

**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 ADVISERS IMMEDIATELY.**

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## **CYPARK RESOURCES BERHAD**

(Registration No. 200401004491 (642994-H))  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED ESTABLISHMENT OF A NEW EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES OF CYPARK RESOURCES BERHAD ("CRB" OR "COMPANY") (EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME OVER THE DURATION OF THE ESOS FOR THE ELIGIBLE EMPLOYEES AND DIRECTORS OF CRB AND ITS SUBSIDIARIES ("PROPOSED ESOS")**

*Principal Adviser*



**PUBLIC INVESTMENT BANK BERHAD**

(Registration No. 197401002880 (20027-W))  
A Participating Organisation Of Bursa Malaysia Securities Berhad  
(Wholly-owned Subsidiary Of Public Bank Berhad)

The ordinary resolutions for the Proposed ESOS will be tabled at the 16<sup>th</sup> Annual General Meeting ("AGM") of CRB. The notice of the AGM of CRB together with Form of Proxy are enclosed in CRB's Annual Report 2020. The AGM will be convened on a fully virtual basis at the broadcast venue, which is the main venue of the AGM, at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur on Thursday, 8 April 2021 at 10:00 a.m. or any adjournment thereof, through live streaming and online remote voting via the Remote Participation and Voting facilities in the Securities Services e-Portal at <https://www.sshsb.net.my>. Please follow the procedures provided in the Administrative Guide of the AGM in order to register, participate and vote remotely via the Securities Services e-Portal.

Should you not be able to participate and vote at the AGM, you are entitled to appoint one (1) or more proxies to participate and vote on your behalf. You should complete, sign and lodge the Form of Proxy enclosed in CRB's Annual Report 2020 at the registered office of CRB at Level 7, Menara Milenium, Jalan Damanlela, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, or submit via fax at 03-2094 9940 and/or 03-2095 0292 or email to [info@sshsb.com.my](mailto:info@sshsb.com.my), not less than 48 hours before the time stipulated for holding the AGM as indicated below. Your proxy appointment may also be lodged electronically via the Securities Services e-Portal at <https://sshsb.net.my>. The lodging of the Form of Proxy will not preclude you from participating and voting remotely at the AGM should you subsequently wish to do so, provided a notice of termination of proxy authority in writing is given to CRB and deposited at the registered office of CRB at Level 7, Menara Milenium, Jalan Damanlela, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than 24 hours before the time stipulated for holding the AGM.

Last day and time for lodging the Form of Proxy : Tuesday, 6 April 2021 at 10:00 a.m.  
Date and time of the 16<sup>th</sup> AGM : Thursday, 8 April 2021 at 10:00 a.m.

This Circular is dated 26 February 2021

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## DEFINITIONS

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For the purpose of this Circular and the accompanying appendices, except where the context otherwise requires, or where otherwise defined herein, the following words and abbreviations shall apply throughout this Circular and shall have the following meanings:

5-day VWAP	: 5-day volume weighted average market price
Act	: Companies Act 2016
AGM	: Annual general meeting
Announcement	: Announcement dated 13 January 2021 in relation to the Proposed ESOS
Board	: Board of Directors of CRB
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (200301033577 (635998-W))
By-Laws	: The rules, terms and conditions of the Proposed ESOS, the draft of which is set out in Appendix I of this Circular
Circular	: This circular to Shareholders dated 26 February 2021 in relation to the Proposed ESOS
COVID-19	: Coronavirus disease
CRB or Company	: Cypark Resources Berhad (200401004491 (642994-H))
CRB Group or Group	: CRB and its subsidiaries, collectively
CRB Share(s) or Share(s)	: Ordinary share(s) in CRB
Date of Acceptance	: The date where the Option Committee shall receive the written notice from the Selected Person(s) accepting an Offer
Date of Offer	: The date of the Offer document, being the date on which a Selected Person is deemed to have been notified of an Offer by the Option Committee
Dato' Daud	: Dato' Daud bin Ahmad
Director(s)	: Executive Director(s) and Non-Executive Director(s) of CRB, collectively
Eligible Person(s)	: Director(s) or employee(s) of the Group (excluding CRB's subsidiaries which are dormant) who meet the eligibility criteria for participation in the Proposed ESOS as set out in the By-Laws
EPS	: Earnings per share
ESOS	: Employees' share option scheme
Executive Director(s)	: A natural person who is a director in a full-time executive capacity who is involved in the day-to-day management and on the payroll of any company within the Group
Exercise Price	: The price at which the Grantee shall be entitled to subscribe for a new CRB Share as set out in the By-Laws
Existing ESOS	: Existing employees' share options scheme which was approved by the Shareholders on 21 April 2015 and expiring on 18 October 2021
Existing ESOS Options	: Share options issued under the Existing ESOS

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**DEFINITIONS (Cont'd)**

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FYE(s)	:	Financial year(s) ended/ending
Grantee(s)	:	Selected Person(s) who has accepted the Offer in accordance with the By-Laws
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	27 January 2021, being the latest practicable date prior to the issuance of this Circular
Major Shareholder(s)	:	Any person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares in the Company, is:  (a) 10% or more of the total number of voting shares in the Company; or  (b) 5% or more of the total number of voting shares in the Company, where such person is the largest shareholder of the Company.  For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act
Market Day(s)	:	Any day(s) between Monday and Friday (inclusive of both days) on which Bursa Securities is open for trading of securities
Maximum Scenario	:	Scenario based on the total issued CRB Shares of 480,293,353 CRB Shares (net of 7,630,100 treasury shares) as at the LPD and assuming:  (i) all of the 37,068,000 Outstanding Existing ESOS Options as at the LPD are fully exercised;  (ii) no further options are granted under the Existing ESOS; and  (iii) all of the 7,630,100 treasury shares as at the LPD are resold in the open market at cost.
MFRS 2	:	Malaysian Financial Reporting Standards 2 which relates to share based payments, as issued by the Malaysian Accounting Standards Board
Minimum Scenario	:	Scenario based on the total issued CRB Shares of 480,293,353 CRB Shares (net of 7,630,100 treasury shares) as at the LPD and assuming:  (i) none of the 37,068,000 Outstanding Existing ESOS Options as at the LPD are exercised;  (ii) no further options are granted under the Existing ESOS; and  (iii) none of the 7,630,100 treasury shares as at the LPD are resold in the open market at cost.
NA	:	Net assets attributable to the Shareholders
New ESOS Options	:	Share options issued pursuant to the Proposed ESOS
Non-Executive Director(s)	:	A natural person who is a director holding a non-executive capacity who does not engage in the day-to-day management of the Group
Offer	:	An offer to take up options to subscribe for CRB Shares made in writing by the Option Committee to any Eligible Person(s) in accordance with the By-Laws
Option Committee	:	The committee to be appointed by the Board to administer the Proposed ESOS in accordance with the By-Laws

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**DEFINITIONS (Cont'd)**

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Outstanding ESOS Options	:	Share options issued under the Existing ESOS that has yet to be exercised
PAT	:	Profit after taxation
PIVB or Principal Adviser	:	Public Investment Bank Berhad (197401002880 (20027-W))
Proposed ESOS	:	Proposed establishment of a new ESOS of up to 15% of the number of issued CRB Shares (excluding treasury shares) at any point in time over the duration of the ESOS for the eligible employees and Directors of the Group
Tan Sri Razali	:	Tan Sri Razali Bin Ismail
RM and sen	:	Ringgit Malaysia and sen, respectively
Selected Person(s)	:	Eligible Person(s) to whom an Offer is being made pursuant to the By-Laws
Shareholder(s)	:	Shareholders of CRB
Share Registrar	:	Securities Services (Holdings) Sdn Bhd (197701005827 (36869-T))

All references to “you” in this Circular are references to the Shareholders. Words referring to the singular shall, where applicable, include the plural and *vice versa*, and words referring to the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Any reference to persons shall include a corporation, unless otherwise specified.

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

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

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**CONTENTS**

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**LETTER TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED ESOS      PAGE  
CONTAINING:**

1.	INTRODUCTION	1
2.	DETAILS OF THE PROPOSED ESOS	2
3.	RATIONALE FOR THE PROPOSED ESOS	6
4.	EFFECTS OF THE PROPOSED ESOS	7
5.	HISTORICAL SHARE PRICES	11
6.	INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVES AND/OR PERSONS CONNECTED	11
7.	APPROVALS REQUIRED	12
8.	DIRECTORS' STATEMENT AND RECOMMENDATION	13
9.	OTHER CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION	13
10.	ESTIMATED TIMEFRAME FOR COMPLETION	13
11.	AGM	13
12.	FURTHER INFORMATION	13

**APPENDICES**

I.	DRAFT BY-LAWS FOR THE PROPOSED ESOS	14
II.	FURTHER INFORMATION	39

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## EXECUTIVE SUMMARY

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**ALL DEFINITIONS USED IN THIS EXECUTIVE SUMMARY SHALL HAVE THE SAME MEANING AS THE WORDS AND EXPRESSIONS PROVIDED IN THE “DEFINITIONS” SECTION AND CONTEXT OF THE CIRCULAR.**

**THIS EXECUTIVE SUMMARY HIGHLIGHTS ONLY THE PERTINENT INFORMATION OF THE PROPOSED ESOS. SHAREHOLDERS ARE ADVISED TO READ THIS CIRCULAR IN ITS ENTIRETY FOR FURTHER DETAILS AND CAREFULLY CONSIDER THE INFORMATION AND RECOMMENDATION CONTAINED IN THE LETTER FROM THE BOARD TO THE SHAREHOLDERS BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ESOS TO BE TABLED AT THE FORTHCOMING AGM OF CRB.**

Key information	Description
<b>Summary of the Proposed ESOS</b>	<ul style="list-style-type: none"><li>• The Company currently has an Existing ESOS, which was implemented on 19 October 2015 (“<b>Commencement Date</b>”), after receiving approval from its Shareholders at the AGM held on 21 April 2015. The Existing ESOS has been in force for a period of 5 years since the Commencement Date. On 9 October 2020, the Company announced that the Existing ESOS has been extended for a further period of 1 year from 19 October 2020 and will expire on 18 October 2021.</li><li>• The Proposed ESOS will involve the granting of New ESOS Options to Selected Person(s), in accordance with the By-Laws governing the Proposed ESOS. The New ESOS Options granted under the Proposed ESOS shall entitle the Selected Person(s) to subscribe for new CRB Shares at an Exercise Price to be determined at a later date.</li><li>• The Proposed ESOS is intended to replace the Existing ESOS and will only be implemented upon expiration of the Existing ESOS.</li><li>• The maximum number of new CRB Shares to be allotted and/or issued pursuant to the exercise of the New ESOS Options that may be granted under the Proposed ESOS shall not exceed in aggregate 15% of the total number of issued CRB Shares (excluding treasury shares) at any point in time when an Offer is made throughout the duration of the Proposed ESOS.</li></ul> <p>Further details of the Proposed ESOS are set out in Section 2 of this Circular.</p>
<b>Rationale for the Proposed ESOS</b>	<ul style="list-style-type: none"><li>• To recognise and reward the Eligible Person(s) by giving recognition to their contributions and services that are considered vital to the operations, hence motivating employee performance to create sustainable growth and profitability for the Group.</li><li>• To motivate, retain and reward Eligible Person(s) who, upon exercising their New ESOS Options, would be given the opportunity to participate in the equity of the Company and thereby relate their contribution directly to the performance of the Group.</li><li>• To attract prospective skilled and experienced employees to the Group.</li></ul> <p>Further details on the rationale for the Proposed ESOS are set out in Section 3 of this Circular.</p>
<b>Approvals required</b>	<p>The Proposed ESOS is subject to approvals being obtained from the following:</p> <ul style="list-style-type: none"><li>(i) Bursa Securities for the listing of such number of new CRB Shares, representing up to 15% of the total number of issued CRB Shares (excluding treasury shares) to be issued pursuant to the Proposed ESOS, which was obtained vide its letter dated 27 January 2021;</li><li>(ii) the Shareholders at the forthcoming AGM of the Company; and</li><li>(iii) any other relevant authorities, if required.</li></ul> <p>Further details on the approvals required are set out in Section 7 of this Circular.</p>
<b>Directors’ recommendation</b>	<p>The Board, having considered all aspects of the Proposed ESOS, is of the opinion that the Proposed ESOS is in the best interest of the Company.</p> <p>Accordingly, the Board recommends that the Shareholders vote in favour of the ordinary resolutions in relation to the Proposed ESOS (save for the Directors’ respective allocations and allocations to persons connected to them under the Proposed ESOS) to be tabled at the forthcoming AGM of the Company.</p>

**LETTER TO THE SHAREHOLDERS IN RELATION  
TO THE PROPOSED ESOS**



**CYPARK RESOURCES BERHAD**  
(Registration No. 200401004491 (642994-H))  
(Incorporated in Malaysia)

**Registered Office:**  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur

26 February 2021

**Board of Directors:**

Tan Sri Razali bin Ismail (*Executive Chairman/Non-Independent Executive Director*)  
Dato' Daud bin Ahmad (*Group Chief Executive Officer/Non-Independent Executive Director*)  
Dato' Dr. Freezailah bin Che Yeom (*Independent Non-Executive Director*)  
Datuk Abdul Malek bin Abdul Aziz (*Independent Non-Executive Director*)  
Encik Headir bin Mahfidz (*Independent Non-Executive Director*)  
Encik Megat Abdul Munir bin Megat Abdullah Rafea (*Independent Non-Executive Director*)

**To: The Shareholders**

Dear Sir/Madam,

**PROPOSED ESOS**

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**1. INTRODUCTION**

On 13 January 2021, PIVB, on behalf of the Board, announced that the Company is proposing to undertake the Proposed ESOS.

On 29 January 2021, PIVB had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 27 January 2021, granted its approval for the listing of such number of new CRB Shares, representing up to 15% of the total number of issued CRB Shares (excluding treasury shares) to be issued pursuant to the Proposed ESOS.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED ESOS AND TO SEEK YOUR APPROVALS FOR THE RESOLUTIONS IN RELATION TO THE PROPOSED ESOS TO BE TABLED AT THE FORTHCOMING AGM OF CRB TO BE CONVENED. THE INFORMATION CONTAINED IN THE APPENDICES FORM PART OF THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH APPENDICES CAREFULLY BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS AT THE FORTHCOMING AGM OF CRB.**



## 2. DETAILS OF THE PROPOSED ESOS

The Company currently has an Existing ESOS, which was implemented on 19 October 2015 (“**Commencement Date**”), after receiving approval from its Shareholders at the AGM held on 21 April 2015. The Existing ESOS has been in force for a period of 5 years since the Commencement Date. On 9 October 2020, the Company announced that the Existing ESOS has been extended for a further period of 1 year from 19 October 2020 and will expire on 18 October 2021. For information purposes, the Existing ESOS Options may continue to be granted in accordance with the by-laws of the Existing ESOS until its expiry on 18 October 2021.

The details on the total number of the Existing ESOS Options granted and exercised since the Commencement Date of the Existing ESOS up to the LPD are as follows:

No. of Existing ESOS Options granted	No. of Existing ESOS Options exercised	No. of Outstanding ESOS Options	Percentage of total shares issued
71,959,500	34,891,500	37,068,000	48.49%

The Existing ESOS Options were granted to the eligible employees of the Group based on the following criteria:

- (i) confirmed staff;
- (ii) length of service; and
- (iii) ranking/staff grade.

The total number of the Existing ESOS Options granted to and exercised by Directors since the Commencement Date of the Existing ESOS up to the LPD is as follows:

No. of Existing ESOS Options granted	No. of Existing ESOS Options exercised	No. of Outstanding ESOS Options
34,200,000	8,800,000	25,400,000

The aggregate maximum allocation to Directors and senior management of the Company and the actual percentage issued to them is as follows:

	FYE 31 October				
	2017	2018	2019	2020	2021
Aggregate maximum allocation in percentage	Not applicable as there is no maximum allocation provided in the existing by-laws or determined by the current option committee				
Actual percentage granted	85.4%	-	-	88.2%	56.9%

Notwithstanding the above, the Proposed ESOS will involve the granting of New ESOS Options to Selected Person(s), in accordance with the By-Laws governing the Proposed ESOS. The New ESOS Options granted under the Proposed ESOS shall entitle the Selected Person(s) to subscribe for new CRB Shares at an Exercise Price to be determined at a later date.

The Proposed ESOS will be administered by the Option Committee consisting of such number of person(s) as shall be appointed by the Board from time to time in accordance with the By-Laws. Under the Proposed ESOS, an Eligible Person may, at the discretion of the Option Committee, be offered a certain number of New ESOS Options by way of an Offer, based on the criteria mentioned in Section 2.3 of this Circular, at the Date of Offer.

The Option Committee may at its absolute discretion decide that the New ESOS Options be satisfied via the following methods:

- (i) issuance of new CRB Shares;
- (ii) transfer of CRB's treasury shares (if any) or any other methods as may be permitted by the Act; or
- (iii) a combination of the above.

In considering the mode of satisfaction as referred to in items (i) to (iii) above, the Option Committee will take into consideration amongst others, factors such as the prevailing market price of CRB Shares and the potential cost arising from the granting of New ESOS Options.

For the avoidance of doubt, the Proposed ESOS is intended to replace the Existing ESOS and will only be implemented upon expiration of the Existing ESOS.

The salient terms of the By-Laws of the Proposed ESOS are set out below.

## **2.1 Maximum number of new CRB Shares available under the Proposed ESOS**

The maximum number of new CRB Shares to be allotted and/or issued pursuant to the exercise of the New ESOS Options that may be granted under the Proposed ESOS shall not exceed in aggregate 15% of the total number of issued CRB Shares (excluding treasury shares) at any point in time when an Offer is made throughout the duration of the Proposed ESOS.

## **2.2 Basis of allotment and maximum allowable allotment of new CRB Shares**

Subject to any adjustments which may be made under the By-Laws, the aggregate number of new CRB Shares comprised in the New ESOS Options to be offered to an Eligible Person shall be determined at the sole and absolute discretion of the Option Committee, after taking into consideration, amongst other factors, the Selected Person's position, seniority, contribution, duration of service, job performance, potential for future development and such other factors that the Option Committee may deem fit in its discretion, subject to the following:

- (a) that the number of New ESOS Options made available under the Proposed ESOS shall not exceed the amount stipulated in Section 2.1 above;
- (b) the allocation to any Selected Person(s) who, either singly or collectively through persons connected with him, holds 20% or more of the total number of issued CRB Shares (excluding treasury shares, if any) does not exceed 10% of the total number of new CRB Shares to be issued under the Proposed ESOS at any point in time when an Offer is made; and
- (c) the Directors and employees of the Group do not participate in the voting, deliberation or discussion of their own allocations of New ESOS Options under the Proposed ESOS,

provided always that it is in compliance with the Listing Requirements, any prevailing guidelines, rules, regulations or requirements as amended from time to time issued by any other relevant regulatory authorities.

The Option Committee will also have the discretion to determine, amongst others:

- (i) whether the New ESOS Options are subject to any vesting period and if so, the vesting conditions and whether such vesting is subject to achieving a performance target; and
- (ii) such other terms and conditions it shall deem fit and appropriate to be imposed for participation in the Proposed ESOS.

Subject to the By-Laws, there are no performance targets to be achieved by the Eligible Person(s) or vesting period for the New ESOS Options, unless otherwise stated in the Offer as determined by the Option Committee from time to time.

### **2.3 Eligibility to participate in the Proposed ESOS**

Any employee or Director of the Group (excluding subsidiaries which are dormant) shall be eligible to participate in the Proposed ESOS and qualify for selection by the Option Committee, if, as at the Date of Offer (where applicable):

- (a) such employee or Director has attained the age of 18 years;
- (b) such employee has been employed on a full time basis and is on the payroll of any company within the CRB Group and his employment has been confirmed or such employee is serving in a specific designation under an employment contract for a fixed duration of at least 1 year;
- (c) such Director has been appointed as a Director of CRB or any company in the CRB Group;
- (d) such employee or Director is not a participant of any other employee share option scheme implemented by any company within the CRB Group which is in force for the time being; and
- (e) such employee or Director has fulfilled any other eligibility criteria and/or falls within such grade/category as may be determined by the Option Committee at its sole discretion from time to time,

provided that nothing herein shall invalidate any selection of any Eligible Person(s) which may have been made by the Board on or prior to the Effective Date (as defined in Section 2.4 below). For the avoidance of doubt, the Option Committee may determine any other eligibility criteria and/or waive any of the conditions of eligibility as set out in the By-Laws, for purposes of selecting an Eligible Person at any time and from time to time, in the Option Committee's discretion.

### **2.4 Duration of the Proposed ESOS**

The Proposed ESOS shall be in force for a period of 5 years commencing from the effective date of the implementation of the Proposed ESOS ("**Effective Date**"), which shall be the date of full compliance with all relevant requirements including the following:

- (i) submission of the final copy of the By-Laws to Bursa Securities;
- (ii) receipt of approval-in-principle for the issuance, and listing of and quotation for the CRB Shares to be issued under the Proposed ESOS from Bursa Securities;
- (iii) procurement of Shareholders' approval for the Proposed ESOS;
- (iv) receipt of approval of any other relevant authorities, where applicable; and
- (v) fulfilment of all conditions attached to the above approvals, if any.

On or before the expiry of the Proposed ESOS, the Board shall have the absolute discretion, without having to obtain sanction, approval or authorisation of the Shareholders in a general meeting, to extend the duration of the Proposed ESOS upon recommendation of the Option Committee provided that the initial period of the Proposed ESOS and such extension of the Proposed ESOS made pursuant to the By-Laws shall not in aggregate exceed the duration of 10 years from the Effective Date. In the event the Proposed ESOS is extended, the Option Committee shall furnish a written notification to all Grantees and the Company shall make necessary announcements to Bursa Securities prior to the proposed extension of the Proposed ESOS.

## **2.5 Exercise Price**

Subject to any adjustment in accordance with the By-Laws, the Exercise Price shall be determined based on the 5-day VWAP of the CRB Shares immediately preceding the Date of Offer, with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the ESOS.

The Proposed ESOS may be implemented in tranches, with each tranche being assigned with a different Exercise Price. In such scenario, the number of New ESOS Options to be allocated shall be decided by the Option Committee at its sole and absolute discretion and each tranche shall be separate and independent from the others.

The exercise price as determined by the Board shall be conclusive and binding on the Selected Person(s) who have accepted the Offer(s).

## **2.6 Ranking of the New ESOS Options and new CRB Shares to be issued arising from the exercise of the New ESOS Options**

The new CRB Shares to be issued and/or transferred via treasury shares upon any exercise of the New ESOS Options will upon such allotment and issuance, rank equally in all respects with the existing CRB Shares except that the new CRB Shares so issued will not be entitled to any dividends, rights, allotments and/or other distributions, where the entitlement date of such distributions precedes the relevant date of allotment and issuance of such CRB Shares.

## **2.7 Retention period**

The new CRB Shares to be allotted and issued to the Grantees pursuant to the exercise of the New ESOS Options under the Proposed ESOS will not be subject to any retention period, unless otherwise as stated in the Offer as determined by the Option Committee from time to time. However, the Grantees are encouraged to hold the new CRB Shares as a long-term investment and not for any speculative and/or for the realisation of any immediate gain.

A Non-Executive Director of the Company must not sell, transfer or assign the new CRB Shares obtained through the exercise of the New ESOS Options offered to him pursuant to the Proposed ESOS within one (1) year from the date of offer of such New ESOS Options.

## **2.8 Listing and quotation for the new CRB Shares to be issued arising from the exercise of the New ESOS Options**

Bursa Securities had, vide its letter dated 27 January 2021, granted its approval for the listing of such number of new CRB Shares, representing up to 15% of the total number of issued CRB Shares (excluding treasury shares) to be issued pursuant to the Proposed ESOS.

## **2.9 Utilisation of proceeds**

The actual amount of proceeds to be raised from the Proposed ESOS will depend on the number of New ESOS Options granted and exercised at the relevant point of time and the Exercise Price payable upon the exercise of the New ESOS Options, respectively.

The proceeds to be raised from the Proposed ESOS will be utilised for the working capital requirements of the Group, as and when received. Thus, the exact timeframe for utilisation of such proceeds is not determinable at this juncture.

The proceeds for working capital will be utilised to finance the Group's day-to-day operational costs including, amongst others, repayment to trade creditors as well as general expenses such as but not limited to staff costs, office rental costs and utilities. Notwithstanding the above, a detailed breakdown of each component of the working capital requirements of the Group cannot be determined at this juncture as there is no certainty in the timing and amount to be raised from the Proposed ESOS.

The estimated expenses for the Proposed ESOS is RM80,000.

#### **2.10 Amendment and/or modification to the By-Laws**

Subject to the compliance with the Listing Requirements and any other relevant authorities, the Option Committee may at any time recommend to the Board, who shall have the power at any time and from time to time by resolution to amend and/or modify all or part of the By-Laws and the Board shall have the power by resolution to add, amend or modify and/or delete all or any of the By-Laws under such recommendation.

The approval of the Shareholders in general meeting shall not be required in respect of additions, amendments to, or deletions of these By-Laws except that subject to any applicable laws, no addition, amendment or deletion shall be made to the By-Laws without the prior approval of the Shareholders in a general meeting which would:

- (a) prejudice any rights which have accrued to any Grantee without his prior consent; or
- (b) increase the number of new CRB Shares available under the Proposed ESOS beyond the maximum imposed as set out in Section 2.1 above; or
- (c) alter any matter which are required to be contained in the By-Laws by virtue of Appendix 6E of the Listing Requirements to the advantage of the Selected Person(s).

### **3. RATIONALE FOR THE PROPOSED ESOS**

The Existing ESOS, which was approved by the Shareholders at the AGM which was held on 21 April 2015 and implemented on 19 October 2015, is set to expire on 18 October 2021. As such, the Company proposes to establish and implement the Proposed ESOS, which is intended to replace the existing ESOS upon its expiration.

The Proposed ESOS is established primarily to achieve the following objectives:

- (i) to recognise and reward the Eligible Person(s) by giving recognition to their contributions and services that are considered vital to the operations, hence motivating employee performance to create sustainable growth and profitability for the Group;
- (ii) to motivate, retain and reward Eligible Person(s) who, upon exercising their New ESOS Options, would be given the opportunity to participate in the equity of the Company and thereby relate their contribution directly to the performance of the Group; and
- (iii) to attract prospective skilled and experienced employees to the Group.

The Proposed ESOS is also extended to Non-Executive Directors of the Company in recognition of their contribution to CRB and to enable them to participate in the Company's future growth.

The Company has not undertaken any equity fund raising exercise in the past 12 months before the date of the Announcement.

#### 4. EFFECTS OF THE PROPOSED ESOS

For illustrative purposes only, the pro forma effects of the Proposed ESOS based on the Minimum Scenario and Maximum Scenario, and include the assumption that all the New ESOS Options are granted at once and exercised in full are set out below.

##### 4.1 Share capital

The Proposed ESOS will not have an immediate effect on CRB's share capital until and unless new CRB Shares are issued pursuant to the exercise of the New ESOS Options granted and vested under the Proposed ESOS. CRB's issued share capital will increase progressively depending on the number of new CRB Shares, which are issued pursuant to the exercise of the New ESOS Options.

For illustrative purposes, assuming full exercise of all the New ESOS Options available under the Proposed ESOS, the pro forma effects of the Proposed ESOS on the share capital of CRB are set out below:

##### Minimum Scenario

	No. of CRB Shares	RM
As at the LPD	480,293,353	408,959,291
To be issued pursuant to the Proposed ESOS	<sup>(a)</sup> 72,044,002	<sup>(b)</sup> 90,055,003
<b>Total enlarged share capital</b>	<b>552,337,355</b>	<b>499,014,294</b>

Notes:

- (a) Assuming the maximum grant and full exercise of the New ESOS Options of up to 15% of the number of issued CRB Shares pursuant to the Proposed ESOS.
- (b) The Exercise Price for each New ESOS Option is assumed at RM1.25, representing 8.96% discount to the 5-day VWAP of CRB Shares up to and including the LPD of RM1.3730 per CRB Share.

##### Maximum Scenario

	No. of CRB Shares	RM
As at the LPD	480,293,353	408,959,291
To be issued assuming full exercise of the outstanding Existing ESOS Options <sup>(a)</sup>	37,068,000	27,112,210
Assuming all the treasury shares are resold in the open market at cost	7,630,100	5,790,060
	524,991,453	441,861,561
To be issued pursuant to the Proposed ESOS	<sup>(b)</sup> 78,748,717	<sup>(c)</sup> 98,435,896
<b>Total enlarged share capital</b>	<b>603,740,170</b>	<b>540,297,457</b>

Notes:

- (a) Assuming the issuance of new CRB Shares pursuant to the following:
- (i) the issue of 28,118,000 new CRB Shares upon full exercise of 28,118,000 outstanding Existing ESOS Options at the exercise price of RM0.595 as per the offer dated 26 March 2020; and
- (ii) the issue of 8,950,000 new CRB Shares upon full exercise of 8,950,000 outstanding Existing ESOS Options at the exercise price of RM1.16 as per the offer dated 19 January 2021.

- (b) *Assuming the maximum grant and full exercise of the New ESOS Options of up to 15% of the number of issued CRB Shares pursuant to the Proposed ESOS.*
- (c) *The Exercise Price for each New ESOS Option is assumed at RM1.25, representing 8.96% discount to the 5-day VWAP of CRB Shares up to and including the LPD of RM1.3730 per CRB Share.*

#### **4.2 Earnings and EPS**

The Proposed ESOS is not expected to have any material effect on the consolidated earnings and EPS of the Company for the FYE 31 October 2021, save for the possible impact of the MFRS 2 upon granting of the New ESOS Options. However, any potential effect on the Group's EPS in the future would depend on the impact of MFRS 2, the number of New ESOS Options exercised, the Exercise Price and the utilisation of the proceeds arising therefrom.

Under the MFRS 2, the potential cost arising from the issuance of the New ESOS Options, which is measured by the fair value of the New ESOS Options after taking into consideration, *inter alia*, the number of New ESOS Options granted and vested and the Exercise Price, will need to be measured at the grant date and be recognised as an expense over the vesting period of the New ESOS Options, and may therefore affect the future earnings of the Group, the quantum of which can only be determined at the grant date. However, the estimated cost does not represent a cash outflow as it is merely an accounting treatment.

Nonetheless, the Company has taken note of the potential impact of MFRS 2 on the Group's future earnings and will take into consideration such impact in the allocation and granting of the New ESOS Options under the Proposed ESOS.

Notwithstanding the above and excluding the effects of the future earnings contribution to the Group and the potential cost arising from the issuance of the New ESOS Options under MFRS 2, the Proposed ESOS will have a dilutive effect on the consolidated EPS of the Company due to the increase in the number of CRB Shares resulting from the issuance of new CRB Shares arising from the exercise of the New ESOS Options.

#### **4.3 NA and gearing**

Save for the potential impact of MFRS 2 as elaborated in Section 4.2 above, the Proposed ESOS is not expected to have an immediate effect on the consolidated NA, NA per CRB Share and gearing of the Company until such time that the New ESOS Options are exercised pursuant to the Proposed ESOS. The effects will depend on, amongst others, the number of new CRB Shares to be issued upon the exercise of the New ESOS Options and the Exercise Price.

Upon the exercise of the New ESOS Options, the NA per CRB Share of the Company is expected to increase if the Exercise Price is higher than the consolidated NA per CRB Share at such point of exercise, and decrease if the Exercise Price is lower than the NA per CRB Share at such point of exercise.

#### **4.4 Convertible securities**

Save for the Existing ESOS, the Company does not have any other convertible securities as at the LPD. The Proposed ESOS will not have any effect on the by-laws of the Existing ESOS.

#### **4.5 Substantial shareholders' shareholdings**

The Proposed ESOS is not expected to have any immediate effect on the substantial shareholder's shareholdings of CRB until and unless new CRB Shares are issued in conjunction with the exercise of New ESOS Options granted and exercised under the Proposed ESOS. However, if and when the New ESOS Options are exercised in the future, the percentage shareholdings of the substantial shareholders will be diluted accordingly.

The pro forma effects of the Proposed ESOS on the substantial shareholders' shareholdings of CRB are set out below:

**Minimum Scenario**

Substantial shareholders	As at the LPD				After the Proposed ESOS			
	Direct interests		Deemed interests		Direct interests		Deemed interests	
	No. of CRB Shares held	%	No. of CRB Shares held	%	No. of CRB Shares held	%	No. of CRB Shares held	%
Tan Sri Razali bin Ismail	38,841,820	8.09	-	-	38,841,820	7.03	-	-
Dato' Daud bin Ahmad	63,998,484	13.32	-	-	63,998,484	11.59	-	-
Employees Provident Fund Board	29,945,350	6.23	-	-	29,945,350	5.42	-	-
Amanahraya Trustees Berhad – Amanah Saham Bumiputera (“ASB”)	29,859,800	6.22	-	-	29,859,800	5.41	-	-

**Maximum Scenario**

Substantial shareholders	As at the LPD				After the Proposed ESOS			
	Direct interests		Deemed interests		Direct interests		Deemed interests	
	No. of CRB Shares held	%	No. of CRB Shares held	%	No. of CRB Shares held	%	No. of CRB Shares held	%
Tan Sri Razali bin Ismail	38,841,820	8.09	-	-	<sup>(a)</sup> 42,841,820	7.10	-	-
Dato' Daud bin Ahmad	63,998,484	13.32	-	-	<sup>(a)</sup> 83,523,484	13.83	-	-
Employees Provident Fund Board	29,945,350	6.23	-	-	29,945,350	4.96	-	-
ASB	29,859,800	6.22	-	-	29,859,800	4.95	-	-

Note:

(a) Excludes any New ESOS Options that may be offered under the Proposed ESOS as such amount cannot be determined at this juncture.



#### **4.6 Financial and operational impact of COVID-19 on the Group**

The World Health Organisation had on 11 March 2020 declared the COVID-19 outbreak as a global pandemic. Following this, most countries have taken drastic measures by shutting down non-essential activities to contain the spread of COVID-19, including Malaysia.

The Group has 4 business segments comprising of the environmental engineering segment, green technology and renewable energy segment, landscaping and infrastructure segment, together with the maintenance segment. As the green technology and renewable energy segment, as well as maintenance segment are deemed as essential services, the operations from these segments were not affected by the various movement control orders implemented by the Malaysian Government. However, the operations and site work activities of the environmental engineering segment and landscaping and infrastructure segment were temporarily suspended and/or slowed down as these segments are deemed as non-essential services. This temporary suspension and/or slow down had resulted in the Group's lower revenue of RM304.00 million and lower PAT of RM70.69 million for the FYE 31 October 2020, as compared to RM376.74 million and RM91.28 million for the FYE 31 October 2019, respectively.

Notwithstanding the above, the Group will monitor the COVID-19 pandemic situation closely and introduce measures to ensure sustainability of the Group and minimise disruptions to its operations, if any. In the longer term, the Group remains optimistic due mainly to the initiatives implemented by the Malaysian Government to spur the growth of Malaysia's renewable energy industry, such as the Malaysian Electricity Supply Industry (MESI) 2.0 initiative.

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## 5. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of CRB Shares traded on the Main Market of Bursa Securities for the past 12 months up to January 2021 (being the last full trading month prior to the printing of the Circular), are as follows:

	CRB Shares	
	Low	High
	RM	RM
<b><u>2020</u></b>		
February	1.110	1.410
March	0.605	1.200
April	0.745	0.950
May	0.860	0.965
June	0.910	1.090
July	0.935	1.060
August	0.910	0.995
September	0.860	0.960
October	0.800	0.940
November	0.790	1.450
December	1.170	1.560
<b><u>2021</u></b>		
January	1.170	1.600
Last transacted market price as at 12 January 2021, being the last trading date prior to the date of the Announcement	1.230	
Last transacted market price as at the LPD	1.400	

(Source: Bloomberg)

## 6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVES AND/OR PERSONS CONNECTED

All the Directors are entitled to participate in the Proposed ESOS and are therefore deemed interested in the Proposed ESOS to the extent of their respective allocations under the Proposed ESOS. Notwithstanding that, the Directors have deliberated on the Proposed ESOS and have resolved to present the Proposed ESOS to the Shareholders for their consideration and approval.

However, all Directors have and will continue to abstain from all Board deliberations and voting in respect of their respective proposed allocation, and the proposed allocations of persons connected to them under the Proposed ESOS, if any, at the relevant Board meetings. The Directors who are deemed persons connected to Eligible Persons under the Proposed ESOS, if any, have and will continue to abstain from all Board deliberations and voting in respect of the proposed allocations of persons connected to them under the Proposed ESOS, if any, at the relevant Board meetings.

All Directors will abstain from voting in respect of their direct and/or indirect shareholdings, if any, at the forthcoming AGM of CRB in respect of the ordinary resolutions to be tabled for their respective proposed allocation as well as the proposed allocations to the persons connected to them, if any, under the Proposed ESOS.

All Directors will undertake to ensure that persons connected to them, if any, will abstain from voting in respect of their direct and/or indirect shareholdings, if any, on the ordinary resolutions pertaining to their respective proposed allocations, and the proposed allocations to the persons connected to them, if any, to be tabled at the forthcoming AGM of CRB.

As at the LPD, the Directors of CRB and their direct and indirect shareholdings in CRB are set out below:

Director	Direct interests		Deemed interests	
	No. of CRB Shares held	%	No. of CRB Shares held	%
Tan Sri Razali bin Ismail	38,841,820	8.09	-	-
Dato' Daud bin Ahmad <sup>(a)</sup>	63,998,484	13.32	-	-
Dato' Dr. Freezailah bin Che Yeom	290,900	0.06	-	-
Datuk Abdul Malek bin Abdul Aziz	52,400	0.01	-	-
Headir bin Mahfidz	161,650	0.03	-	-
Megat Abdul Munir bin Megat Abdullah Rafaie	30,800	0.01	-	-

Note:

(a) Dato' Daud bin Ahmad is also a Major Shareholder and the Group Chief Executive Officer.

## 7. APPROVALS REQUIRED

The Proposed ESOS is conditional upon approvals being obtained from the following:

- (i) Bursa Securities for the listing of such number of new CRB Shares, representing up to 15% of the total number of issued shares of CRB (excluding treasury shares) to be issued pursuant to the Proposed ESOS, which was obtained vide its letter dated 27 January 2021, subject to the following conditions:

Conditions	Status of compliance
(a) CRB and PIVB must fully comply with the relevant provisions under the Listing Requirements at all times pertaining to the implementation of the Proposed ESOS, including compliance with Paragraph 8.19 of the Listing Requirements;	To be complied
(b) PIVB is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed ESOS; and	To be complied
(c) CRB is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the Proposed ESOS as at the end of each quarter together with a detail computation of listing fees payable.	To be complied

- (ii) the Shareholders at the forthcoming AGM of the Company; and
- (iii) any other relevant authorities and/or parties, if required.

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

## 8. DIRECTORS' STATEMENT AND RECOMMENDATION

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

Accordingly, the Board recommends that the Shareholders vote in favour of the ordinary resolutions in relation to the Proposed ESOS (save for the Directors' respective allocations and allocations to persons connected to them under the Proposed ESOS) to be tabled at the forthcoming AGM of the Company.

## 9. OTHER CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed ESOS, there is no other outstanding corporate exercise which has been announced by the Company but pending completion prior to the printing of this Circular.

## 10. ESTIMATED TIMEFRAME FOR COMPLETION

Subject to the relevant approvals being obtained and barring any unforeseen circumstances, the Proposed ESOS is expected to be implemented by the 4<sup>th</sup> quarter of 2021.

## 11. AGM

The forthcoming AGM of the Company will be held on Thursday, 8 April 2021 at 10:00 a.m. and will be convened as a fully virtual AGM at the broadcast venue, which is the main venue of the AGM, at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.

Should you not be able to participate and vote at the AGM, you are entitled to appoint one (1) or more proxies to participate and vote on your behalf. You should complete, sign and lodge the Form of Proxy enclosed in CRB's Annual Report 2020 at the registered office of CRB at Level 7, Menara Milenium, Jalan Damanlela, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submit via fax at 03-2094 9940 and/or 03-2095 0292 or email to [info@sshshb.com.my](mailto:info@sshshb.com.my), not less than 48 hours before the time stipulated for holding the AGM. Your proxy appointment may also be lodged electronically via the Securities Services e-Portal at <https://sshshb.net.my>. The lodging of the Form of Proxy will not preclude you from participating and voting remotely at the AGM should you subsequently wish to do so, provided a notice of termination of proxy authority in writing is given to CRB and deposited at the registered office of CRB at Level 7, Menara Milenium, Jalan Damanlela, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than 24 hours before the time stipulated for holding the AGM.

## 12. FURTHER INFORMATION

Shareholders are advised to refer to the appendices of this Circular for further information.

Yours faithfully,  
for and on behalf of the Board of Directors of  
**CYPARK RESOURCES BERHAD**

**Dato' Daud bin Ahmad**  
Group Chief Executive Officer/Non-Independent Executive Director

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**DRAFT BY-LAWS FOR THE PROPOSED ESOS**


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**1. DEFINITIONS AND INTERPRETATIONS**

1.1 In these By-Laws, unless otherwise specified, the following definitions shall, where the context so admits, be deemed to have the following meanings:

<b>“Act”</b>	:	Companies Act, 2016
<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 to act as a Principal Adviser as defined in the Securities Commission Malaysia’s Principal Adviser Guidelines
<b>“Auditor”</b>	:	An approved company auditor as defined in Section 2 of the Act, of the Company for the time being or such other external auditors as may be nominated by the Board
<b>“Board”</b>	:	Board of Directors of the Company
<b>“Bursa Depository”</b>	:	Bursa Malaysia Depository Sdn Bhd ( <i>Registration No.: 198701006854 (165570-W)</i> )
<b>“Bursa Securities”</b>	:	Bursa Malaysia Securities Berhad ( <i>Registration No.: 200301033577 (635998-W)</i> )
<b>“By-Laws”</b>	:	The rules, terms and conditions of the Scheme (as may be amended from time to time and to be adopted pursuant to By-Law 17)
<b>“CDS”</b>	:	A Central Depository System governed under the Central Depositories Act
<b>“CDS Account”</b>	:	An account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities
<b>“Central Depositories Act”</b>	:	Securities Industry (Central Depositories) Act, 1991
<b>“Constitution”</b>	:	Constitution of the Company
<b>“CRB” or “Company”</b>	:	Cypark Resources Berhad ( <i>Registration No.: 200401004491 (642994-H)</i> )
<b>“CRB Group” or “Group”</b>	:	Company and its subsidiaries incorporated in Malaysia as defined in Section 4 of the Act
<b>“Date of Allocation”</b>	:	A date to be determined by the Option Committee to be the date on which a Selected Person is deemed eligible to participate in the Scheme
<b>“Date of Expiry”</b>	:	The last day of an Option Period
<b>“Date of Offer”</b>	:	The date of the Offer Letter, as described in By-Law 5.3, being the date on which a Selected Person is deemed to have been notified of an Offer by the Option Committee
<b>“Director(s)”</b>	:	Executive Director(s) and Non-Executive Director(s) of CRB, collectively

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DRAFT BY-LAWS FOR THE PROPOSED ESOS (*Cont'd*)

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<b>“Disciplinary Proceedings”</b>	:	Proceedings instituted against a Selected Person for any alleged negligence, misbehaviour, misconduct, fraud, financial misstatement, reputational damage and/or any other act of the Selected Person deemed to be unacceptable by CRB or any of its subsidiaries in the course of that Selected Person’s employment, whether or not such proceedings may give rise to a dismissal or termination of the contract of service of such Selected Person
<b>“Duration of the Scheme”</b>	:	The duration of the Scheme as defined in By-Law 22 and includes any extension or renewal thereof
<b>“Effective Date”</b>	:	The date of commencement of the Scheme being the date of full compliance with all relevant requirements as stated in By-Law 22
<b>“Eligible Person(s)”</b>	:	Director(s) or Employee(s) of the Group (excluding CRB’s subsidiaries which are dormant) who meet the eligibility criteria for participation in the Scheme as stipulated in By-Law 4
<b>“Employee(s)”</b>	:	Any person who is employed by any corporation of the Group and is on the payroll of the Group including any Executive Director of the CRB Group
<b>“Entitlement Date”</b>	:	The date as of the close of business on which, shareholders whose names must appear in the record of depositors of the Company maintained at Bursa Depository in order to participate in any dividend, right, allotment or other distribution
<b>“ESOS Option(s)”</b>	:	The right of a Grantee to subscribe for new Shares at the Exercise Price and where the context so requires, means any part of the ESOS Option as shall remain unexercised
<b>“Executive Director(s)”</b>	:	A natural person who is a director in a full-time executive capacity who is involved in the day-to-day management and on the payroll of any company within the Group
<b>“Exercise Price”</b>	:	The price at which the Grantee shall be entitled to subscribe for a new Share as set out in By-Law 7
<b>“Grantee(s)”</b>	:	Selected Person(s) who has accepted the Offer in accordance with the provisions of By-Law 6
<b>“Listing Requirements”</b>	:	Main Market Listing Requirements of Bursa Securities
<b>“Market Day(s)”</b>	:	Any day(s) between Monday and Friday (inclusive of both days) on which Bursa Securities is open for trading of securities
<b>“Maximum Allowable Allotment”</b>	:	Shall have the same meaning as ascribed to it in By-Law 3.1
<b>“Non-Executive Director(s)”</b>	:	A natural person who is a director holding a non-executive capacity who does not engage in the day-to-day management of the Group
<b>“Notice of Exercise”</b>	:	Shall have the same meaning as ascribed to it in By-Law 9.4
<b>“Offer”</b>	:	An offer to take up options to subscribe for CRB Shares made in writing by the Option Committee to any Eligible Person(s) in accordance with By-Law 5

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**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**


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<b>“Offer Letter”</b>	:	Shall have the same meaning as ascribed to it in By-Law 5.3
<b>“Offeror”</b>	:	Shall have the same meaning as ascribed to it in By-Law 14(a)
<b>“Option Committee”</b>	:	The committee to be appointed by the Board to administer the Scheme in accordance with the provisions of By-Law 17
<b>“Option Period”</b>	:	The period during which an ESOS Option may be exercised as may be specified in the Offer
<b>“Persons Connected”</b>	:	Has the same meaning as that assigned to “Person Connected” in paragraph 1.01 of the Listing Requirements
<b>“Rules of Bursa Depository”</b>	:	The rules of Bursa Depository, as issued pursuant to the Central Depositories Act
<b>“Scheme”</b>	:	Cypark Resources Berhad Group Employees’ Share Option Scheme established by the By-Laws hereto for the grant of ESOS Options to Selected Person to subscribe for new Shares
<b>“Selected Person(s)”</b>	:	Eligible Person(s) to whom an Offer is being made pursuant to By-Law 5
<b>“Share(s)” or “CRB Share(s)”</b>	:	Ordinary share(s) in the Company

1.2 In these By-Laws:

- (a) any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and any Listing Requirements, policies and/or guidelines of Bursa Securities and/or other relevant authorities respectively (in each case, 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 other relevant authorities);
- (b) 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 ESOS Options offered and accepted prior to the Date of Expiry and shall include also any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
- (c) words importing the singular meaning where the context so admits include the plural meaning and vice versa;
- (d) words of the masculine gender include the feminine gender and all such words shall be construed interchangeably in that manner;
- (e) any liberty or power which may be exercised or any determination which may be made hereunder by the Board or the Option Committee may be exercised at the Board's or Option Committee's discretion;
- (f) if an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day; and
- (g) headings in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws.

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**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**

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**2. MAXIMUM NUMBER OF NEW SHARES AVAILABLE UNDER THE SCHEME**

- 2.1 Subject to By-Law 2.2, the maximum number of new Shares to be allotted and/or issued pursuant to the exercise of the ESOS Options that may be granted under the Scheme shall not exceed in aggregate fifteen percent (15%) of the total number of issued CRB Shares (excluding treasury shares) at any point in time when an Offer is made throughout the Duration of the Scheme.
- 2.2 Notwithstanding the provisions of By-Law 2.1 or any other provision herein contained, in the event the maximum number of new Shares comprised in the ESOS Options granted under the Scheme exceeds the aggregate of fifteen percent (15%) of the total number of issued CRB Shares (excluding treasury shares) as a result of the Company purchasing, cancelling or reducing its own Shares in accordance with the provisions of Section 127 of the Act or any other corporate proposal and thereby diminishing the total number of issued CRB Shares, then such ESOS Options granted prior to the adjustment of the total number of issued CRB Shares shall remain valid and exercisable in accordance with the provisions of the Scheme. However, in such a situation, the Company shall not make any more new Offers until the total number of Shares under the subsisting ESOS Options including Shares that have been issued under the Scheme falls below fifteen percent (15%) of the total number of issued CRB Shares (excluding treasury shares).

**3. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOTMENT OF SHARES**

- 3.1 Subject to any adjustments which may be made under By-Law 15, the aggregate number of new Shares comprised in the ESOS Options to be offered to an Eligible Person in accordance with the Scheme shall be determined at the sole and absolute discretion of the Option Committee after taking into consideration, amongst other factors, the Selected Person's position, seniority, contribution, duration of service, job performance, potential for future development and such factors that the Option Committee may deem fit in its discretion, subject to the following:
- (a) that the number of ESOS Options made available under the Scheme shall not exceed the amount stipulated in By-Law 2.1; and
  - (b) the allocation to any Selected Person who, either singly or collectively through Persons Connected with him, holds twenty percent (20%) or more of the total number of issued CRB Shares (excluding treasury shares, if any), does not exceed ten percent (10%) of the total number of new CRB Shares to be issued under the Scheme at any point in time when an Offer is made ("**Maximum Allowable Allotment**"); and
  - (c) the Directors and Employees of the Group do not participate in the voting, deliberation or discussion of their own allocations of ESOS Options under the Scheme,
- provided always that it is in compliance with the Listing Requirements, any prevailing guidelines, rules, regulations or requirements as amended from time to time issued by any other relevant regulatory authorities.
- 3.2 At the time the Offer is made in accordance with By-Law 5, the Option Committee shall set out, among others, the basis of allocation, identifying the category or grade of the Employee and the Maximum Allowable Allotment for the Eligible Person.
- 3.3 Any Selected Person who holds more than one position within the Group and by holding such positions such Selected Person is in more than one category, such Selected Person shall only be entitled to the Maximum Allowable Allotment of any one category. The Option Committee shall be entitled at its discretion to determine the applicable category.
- 3.4 In the event that a Selected Person is promoted, the Maximum Allowable Allotment shall correspond to the category of Employee which such Selected Person falls within as at the Date of Allocation, subject always to the maximum number of Shares as stipulated under By-Law 2.1.



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**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**

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- 3.5 The Option Committee shall also have the discretion to determine, amongst others:
- (i) whether the ESOS Options are subject to any vesting period and if so, the vesting conditions and whether such vesting is subject to achieving a performance target; and
  - (ii) such other terms and conditions it shall deem fit and appropriate to be imposed for participation in the Scheme.

Subject to these By-Laws, there are no performance targets to be achieved by the Eligible Persons or vesting period for the ESOS Options, unless otherwise stated in the Offer as determined by the Option Committee from time to time.

**4. ELIGIBILITY**

- 4.1 Any Employee or Director of the CRB Group shall be eligible to participate in the Scheme and qualify for selection by the Option Committee, if, as at the Date of Allocation (where applicable):-
- (a) such Employee or Director has attained the age of eighteen (18) years;
  - (b) such Employee has been employed on a full time basis and is on the payroll of any company within the CRB Group and his employment has been confirmed or such Employee is serving in a specific designation under an employment contract for a fixed duration of at least one (1) year;
  - (c) such Director has been appointed as a Director of CRB or any company in the CRB Group;
  - (d) such Employee or Director is not a participant of any other employee share option scheme implemented by any company within the CRB Group which is in force for the time being; and
  - (e) such Employee or Director has fulfilled any other eligibility criteria and/or falls within such grade/category as may be determined by the Option Committee at its sole discretion from time to time,

provided that nothing herein shall invalidate any selection of any Eligible Person which may have been made by the Board on or prior to the Effective Date. For the avoidance of doubt, the Option Committee may determine any other eligibility criteria and/or waive any of the conditions of eligibility as set out in this By-Law 4.1, for purposes of selecting an Eligible Person at any time and from time to time, in the Option Committee's discretion.

- 4.2 Notwithstanding anything set out in these By-Laws and subject to the Listing Requirements, no Offers may be granted to any person who is a director, a major shareholder, chief executive of the Company, or a Person Connected with a director, major shareholder or chief executive of the Company, unless the specific grant of that Offer to that person shall have previously been approved by the shareholders of the Company in a general meeting.
- 4.3 Eligibility, however, does not confer on an Eligible Person a claim or right to participate in the Scheme unless the Option Committee has made an offer to the Eligible Person under By-Law 5 and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the Scheme.
- 4.4 The Option Committee may in its discretion revoke or suspend the nomination of any Eligible Person at any time and from time to time, whereupon such Eligible Person shall henceforth cease to be eligible for any Offers under this Scheme.
- 4.5 The Option Committee shall have the sole and absolute discretion not to make further Offers regardless of the amount of the ESOS Options available.

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**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**

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**5. OFFER**

- 5.1 Subject to and in accordance with the provisions of these By-Laws, the Option Committee may at its sole and absolute discretion at any time from the Effective Date offer ESOS Options to a Selected Person after taking into consideration such criteria as the Option Committee deems fit, including but not limited to the Selected Person's position, contribution, duration of service, job performance and potential for future development.
- 5.2 The actual number of new Shares which may be offered to a Selected Person shall be at the discretion of the Option Committee but shall not be more than the Maximum Allowable Allotment as set out in By-Law 3.
- 5.3 The Option Committee will in its offer document ("**Offer Letter**") to a Selected Person state, inter alia, the number of Shares that can be subscribed under the Offer, the Exercise Price determined in accordance with the provisions of By-Law 7, the closing date for acceptance of the Offer and the manner and conditions of exercise of the ESOS Options. The Offer shall automatically lapse and thereafter be rendered null and void in the event of the death of the Selected Person or the Selected Person ceasing to be an Eligible Person for any reason whatsoever prior to the acceptance of the Offer by the Selected Person in the manner set out in By-Law 6 hereof.
- 5.4 Nothing herein shall prevent the Option Committee from making more than one Offer during the Duration of the Scheme to a Selected Person provided always that the total aggregate number of ESOS Options offered to any Selected Person including ESOS Options which have been exercised, if any, shall not exceed the Maximum Allowable Allotment. Each Offer made to any Selected Person by the Option Committee shall be separate and independent from any previous or later Offer made by the Option Committee to that Selected Person.
- 5.5 The Company shall keep and maintain at its expense a register of Grantees as required under Section 129 of the Act.
- 5.6 The Company shall, on the date of the Offer, announce the following to Bursa Securities upon the ESOS Options offered under the Scheme:
- (a) Date of Offer;
  - (b) exercise price of ESOS Options offered;
  - (c) number of ESOS Options offered;
  - (d) market price of its securities on the date of the Offer;
  - (e) number of ESOS Options offered to each Director, if any; and
  - (f) vesting period of the ESOS Options offered.
- 5.7 An Offer shall be made in writing and in any manner as the Option Committee shall determine and may be made upon such terms and conditions as the Option Committee may decide from time to time. Nothing herein shall require any Offer made to be the same as or similar to other Offers previously or subsequently made whether to the same or a different Selected Person.
- 5.8 The actual number of Shares under the ESOS Options which may be offered to an Eligible Person shall be at the sole and absolute discretion of the Option Committee and shall not be less than one hundred (100) Shares and shall be in the multiples of one hundred (100) Shares (or in any other denomination as may be prescribed by Bursa Securities as a board lot).

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**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**

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**6. ACCEPTANCE OF OFFER**

- 6.1 An Offer made by the Option Committee under By-Law 5 shall be valid for a period of fourteen (14) days from the Date of Offer or such longer period as may be determined by the Option Committee, and may be accepted within this prescribed period by the Selected Person to whom the Offer is made by a notice (in a format to be prescribed by the Option Committee) to the Option Committee of such acceptance accompanied by a payment to the Company of a nominal non-refundable sum of Ringgit Malaysia One (RM1.00) as consideration for the grant of the ESOS Option.
- 6.2 If the Offer is not accepted in the manner aforesaid within the prescribed period of fourteen (14) days from the Date of Offer or such longer period as may be determined by the Option Committee, such Offer shall upon the expiry of the said prescribed period, automatically lapse and be null and void and be of no further force and effect, and the new Shares comprised in the ESOS Options may at the discretion of the Option Committee be re-offered to Eligible Persons.
- 6.3 The Option Committee shall within thirty (30) days of acceptance by the Offer by the Eligible Person issue to the Grantee a certificate of the ESOS Option in such form as may be determined by the Option Committee from time to time stating, amongst other matters, the number of Shares granted under the ESOS Option, the Exercise Price and the Option Period.

**7. EXERCISE PRICE**

- 7.1 Subject to any adjustment in accordance with the By-Laws, the Exercise Price shall be determined based on the five (5)-day volume weighted average market price of the Shares immediately preceding the Date of Offer, with a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the Duration of the Scheme.
- 7.2 The Scheme may be implemented in tranches, with each tranche being assigned with a different Exercise Price. In such scenario, the number of ESOS Options to be allocated shall be decided by the Option Committee at its sole and absolute discretion and each tranche shall be separate and independent from the others.
- 7.3 The Exercise Price as determined by the Board upon recommendation of the Option Committee shall be conclusive and binding on the Grantees.

**8. NON-ASSIGNABLE**

An ESOS Option is personal to the Grantee. Save and except as provided in By-Law 19.4, an ESOS Option cannot be assigned, encumbered, transferred or otherwise disposed of in any manner whatsoever.

**9. EXERCISE OF ESOS OPTION**

- 9.1 An ESOS Option granted to a Grantee under the Scheme, subject to the provisions of By-Law 19, is exercisable by that Grantee during his lifetime within the Option Period. All unexercised ESOS Options shall become null and void after the Date of Expiry.
- 9.2 Upon acceptance of an Offer, the Grantee may during the Option Period exercise his ESOS Options at such time and in such manner and subject to such conditions as stipulated in the Offer Letter.

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**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**

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- 9.3 The Option Committee may, at any time and from time to time, before or after an ESOS Option is granted, limit the exercise of the ESOS Options to a maximum number of new Shares and/or such percentage of the total new Shares comprised in the ESOS Options during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the Option Committee in its discretion including amending/varying any terms and conditions imposed earlier.
- 9.4 The Grantee shall notify the Company of his intention to exercise an ESOS Option in such form and manner as the Option Committee may prescribe or approve ("**Notice of Exercise**"). The Grantee shall, simultaneously with his exercise of the ESOS Option (or within such period as the Option Committee may prescribe), forward to the Company a remittance for the full amount of the subscription monies for the new Shares in respect of which the Notice of Exercise is given. An ESOS Option may be exercised in such manner and subject to such conditions as stipulated in the Offer Letter in respect of such lesser number of new Shares as the Grantee may decide to exercise. Such partial exercise of an ESOS Option shall not preclude the Grantee from exercising the ESOS Option as to the balance of any new Shares, if any, which he is entitled to subscribe under the Scheme.
- 9.5 The Grantee shall provide all information as required in the Notice of Exercise and the Company shall within eight (8) Market Days or such period as Bursa Securities may prescribe after the receipt of a valid Notice of Exercise and remittance from the Grantee allot and despatch the notice of allotment for the relevant number of Shares to the Grantee upon and subject to the provisions of the Constitution, the Central Depositories Act and the Rules of Bursa Depository. No physical share certificates will be delivered to the Grantee.
- 9.6 Any failure to comply with the foregoing provisions and/or to provide all information as required in the Notice of Exercise or inaccuracy in the information provided shall result in the Notice of Exercise being rejected. The Option Committee shall inform the Grantee of the rejection of the Notice of Exercise and the Grantee shall then be deemed not to have exercised his ESOS Options.
- 9.7 Notwithstanding anything to the contrary herein contained in these By-Laws, the Option Committee shall have the right at its discretion by notice to that effect:
- (a) to suspend the right of any Grantee who is found to have contravened the written policies and guidelines of the Group and/or the terms and conditions of the Grantee's employment (whether or not such contravention may give rise to a Disciplinary Proceeding being instituted) to exercise his ESOS Option. In addition to this right of suspension, the Option Committee may impose such terms and conditions as the Option Committee shall deem appropriate in its discretion, on the right of exercise of his ESOS Option having regard to the nature of the contravention provided always that in the event such contravention results in the dismissal or termination of service of such Grantee, the ESOS Option shall immediately cease and become null and void without notice, upon pronouncement of the dismissal or termination of service of such Grantee; or
  - (b) to suspend the right of any Grantee who is being subjected to Disciplinary Proceedings (whether or not such Disciplinary Proceedings may give rise to a dismissal or termination of service of such Grantee) to exercise his ESOS Option pending the outcome of such Disciplinary Proceedings. In addition to this right of suspension, the Option Committee may impose such terms and conditions as the Option Committee shall deem appropriate in its discretion, on the right of exercise of his ESOS Option having regard to the nature of the charges made or brought against such Grantee, provided always that:
    - (i) in the event such Grantee is found not guilty of the charges which gave rise to such Disciplinary Proceedings, the Option Committee shall reinstate the right of such Grantee to exercise his ESOS Option; or
    - (ii) in the event such Grantee is found guilty resulting in the dismissal or termination of service of such Grantee, the ESOS Option shall immediately cease and become null and void without notice, upon pronouncement of the dismissal or termination of service of such Grantee; or

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**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**


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- (iii) in the event such Grantee is found guilty but no dismissal or termination of service is recommended, the Option Committee shall have the right to determine at its discretion whether or not the Grantee may continue to exercise his ESOS Option and if so, to impose such terms and conditions or make such downward adjustment to the number of as it deems appropriate, on such exercise.

Nothing herein shall prevent the Option Committee (but the Option Committee shall not be obliged to do so) from making a fresh Offer to such Selected Person in the event that such disciplinary actions are not found against him or if such disciplinary actions are withdrawn.

- 9.8 Each ESOS Option shall be subject to the condition that no new Shares shall be issued to the Grantee pursuant to the exercise of the ESOS Option if such issue shall be contrary to any laws, rules and/or regulations of any regulatory body or authorities which may be in force during the Option Period.

## **10. SATISFACTION OF ESOS OPTION**

The Option Committee may at its absolute discretion decide that the ESOS Options be satisfied via the following methods:

- (i) issuance of new CRB Shares;
- (ii) transfer of CRB's treasury shares (if any) or any other methods as may be permitted by the Act; or
- (iii) a combination of the above.

In considering the mode of satisfaction as referred to in items (i) to (iii) above, the Option Committee will take into consideration amongst others, factors such as the prevailing market price of CRB Shares and the potential cost arising from the granting of the ESOS Options.

## **11. RIGHTS OF A GRANTEE**

- 11.1 The ESOS Options shall not carry any right to vote at any general meeting of the Company.
- 11.2 A Grantee shall not be entitled to any dividends, right or other entitlement on his unexercised ESOS Options.

## **12. RANKING AND LISTING OF AND QUOTATION FOR THE SHARES**

- 12.1 The new Shares to be allotted and issued and/or transferred via treasury shares upon any exercise of the ESOS Options will upon such allotment and issuance, rank equally in all respects with the then existing Shares except that the new Shares so issued will not be entitled to any dividends, rights, allotments and/or other distributions, where the entitlement date of such distributions precedes the relevant date of allotment and issuance of such CRB Shares.
- 12.2 The Grantees will not be entitled to any dividends, rights, allotments and/or other distributions until and unless such Grantees exercise their ESOS Options into new Shares and such new Shares are credited into the Grantees' respective CDS Accounts.
- 12.3 The new Shares allotted or the treasury shares transferred and credited into the CDS Accounts would also carry rights to vote at any general meeting of the Company provided that the shareholder is registered on the Entitlement Date as at the close of business to be entitled to attend and vote at the general meeting.

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**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**

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- 12.4 The new Shares shall be subjected to all the provisions of the Constitution in relation to their issuance and allotment, transfer, transmission or otherwise.

**13. RETENTION PERIOD AND RESTRICTION OF TRANSFER**

- 13.1 The Option Committee shall be entitled to prescribe or impose, in relation to any offer, any condition relating to any retention period or restriction on transfer of the CRB Shares as it deems fit.
- 13.2 A Non-Executive Director of the Company must not sell, transfer or assign the Shares obtained through the exercise of the ESOS Options offered to him pursuant to the Scheme within one (1) year from the Date of Offer of such ESOS Options.

**14. TAKEOVER AND COMPULSORY ACQUISITION**

In the event of:

- (a) a takeover offer being made for the Company through a general offer to acquire the whole of the issued share capital of the Company (or such part thereof not at the time owned by the person making the general offer (“**Offeror**”) or any persons acting in concert with the Offeror); or
- (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Shares under the provisions of any statutes, rules and/or regulations applicable at that point of time and gives notice to the Company that it intends to exercise such right on a specific date,

the Option Committee may at its discretion to the extent permitted by law allow the exercise of any unexercised ESOS Options (or any part thereof) by the Grantee at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (aa) the date on which the Grantee becomes entitled to exercise the ESOS Options or any part thereof is not due or has not occurred; and/or
- (bb) the Option Period has not commenced; and/or
- (cc) other terms and conditions set out in the Offer have not been fulfilled/satisfied.

**15. ALTERATION OF SHARE CAPITAL AND ADJUSTMENT**

- 15.1 In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of capitalisation of profits or reserves, rights issues, subdivision or consolidation of shares or capital reduction or any other variation of capital:

- (a) the number of new Shares which a Grantee shall be entitled to subscribe for upon the exercise of each ESOS Option (excluding ESOS Options already exercised); and/or
- (b) the Exercise Price,

shall be adjusted, provided always that:

- (i) on any such adjustment the resultant Exercise Price, if not an integral multiple of one (1) sen shall be rounded up to the nearest one (1) sen and in no event shall any adjustment involve an increase in the Exercise Price or reduce the number of ESOS Options that a Grantee is already entitled to;

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**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**


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- (ii) upon any adjustment being made pursuant to these By-Laws, the Option Committee shall within thirty (30) days of the effective date of the alteration in the capital structure of the Company notify the Grantee (or his legal or personal representatives where applicable) in writing informing him of the adjusted Exercise Price thereafter in effect and/or the revised number of new Shares thereafter to be issued on the exercise of the ESOS Option; and
- (iii) in determining a Grantee's entitlement to subscribe for new Shares, any fractional entitlement will be dealt with by the Option Committee at its sole and absolute discretion.

Any adjustments to the Exercise Price and/or the number of new Shares comprised in the ESOS Options so far as unexercised other than bonus issue, must be confirmed in writing by the external auditors of the Company or the Company's Adviser.

Should there be other circumstances which give rise to a consideration for adjustments to the Exercise Price or the number of new Shares in favour of all Grantees, but it is decided that no adjustments will be made, such decision must be made known to all the Grantees via a timely notice, within fourteen (14) days from the date such decision has been finalised, subject to compliance with the Listing Requirements.

15.2 In addition to By-Law 15.1 and not in derogation thereof, the Exercise Price and the number of new Shares relating to the ESOS Options so far as unexercised shall from time to time be adjusted in accordance with the following relevant provisions in consultation with an Auditor and/or Adviser of the Company:

- (i) If and whenever the Company shall make any issue of Shares to the Grantees credited as fully paid, by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve fund), the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{A + B}$$

and the number of ESOS Options shall be adjusted by multiplying the existing number of ESOS Options held by the following fraction:

$$\frac{A + B}{A}$$

where:

A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue; and

B = the aggregate number of Shares to be issued pursuant to any allotment to the Grantees credited as fully paid by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve fund).

Each such adjustment will be effective (if appropriate retroactively) from the commencement of the day next following the date on which shareholders must be registered in the Record of Depositors for such issue ("**Record Date**").

- (ii) If and whenever the Company shall make:
  - (a) Capital Distribution (as defined below) to shareholders whether on a reduction of capital or otherwise (save and except any capital reduction involving the cancellation of capital which is lost or unrepresented by available assets);

**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**

- (b) any offer or invitation to shareholders whereunder they may acquire or subscribe for Shares by way of rights; or
- (c) any offer or invitation to shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares,

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

$$\frac{C - D}{C}$$

where:

C = the market price of each Share as shall be determined in accordance with any guideline or rule issued by the relevant authorities from time to time, if any, or if there is none, the current market price of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to the 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 = (aa) in the case of any offer or invitation to acquire or subscribe for Shares by way of rights or for securities convertible into Shares under this Paragraph (ii)(b) and Paragraph (ii)(c) the value of rights attributable to one (1) Share (as defined below); or
- (bb) in the case of any other transaction falling within this Paragraph (ii) hereof, the fair market value (with the concurrence of the Auditors), of that portion of the Capital Distribution attributable to one (1) Share.

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

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

where:

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



**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**

and in respect of the case referred to in Paragraph (ii)(b) hereof, the number of ESOS Options shall be adjusted by multiplying the existing number of ESOS Options held by the following fraction:

$$\frac{C}{C - D^*}$$

where:

C = as C above; and

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

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

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

where:

C = as C above;

E\* = the option consideration for one (1) additional Share under the terms of such offer or invitation; and

F\* = the number of Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

For the purposes of By-Law 15.1 of the Scheme and Paragraph (ii) 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 Paragraph (i) hereof) or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund). Any dividend charged or provided for in the accounts pertaining to 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 shareholders for any period after as shown in the audited consolidated profit and loss accounts of the Company.

Each such adjustment will be effective (if appropriate retroactively) from the commencement of the day next following the Record Date for such transactions.

- (iii) If and whenever the Company makes any allotment to the Grantees as provided in Paragraph (i) above and also makes any offer or invitation to the Selected Person(s) as provided in Paragraph (ii)(b) or Paragraph (ii)(c) and the Record Date for the purposes of the allotment is also the Record Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$$

**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**

and in respect of each case referred to in these Paragraph (i) and Paragraph (ii)(b) and the Record Date for the purposes of the allotment is also the Record Date for the purpose of the offer or invitation, the number of ESOS Options held by each Grantee shall be adjusted by multiplying the existing number of ESOS Options held by the following fraction:

$$\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)}$$

where:

B = as B above;

C = as C above;

G = the aggregate number of issued and fully paid-up Shares in issue on the Record Date

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

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

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

I\* = the option consideration of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares.

Each such adjustment will be effective (if appropriate retroactively) from the commencement of the date next following the Record Date for the above transactions.

- (iv) If and whenever the Company makes any offer or invitation to the Selected Person(s) to acquire or subscribe for Shares as provided in Paragraph (ii)(b) above together with an offer or invitation to acquire or subscribe for securities convertible into or rights to acquire or subscribe for Shares as provided in Paragraph (ii)(c), the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

and the number of ESOS Options held by each Grantee shall be adjusted by multiplying the existing number of ESOS Options by the following fraction:

$$\frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)}$$

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**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**


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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 Shares to be issued to the Grantees upon conversion of such securities or exercise of such right to subscribe for Shares by the Grantees; and

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

Each such adjustment will be effective (if appropriate retroactively) from the commencement of the date next following the Record Date for the above transactions.

- (v) If and whenever the Company makes an allotment to its shareholders as provided in Paragraph (i) above and also makes an offer or invitation to acquire or subscribe for Shares to its shareholders as provided in Paragraph (ii)(b), together with rights to acquire or subscribe for securities convertible into or with rights to acquire or subscribe for Shares as provided in Paragraph (ii)(c), and the Record Date for the purpose of allotment is also the Record Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$$

and the number of ESOS Options held by each Grantee shall be adjusted by multiplying the existing number of ESOS Options held by the following fraction:

$$\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)}$$

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; and

K = as K above.

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

**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**

- (vi) If and whenever (otherwise than pursuant to an offer or invitation by way of rights to all shareholders and requiring an adjustment under Paragraph (ii)(b), Paragraph (ii)(c), Paragraph (iii), Paragraph (iv) or Paragraph (v), the Company shall issue either any Shares or any securities convertible into Shares or any rights to acquire or subscribe for Shares, and in any such case the Total Effective Consideration per Share (as defined below) is less than ninety percent (90%) of the average of the last transaction price(s) on the Market Days comprised in the period used (such period to be determined by the Company at the Company's absolute discretion) as a basis upon which the issue price of such Shares is determined (“**Average Price**”), or as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

where:

- L = the number of Shares in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
- M = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (exclusive of expenses); and
- N = the aggregate number of Shares so issued or, in the case of securities convertible into Shares or rights to acquire or subscribe for Shares, the maximum number (assuming no adjustment of such rights) of Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purposes of Paragraph (vi) hereof, the “Total Effective Consideration” shall be determined by the Directors in the following manner:

- (a) in the case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares; or
- (b) in the case of the issue by the Company of securities wholly or partly convertible into Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities if any; or
- (c) in the case of the issue by the Company of securities with rights to acquire or subscribe for Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

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

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**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**

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Each such adjustment will be effective (if appropriate retroactively) from the close of the Market Day next 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 Shares, securities or rights.

- 15.3 The provisions of this By-Law shall not apply where the alteration in the capital structure of the Company arises from:
- (a) the issue of securities as consideration for an acquisition;
  - (b) a special issue of new Shares to Bumiputera parties approved by the Ministry of International Trade and Industry, Malaysia and/or other Government authorities to comply with the Government policy on Bumiputera capital participation;
  - (c) a special issue, private placement or restricted issue of new Shares by the Company;
  - (d) a share buy-back arrangement by the Company and the cancellation of all or a portion of the Shares pursuant to the relevant provision of the Act;
  - (e) an issue of new Shares arising from the exercise of any conversion rights attached to securities convertible to new Shares or upon exercise of any other rights including warrants (if any) issued by the Company;
  - (f) an issue of new Shares upon the exercise of ESOS Options pursuant to the Scheme;
  - (g) an issue by the Company of Shares or of securities convertible into Shares or securities with rights to acquire or subscribe for Shares to its officers, including Directors, or Employees of the Company or any of its subsidiaries pursuant to purchase or option schemes approved by the shareholders in general meeting; and
  - (h) any issue of Shares by the Company (other than bonus and rights issue) pursuant to a dividend reinvestment scheme undertaken in accordance with the Listing Requirements or for any purpose whatsoever where the aggregate issues of which in any twelve (12) months do not exceed ten percent (10%) of the total number of issued CRB Shares pursuant to the provision of Section 76 of the Act.
- 15.4 Upon any adjustment being made, the Option Committee shall give notice in writing within fourteen (14) days from the date of adjustment to the Grantee, or his legal or personal representatives where the Grantee is deceased, to inform him of the adjustment and the event giving rise thereto.
- 15.5 The decision of the Option Committee as to whether any adjustment shall be made or not made to the Exercise Price and/or the number of new Shares comprised in the ESOS Option or any portion thereof pursuant to this By-Law 15 is final, binding and conclusive.

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**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**

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**16. LISTING AND QUOTATION OF SHARES**

16.1 The new Shares to be allotted to the Grantee will not be listed or quoted on Bursa Securities until the ESOS Option is exercised in accordance with the provisions of By-Law 9 whereupon the Company shall:

- (a) issue and/or allot the Shares;
- (b) despatch a notice of allotment to the Grantee; and
- (c) apply for the quotation of such Shares;

within eight (8) Market Days after the receipt of the Notice of Exercise and remittance from the Grantee.

16.2 The Company and the Option Committee shall not under any circumstances be held liable for any costs, losses and damages whatsoever and however relating to the delay on the part of the Company in allotting and issuing the Shares or in procuring the Bursa Securities to list the Shares for which the Grantee is entitled to subscribe.

**17. ADMINISTRATION OF THE SCHEME**

17.1 The Option Committee shall implement and administer the Scheme in such manner as it shall in its discretion deem fit. The Option Committee shall comprise such persons appointed by the Board from time to time and shall be vested with such powers and duties as are conferred upon it by the Board including but not limited to the powers to:

- (a) subject to the provisions of the Scheme, do all such acts and things and enter into and/or cause the Company to enter into any transactions, agreements, deeds and documents, arrangements or undertakings construe and interpret the Scheme and ESOS Options granted under it, to define the terms therein and to recommend to the Board to establish, amend and revoke guidelines, rules and regulations or impose or waive any terms and conditions for the implementation and administration of the Scheme and to give effect to the provisions of the Scheme and/or to enhance the benefit of the Offers to the Selected Persons as the Option Committee in its discretion deems fit, necessary and/or expedient for the implementation and administration of the Scheme. The Option 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 ESOS Option in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective; and
- (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.

17.2 The Board shall have power from time to time to:

- (a) rescind the appointment of any person in the Option Committee and appoint his replacement where the Board deems fit;
- (b) assume and/or exercise or execute any of the powers and authorities conferred upon the Option Committee pursuant to these By-Laws; and
- (c) amend, modify or vary the terms of reference of the Option Committee.

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**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**

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**18. AMENDMENT AND/OR MODIFICATION TO THE BY-LAWS**

- 18.1 Subject to the compliance with the Listing Requirements and any other relevant authorities, the Option Committee may at any time recommend to the Board who shall have the power at any time and from time to time by resolution to amend and/or modify all or any part of the By-Laws and the Board shall have the power by resolution to add, amend or modify and/or delete all or any of the By-Laws under such recommendation.
- 18.2 The approval of the shareholders of the Company in general meeting shall not be required in respect of additions, amendments to, or deletions of these By-Laws except that subject to any applicable laws, no addition, amendment or deletion shall be made to these By-Laws without the prior approval of the Company's shareholders in a general meeting which would:
- (a) prejudice any rights which have accrued to any Grantee without his prior consent; or
  - (b) increase the number of new Shares available under the Scheme beyond the maximum imposed by By-Law 2.1; or
  - (c) alter any matter which are required to be contained in the By-Laws by virtue of Appendix 6E of the Listing Requirements to the advantage of the Selected Persons.

The Option Committee shall within ten (10) Market Days of any modification and/or amendment made pursuant to this By-Law notify the Grantee in writing of any modification and/or amendment made pursuant to this By-Law.

- 18.3 Upon amending and/or modifying all or any of the provisions of the Scheme, the Company shall submit to Bursa Securities no later than five (5) Market Days after the effective date of the amendment to the By-Laws, a letter confirming that the said amendment and/or modification complies with the Listing Requirements and Rules of Bursa Depository.

**19. TERMINATION OF ESOS OPTIONS**

- 19.1 In the event of cessation or termination of employment or appointment of a Grantee with the Group for whatever reason, including but not limited to the receipt of a letter of termination or serving of a notice of resignation by the Grantees, prior to the exercise of his ESOS Options or prior to full exercise of his ESOS Options, as the case may be, such ESOS Option shall cease immediately and become null and void on the date of such cessation or termination without any claim against the Company provided always that, subject to the approval of the Option Committee in its discretion, where the Grantee ceases his employment or appointment with the Group by reason of:
- (a) his retirement at or after attaining normal retirement age under the Group's retirement policy; or
  - (b) retirement before attaining the normal retirement age and with the consent of its employer, being a company within the Group; or
  - (c) ill-health, injury, physical or mental disability; or
  - (d) redundancy or retrenchment, pursuant to the acceptance by that Grantee of a voluntary separation scheme offered by the Group; or
  - (e) non-renewal of fixed term contract, not due to a breach of contract on the part of the Grantee; or
  - (f) transfer of employees to any company outside the Group at the direction of the Company; and/or
  - (g) any other reasons which are acceptable to the Option Committee,

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**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**

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a Grantee may exercise his unexercised ESOS Options for such period as may be determined by the Option Committee within the relevant Option Period provided always that such exercise shall always be subject to any restriction in the Offer Letter on the maximum percentage of the Grantee's ESOS Options that may be exercisable within each year of the Scheme (unless otherwise approved by the Option Committee). All unexercised or partially exercised ESOS Options of such Grantee shall become null and void after the expiry of such period.

- 19.2 If a Grantee ceases his employment or appointment with the Group by reason of his resignation, his remaining unexercised ESOS Options shall cease with immediate effect and become null and void on the effective date of such cessation. For the avoidance of any doubt, the date of acceptance of a Grantee's resignation by the Group, shall be deemed to be the effective date when a Grantee ceases his employment or appointment with the Group.
- 19.3 An ESOS Option shall immediately become void and be of no further force and effect upon the Grantee being adjudicated a bankrupt.
- 19.4 In the event where a Grantee dies before the expiration of the Option Period and at the time of his death held unexercised ESOS Options, such unexercised ESOS Options may be exercised by the legal or personal representative(s) of the Grantee after the date of his death within the Option Period subject to approval of the Option Committee. The proportion exercisable is at the discretion of the Option Committee.
- 19.5 Upon termination of the ESOS Options pursuant to the above, the Grantee shall have no right to compensation or damages or any claim against the Company from any loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his ceasing to hold office or employment or from the suspension of his right to exercise his ESOS Options or his ESOS Options ceasing to be valid.
- 19.6 Any ESOS Option that has lapsed and become null and void pursuant to this By-Law 19 shall at the discretion of the Option Committee be re-allocated to other Eligible Person.

**20. LIQUIDATION OF THE COMPANY**

- 20.1 Upon the receipt of a court order of the winding-up of the Company, all Offers shall be deemed revoked and be null and void and all unexercised or partially exercised ESOS Options shall lapse and be null and void and of no further force and effect, and this Scheme shall terminate.
- 20.2 Notwithstanding the above, the Option Committee will consider, to the extent permitted by law, whether or not to allow exercise of any unexercised or partially exercised ESOS Options subject to such terms and conditions as may be prescribed and will take into account all circumstances on case-to-case basis, including (but not limited to) the contributions of the Selected Persons.

**21. DIVESTMENT FROM THE GROUP**

- 21.1 In the event that a company within the Group shall be divested from the Group, a Grantee who is employed by such company:
- (a) shall be entitled to continue to hold and to exercise all the ESOS Options held by him on the date of completion of such divestment within a period of one (1) month from the date of completion of such divestment or the Option Period, whichever expires first, and in accordance with the provisions of By-Law 9. In the event that the Grantee does not so exercise some or all of such ESOS Options, the unexercised ESOS Options shall be automatically terminated upon the expiry of the relevant period; and



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**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**

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- (b) shall no longer be eligible to participate for further ESOS Options under the Scheme as from the date of completion of such divestment.

21.2 For the purposes of By-Law 21.1, a company shall be deemed to be divested from the Group in the event that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act.

**22. DURATION OF THE SCHEME**

The Scheme shall be in force for a period of five (5) years commencing from the effective date of the implementation of the Scheme, which shall be the date of full compliance with all relevant requirements including the following:

- (i) submission of the final copy of the By-Laws to Bursa Securities;
- (ii) receipt of approval-in-principle for the issuance, and listing of and quotation for the Shares to be issued under the Scheme from Bursa Securities;
- (iii) procurement of shareholders' approval for the Scheme;
- (iv) receipt of approval of any other relevant authorities, where applicable; and
- (v) fulfilment of all conditions attached to the above approvals, if any.

On or before the expiry of the Scheme, the Board shall have the absolute discretion, without having to obtain sanction, approval or authorisation of the Company's shareholders in a general meeting, to extend the duration of the Scheme upon recommendation of the Option Committee provided that the initial period of the Scheme and such extension of the Scheme made pursuant to this By-Law shall not in aggregate exceed the duration of ten (10) years from the Effective Date. In the event the Scheme is extended in accordance with this provision, the Option Committee shall furnish a written notification to all Grantees and the Company shall make necessary announcements to Bursa Securities prior to the proposed extension of the Scheme.

**23. TERMINATION OF THE SCHEME**

23.1 The Company may at any time, subject to By-Law 23.2 below, during the Duration of the Scheme terminate the Scheme and shall immediately announce to Bursa Securities the:

- (a) effective date of termination of the Scheme ("**Termination Date**");
- (b) number of ESOS Options exercised or Shares vested; and
- (c) reasons for termination of the Scheme,

whereupon no further Offers shall be made by the Option Committee, all Offers which have yet to be accepted shall be deemed revoked and be null and void, and any unexercised ESOS Options shall be deemed to cease to be capable of being exercised and be null and void.

23.2 In the event of termination of the Scheme pursuant to By-Law 23.1, the following provisions shall apply:

- (a) no further Offers shall be made by the Option Committee from the date the last of the above conditions have been satisfied ("**Termination Date**");
- (b) all Offers which have yet to be accepted shall automatically lapse on the Termination Date and be null and void; and

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**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**

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- (c) all outstanding ESOS Options which have yet to be exercised by Grantees shall be automatically terminated on the Termination Date.

23.3 Notwithstanding the above, the Company may implement more than one (1) Scheme provided that the aggregate number of Shares available under all the Schemes implemented by the Company is not more than fifteen percent (15%) of the total number of issued CRB Shares (excluding treasury shares) at any one time or such lower or higher limit in accordance with any prevailing guideline issued by Bursa Securities or any other relevant authorities amended from time to time.

**24. DISPUTES OR DIFFERENCES**

In case any dispute or difference shall arise between the Board and/or Option Committee, and an Eligible Person, Selected Person and/or Grantee as to any provisions contained in these By-Laws, the Board and/or the Option Committee shall determine such dispute or difference by a decision given to the Eligible Person, Selected Person and/or Grantee. The said decision shall be final and binding on the parties unless the Eligible Person, Selected Person and/or Grantee within fourteen (14) calendar days of the receipt thereof by a notice to the Board and/or the Option Committee, disputes the same in which case such dispute or difference shall be referred to the decision of the Adviser and/or Auditor (as selected by the Board and/or Option Committee at its absolute discretion) (acting as experts and not as arbitrators) whose decision shall be final and binding in all respects. The Board and/or Option Committee and the Eligible Person, Selected Person and/or Grantee as the case may be, shall keep all matters relating to the Scheme in strict confidence and shall not refer to, discuss with, publicise or in any other manner reveal any particulars or details thereof to any third party. The Board and the Option Committee shall not be required to furnish any reasons for any decision or determination made by it except as may be required by the relevant authorities.

**25. COSTS AND EXPENSES**

All fees, costs and expenses incurred in relation to preparation and/or operation of the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of new Shares pursuant to the exercise of any ESOS Option shall be borne by the Company.

**26. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.**

Notwithstanding the maximum percentage of the Grantee's ESOS Options that may be exercisable within each year of the Scheme as set out in the Offer Letter and subject to the discretion of the Option Committee, in the event of the court sanctioning a compromise or arrangement between CRB and its members proposed for the purpose of, or in connection with, a scheme of arrangement and reconstruction of CRB under Section 366 of the Act or its amalgamation with any other company or companies under Section 370 of the Act or the Company decides to merge with other company or companies, a Grantee may exercise in full or in part any ESOS Option to which the Grantee is entitled commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending with the date upon which it becomes effective provided always that no ESOS Option shall be exercised after the expiry of the Option Period.

Upon the compromise or arrangement becoming effective, all ESOS Options remaining unexercised thereafter shall automatically lapse and become null and void.

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**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**

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**27. SCHEME NOT A TERM OF EMPLOYMENT**

This Scheme does not form part of or constitute or shall in any way to be construed as a term or condition of employment of any employee within the Group. This Scheme shall not confer or be construed to confer on any employee within the Group any special right or privilege over and above the employee's terms and conditions of employment under which the employee is employed nor any rights in addition to compensation or damages that the employee may be normally entitled to arising from the cessation of such employment for any reason whatsoever.

**28. NO COMPENSATION**

28.1 Notwithstanding any provisions of these By-Laws:

- (a) this Scheme shall not form part of any contract of employment between any company of the Group and any Employee or Director of the Group and the rights of any Grantee under the terms of his office and employment with the Company or any company of the Group shall not be affected by his participation in the Scheme or afford such Grantee any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;
- (b) this Scheme shall not confer on any person any legal or equitable rights (other than those constituting the ESOS Option themselves) against the Company or any company of the Group or any members of the Option Committee directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Group; and
- (c) a Grantee 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, breach of contract or by way of compensation for loss of office.
- (d) the sole right of a Grantee or representative pursuant to any valid claim hereunder shall be limited to the right of the Grantee or his representative to be reinstated to his position had the breach not occurred and any company within the Group, the Option Committee or any other party shall in no event be liable to the Grantee or representative or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation on lost profits or savings, directly or indirectly arising from the breach or performance of these By-Laws or any loss suffered by reason of any change in the price of the Shares or from any other clause whatsoever whether known or unknown, contingent, absolute or otherwise, whether based in contract, tort, equity, indemnity, breach of warranty or otherwise and whether pursuant to common law, statute, equity or otherwise, even if any company of the Group, the Option Committee or any other party has been advised of the possibility of such damage and even if the limited remedy provided for is found to fail of essential purpose.

28.2 No Employees and Directors (including Eligible Person, Selected Person or Grantee) or their legal or personal representatives shall bring any claim, action or proceedings against the Board, the Company or the Option Committee or any party for compensation, loss or damages whatsoever and howsoever arising including but not limited to the suspension of their rights to exercise their ESOS Options or their ESOS Options ceasing to be valid pursuant to the provisions of these By-Laws.

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**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**

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**29. CONSTITUTION OF THE COMPANY**

Notwithstanding the terms and conditions contained herein, if a situation of conflict should arise between the Scheme and the Constitution, the provisions of the Constitution shall at all times prevail save and except where such provisions of the By-Laws are included pursuant to the Listing Requirements.

**30. TAXES**

For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes (including without limitation income tax) that are incurred by an allottee of the Shares, pursuant or relating to the grant of the Offers and exercise of the ESOS Options, and any holding or dealing of such ESOS Options (such as (but not limited to) brokerage commissions and stamp duty) shall be borne by that Grantee for his own account, and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

**31. 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.

**32. GOVERNING LAW AND JURISDICTION**

- 32.1 The Scheme shall be governed by and construed in accordance with the laws of Malaysia. The Grantee, by accepting the ESOS Options in accordance with the By-Laws and terms of the Scheme, irrevocably submits to the exclusive jurisdiction of the courts of Malaysia.
- 32.2 In order to facilitate the making of any Offer under this Scheme, the Option Committee may provide for such special terms to the Selected Persons who are employed by any corporation in the Group in a particular jurisdiction or who are nationals of any particular jurisdiction, that is outside Malaysia, as the Option Committee may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction. The Option Committee may further approve such supplements to or amendments, restatements or alternative versions of the Scheme as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Scheme as in effect for any other purpose, and the appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the Scheme. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Scheme, as then in effect, unless this Scheme has been amended to eliminate such inconsistency. Notwithstanding the above, any Offer made to such Selected Persons pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the Option Committee in the Offer.
- 32.3 No action has been or will be taken by the Company to make the Offer valid in any country or jurisdiction other than Malaysia or to ensure compliance of the Offer with all applicable laws and regulations in any other country or jurisdiction other than Malaysia. No action has or will be taken also by the Company to ensure compliance by the Selected Persons to whom the Offer is granted, with all applicable laws and regulations in such other country or jurisdiction in which they will be granted the Offers.
- 32.4 Any Selected Person to whom the Offer is granted is required to ensure that they comply with all applicable laws and regulations in each country or jurisdiction in or from which they are granted the Offers. By participating in the Scheme, each Selected Person has represented, warranted and agreed that they have and will continue to observe all applicable laws and regulations in the jurisdiction in which they will be granted the Offers.

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**DRAFT BY-LAWS FOR THE PROPOSED ESOS (Cont'd)**

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**33. INSPECTION OF THE AUDITED ACCOUNTS**

To the extent permitted by the Listing Requirements and prevailing laws and guidelines issued by the relevant authorities, all Grantees shall be entitled to inspect a copy of the latest audited financial statements of the Company, which shall be made available on the Bursa Securities' website as well as the Company's website.

**34. NOTICE**

Any notice or request which under the Scheme is required to be given or served upon an Eligible Person, Selected Person or Grantee pursuant to the Scheme shall be in writing and be deemed to be sufficiently given:

- (a) if it is sent by ordinary post by the Company to the Eligible Person, Selected Person or the Grantee at the last address known by the Company as being his address, such notice or request shall be deemed to have been received three (3) Market Days after posting;
- (b) if it is given by hand to the Eligible Person, Selected Person or the Grantee, such notice or request shall be deemed to have been received on the date of delivery; or
- (c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person, Selected Person or the Grantee, 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, Selected Person or the Grantee shall be communicated in writing to the Company and the Option Committee.

**35. ERRORS AND OMISSIONS**

35.1 If in consequences of an error or omission, the Option Committee discovers or determines that:

- (a) an Eligible Person who was selected as a Selected Person has not been given the opportunity to participate in the Scheme on any occasion;
- (b) an Eligible Person was erroneously selected as a Selected Person; or
- (c) the number of ESOS Options granted to any Selected Person or Shares allotted to any Grantee on any occasion is found to be incorrect;

and such error or omission cannot be corrected, the Option Committee may do all such acts and things to rectify such error or omission including, but not limited to, all acts and things to ensure that the Eligible Person is given the opportunity to participate in the Scheme and/or to withdraw the Offer given to the Employee or Director who was erroneously selected as a Selected Person and/or to ensure that the Selected Person is given the correct number of ESOS Options or credited with the correct number of Shares to which he is entitled to.

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**FURTHER INFORMATION**


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**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 given in this Circular. The Board confirms 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 misleading.

**2. CONSENTS AND CONFLICT OF INTEREST**

PIVB, being the Principal Adviser for the Proposed ESOS, has given and has not subsequently withdrawn its written consent to the inclusion of this Circular of its name and all references in the form and context in which they appear.

PIVB has given its written confirmation that it is not aware of any circumstances which exist or are likely to exist in its capacity as the Principal Adviser to the Company.

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

As at the LPD, neither CRB nor any of its subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which may have a material and adverse effect on the financial position or business of CRB and/or its subsidiaries. The Board is not aware of any proceedings pending or threatened against CRB and/or its subsidiaries or of any fact likely to give rise to any proceedings which might materially affect the financial position or business of CRB and/or its subsidiaries.

**4. MATERIAL COMMITMENTS AND MATERIAL CONTINGENT LIABILITIES****4.1 Material commitments**

As at the LPD, there are no material commitments incurred or known to be incurred by the Group which, upon enforceable, may affect the ability of the Group to meet its obligations as and when they fall due, save as disclosed below:

	<b>RM'000</b>
<b><u>Capital expenditure</u></b>	
Approved and contracted for:	
- Intangible assets	10,242
- Plant in progress	288,272
<b>Total</b>	<b><u>298,514</u></b>

**4.2 Material contingent liabilities**

As at LPD, the Board is not aware of any material contingent liabilities which, upon becoming enforceable, may have a material impact on the results or the financial position of the Group.

	<b>RM'000</b>
<b><u>Secured</u></b>	
- Performance bonds / Tender bonds / Other bonds / Bank guarantees favouring Government and other Government bodies in respect of various projects	198,985
- Letter of credit issued to suppliers to procure materials	9,602
<b>Total</b>	<b><u>208,587</u></b>

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**FURTHER INFORMATION (Cont'd)**

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**5. DOCUMENTS FOR INSPECTION**

The following documents are available for inspection at the registered office of the Company during normal office hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the forthcoming AGM:

- (i) the Constitution of CRB;
- (ii) the audited consolidated financial statements of CRB for the past 2 financial years from FYE 31 October 2019 up to FYE 31 October 2020;
- (iii) the letter of consent referred to in Section 2 of this Appendix; and
- (iv) the draft By-Laws of the Proposed ESOS as set out in Appendix I of this Circular.

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