay the same into a bank account of BWYS Colour, subject to the Drag Along Buyer presenting a duly stamped share transfer for the Dragged Along Shareholder's Shares, the Directors may enter the Drag Along Buyer in the register of members of BWYS Colour; and the Directors shall pay the purchase price to the Dragged Along Shareholder by sending a cheque for that sum to the Dragged Along Shareholder at its address set out in the register of members of BWYS Colour.

11. TAG ALONG

11.1 Subject to Clause 8, if a Shareholder wishes to sell or transfer all or part of its Shares ("**Sale Shares**") to any party (provided the Right of First Refusal has not been exercised by the other Shareholders) ("**Third Party Acquirer**") pursuant to a bona fide arm's length transaction ("**Tag Along Offeror**"), the other Shareholders ("**Tagging Shareholder**") shall have the right to participate in such sale of its Shares proportionate to the Sale Shares on the same terms and conditions as the Tag Along Offeror ("**Tag Along Right**") subject to the following:

11.1.1 notwithstanding any other provisions in the New SHA, in the event of the first disposal of Shares by BWYS to a Third Party Acquirer, BWYS shall not sell or transfer more than twenty per cent (20%) of the total issued share capital of BWYS Colour as at the date of the Tag Along Notice:

11.1.2 provided that the other Shareholders:

- (a) shall not be required to provide any representations and warranties for such sale; and
- (b) be entitled to receive the cash or equivalent of any non-cash consideration received by the Tag Along Offeror.

11.2 The Tag Along Offeror shall give written notice to the other Shareholders as soon as practicable specifying its intention to sell or transfer the Sale Shares to the Third Party Acquirer, the terms and conditions of the sale, and inviting the other Shareholders to participate in such sale of such number of its Shares proportionate to the Sale Shares on the same terms and conditions as the Tag Along Offeror ("**Tag Along Notice**").

- 11.3 The Tag Along Notice must state the period within which the invitation referred to in Clause 11.2 shall remain open. This period must be at least thirty (30) days from the date of receipt of the Tag Along Notice by the other Shareholders. Once the other Shareholders receives the Tag Along Notice, they will be entitled (but not obliged) to participate in the sale of such number of its Shares proportionate to Sale Shares to the Third Party Acquirer by sending an acceptance notice to the Tag Along Offeror within the offer period, failing which the Tag Along Notice shall lapse and the other Shareholders shall be deemed not to have accepted the invitation to tag along.

12. DIVIDEND POLICY

- 12.1 If BWYS Colour has distributable profits for any accounting period, at least one dividend shall be declared annually, except for the 1st financial year or period; in accordance with the Agreed Proportions and the relevant provisions of the CA 2016 subject to the following:

- (a) The basis for calculating dividends shall be the cumulative undistributed profits and not BWYS Colour's after-tax profit of the year;
- (b) The legal provisions of the CA 2016 governing the distribution of dividends shall be strictly adhered to; and
- (c) To avoid disruption to the normal operations of BWYS Colour, the dividend distribution ratio shall be as follows:

Financial Period	Distribution of Dividends
For the 1 st financial year or period	No dividends shall be distributed
For the 2 nd financial year	Not less than 30% of the accumulated distributable profits shall be distributed as dividends
For the 3 rd financial year	Not less than 50% of the accumulated distributable profits shall be distributed as dividends
For the 4 th financial year and each subsequent financial year	Not less than 70% of the accumulated distributable profits shall be distributed as dividends

- 12.2 For the avoidance of doubt, BWYS Colour shall be required to repay in full any loans and/or advances as may be made by the Directors and/or Shareholders, as the case may be, before distributing any dividends to the Shareholders in accordance with Clause 12.1.

13. TERMINATION

- 13.1 An event of default ("**Event of Default**") shall be deemed to have occurred if in relation to any Shareholder ("**Defaulting Shareholder**"):

- 13.1.1 any breach of any Shareholder's obligations under this Agreement which involves an amount or potential liability equal to or exceeding 10% of the NAV and where that Shareholder fails to take appropriate steps to remedy such breach (if capable of remedy) within fourteen (14) days after being given notice to do so by any of the other Shareholders;
- 13.1.2 any Shareholder goes into bankruptcy or liquidation, whether compulsory or voluntary (except for the purposes of a bona fide reconstruction or amalgamation with the consent of the other Shareholders, such consent not to be unreasonably withheld);

- 13.1.3 any Shareholder has an administrator or receiver or receiver and manager or judicial manager or similar officer, appointed over any part of its assets or undertaking;
 - 13.1.4 any Shareholder becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as they fall due or enters into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors;
 - 13.1.5 any Shareholder ceases or threatens to cease to carry on the whole or any substantial part of its business which represents 10% or more of the net asset value of such Shareholder other than in the course of reconstruction or amalgamation permitted under Clause 13.1.2;
 - 13.1.6 any Shareholder suffers any distress, execution, sequestration or other process being levied or enforced upon or sued against its property which is not discharged within seven (7) Business Days;
 - 13.1.7 any Shareholder sells, transfers, leases or otherwise disposes of the whole or substantially the whole of its assets, rights and undertaking other than for the lease, transfer or disposal of its real property in the course of reconstruction or amalgamation permitted under Clause 13.1.2; or
 - 13.1.8 if anything analogous to or having a substantially similar effect to any of the events specified in Clause 13.1.2 to 13.1.7 above occur under the laws of any applicable jurisdiction.
- 13.2 Upon the occurrence of an Event of Default by any Shareholder ("**Defaulting Shareholder**"), the other Shareholders ("**Non-defaulting Shareholders**") shall be entitled to serve written notice on that Defaulting Shareholder ("**Default Notice**"), specifying the breach or default, and where applicable, requiring the Defaulting Shareholders to rectify such breach or default within 30 days from the date of the Default Notice.
- 13.3 In the event that any defaulting Shareholder fails to comply with a Default Notice or engages in behaviour that is materially detrimental to BWYS Colour or its business reputation, the non-defaulting Shareholders shall without prejudice to any other rights and remedies it may have be entitled to the following:
- 13.3.1 the Non-defaulting Shareholders shall have the right (but not the obligation) to acquire all of the Defaulting Shareholder's Shares at an exercise price equivalent to 50% of the net asset value per Share ("**Default Call Option**"). For the avoidance of doubt, the net asset value per Share shall be determined based on the latest audited accounts of the Company at the time the Default Call Option is exercised.
 - 13.3.2 Upon the Non-defaulting Shareholders exercising the Default Call Option, the Defaulting Shareholder shall be notified in writing to execute and deliver the Transfer Documents to Non-defaulting Shareholders within seven (7) days of the date of the Default Notice.
 - 13.3.3 If the Defaulting Shareholder fails, refuses, or neglects to execute and deliver the Transfer Documents within the said 7-day period stipulated in Clause 13.3.2 above, the irrevocable power of attorney granted in Clause 13.3.4 below shall automatically vest in and become immediately exercisable by any Non-defaulting Shareholders without further notice or action required by the Defaulting Shareholder.
 - 13.3.4 For the purpose of giving effect to the transfer of Shares in the event that Clause 13.3.3 is triggered, the Defaulting Shareholder hereby irrevocably appoints any Non-defaulting Shareholders as its true and lawful attorney-in-fact, with full power of

substitution, to act on its behalf. This authority includes, but is not limited to, the power to:

- (a) execute and deliver the Transfer Documents to Non-defaulting Shareholders;
- (b) take all necessary actions, including the filing of forms and supporting documents with the Companies Commission of Malaysia or any other relevant regulatory authorities; and
- (c) do all such acts and things as may be necessary to perfect the title of the Shares in the name of Non-defaulting Shareholders as if the Defaulting Shareholder had performed such acts itself.

13.3.5 The Defaulting Shareholder acknowledges that the Shares are unique and that the breach of the New SHA will cause irreparable harm to Non-defaulting Shareholders. Consequently, the Defaulting Shareholder agrees that Non-defaulting Shareholders shall be entitled to seek specific performance and injunctive relief to enforce the transfer of Shares, in addition to any other remedies available under the New SHA.

13.4 Except as otherwise provided, the New SHA shall continue in full force and effect until the earlier of the following events:

13.4.1 all the Parties agree in writing to terminate the New SHA;

13.4.2 upon completion of the winding up or liquidation process of BWYS Colour; or

13.4.3 all of the issued Shares are held by one (1) person.

13.5 In the event of winding up, BWYS Colour shall engage in no business other than that necessary to wind-up its affairs, liquidate its assets, pay its debts and to distribute the remaining assets to the Shareholders in accordance with their respective rights.

13.6 The Parties acknowledge that:

13.6.1 the Surviving Clauses survive termination of the New SHA; and

13.6.2 a Party will not be released from any liability which had already accrued in favour of another Party, or which thereafter may accrue in respect of any act or omission prior to termination of the New SHA.

13.7 Subject to Clause 13.6, a Party will no longer be bound by the New SHA if it ceases to be a Shareholder but the New SHA will continue to bind the other Parties while they remain Shareholders or until the New SHA is terminated pursuant to Clause 13.5.

14. INTELLECTUAL PROPERTY RIGHTS

14.1 All patents utility models, trademarks, trade or business names, logos or straplines, domain names, copyright, moral rights, rights to prevent passing off or unfair competition, database rights, rights in designs, know-how and all other intellectual or industrial property rights, in each case whether registered or unregistered including applications or rights to apply for them and together with all extensions and renewals of them, and in each and every case all rights or forms of protection having equivalent or similar effect anywhere in the world ("**Intellectual Property Rights**") existing prior to the Parties entering into the New SHA shall remain the exclusive property of the Party that owned such rights prior to the Effective Date.

- 14.2 Any Intellectual Property developed by BWYS Colour, shall automatically belong to BWYS Colour, and neither Party shall lay claim to such Intellectual Property Rights developed by BWYS Colour nor challenge the ownership of such Intellectual Property by BWYS Colour.
- 14.3 Neither Party shall use the name, logo, trademarks, or any other Intellectual Property Rights of the other Party, either independently or in combination with its own branding, without the prior written consent of the other Party.
- 14.4 The Parties shall ensure that all Intellectual Property Rights created, developed, acquired, or sponsored by BWYS Colour, or developed in collaboration between the Parties for the benefit of BWYS Colour, shall be vested in BWYS Colour. The Parties shall execute all such documentation as may be necessary to register and perfect such rights in the name of BWYS Colour.
- 14.5 In the event that a claim for the infringement of third party Intellectual Property Rights is made or intimated against one or more of the Parties in relation to documents or other material, data and other information or devices and processes provided to that Party by BWYS Colour or the Shareholders for use in operating the Proposed JV, the said other Party shall indemnify BWYS Colour and/or the other Shareholders against any and all costs, expenses, damages or other losses suffered or payments made by BWYS Colour and/or the other Shareholders in connection with the claim and any associated judgment or settlement.

15. NON-COMPETITION

- 15.1 All Shareholders hereby undertake with BWYS Colour except with the consent in writing of the Company approved by BWYS Colour Board in accordance with Clause 6.1 and 6.2 of the New SHA (of which consent shall not be unreasonably withheld) : -
 - 15.1.1 during the period it remains a shareholder of BWYS Colour and for the period of five (5) years after it ceases to be a shareholder of BWYS Colour, it will not, either on its own account or in conjunction with or on behalf of any person, firm or company, carry on or be engaged, concerned or interested directly or indirectly whether as shareholder, director, employee, partner, agent or otherwise in carrying on any business in competition with the Proposed JV in Malaysia;
 - 15.1.2 during the period where it remains as shareholder of BWYS Colour and for the period of five (5) years after it ceases to be a shareholder of BWYS Colour, it will not, either on its own account or in conjunction with or on behalf of any other person, firm or company solicit or entice away or attempt to solicit or entice away the custom of any person, firm, company or organization who shall at any time during the period where it remains a shareholder of BWYS Colour and for the period of five (5) years prior to the cessation of it as a shareholder of BWYS Colour have been a customer, client, identified prospective customer or client, representative, agent or correspondent of BWYS Colour in connection with the Proposed JV or in the habit of dealing with BWYS Colour in connection with the Proposed JV; and
 - 15.1.3 it will not at any time hereafter either on its own account or in conjunction with or on behalf of any other person, firm or company employ, solicit or entice away or attempt to employ, solicit or entice away any person who shall at any time within five (5) years prior to the cessation of it as a shareholder of BWYS Colour have been an employee of BWYS Colour in connection with the Proposed JV, whether or not such person would commit a breach of contract by reason of leaving such employment.
- 15.2 Each and every obligation under this Clause 15 shall be treated as a separate obligation and shall be severally enforceable as such and in the event of any obligation or obligations being or becoming unenforceable in whole or in part such part or parts as are unenforceable shall be deleted from this Clause 15 and any such deletion shall not affect the enforceability of all such parts of this Clause 15 as remain not so deleted.

- 15.3 While the restrictions contained in this Clause 15 are considered by the parties to be reasonable in all the circumstances it is recognised that restrictions of the nature in question may fail for technical reasons unforeseen and accordingly it is hereby agreed and declared that if any of such restrictions shall be adjudged to be void as going beyond what is reasonable in all the circumstances for the protection of the interests of the Proposed JV but would be valid if part of the wording thereof were deleted or the periods thereof reduced or the range of activities or area dealt with thereby reduced in scope the said restriction shall apply with such modifications as may be necessary to make it valid and effective.

16. SURVIVAL OF RIGHTS, DUTIES AND OBLIGATIONS

Termination of the New SHA for any cause shall not release a Shareholder from any liability which at the time of termination has already accrued to other Shareholders or which thereafter may accrue in respect of any act or omission prior to such termination.

17. NO PARTNERSHIP

Nothing in the New SHA shall be deemed to constitute a partnership between the Shareholders nor constitute any Shareholder the agent of any other Shareholder for any purpose.

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