CYPARK RESOURCES BERHAD ("CRB" OR "COMPANY")

PROPOSED PRIVATE PLACEMENT OF UP TO 104,998,290 NEW ORDINARY SHARES IN CRB ("CRB SHARE(S)") ("PLACEMENT SHARE(S)") REPRESENTING UP TO 20% OF THE TOTAL NUMBER OF ISSUED SHARES OF CRB AT AN ISSUE PRICE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED PRIVATE PLACEMENT")

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1. INTRODUCTION

On behalf of the Board of Directors of CRB ("**Board**"), Public Investment Bank Berhad ("**PIVB**") wishes to announce that the Company proposes to undertake the Proposed Private Placement.

Further details of the Proposed Private Placement are set out in the ensuing sections.

2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

On 16 April 2020, Bursa Malaysia Securities Berhad ("**Bursa Securities**") had announced the "Additional Temporary Relief Measures to Listed Issuers" to ease compliance and facilitate their capital raising in a timely and cost-effective manner whereby the companies listed on the Main Market of Bursa Securities ("**Listed Issuers**") are allowed to seek a higher general mandate under Paragraph 6.03 of the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**") of not more than 20% of the total number of issued shares (excluding treasury shares) of the listed issuer ("**20% General Mandate**") provided that the following are being complied with:

(i) the listed issuer procures its shareholder approval for the 20% General Mandate at a general meeting;

(ii) the listed issuer complies with all the relevant applicable legal requirements, including its constitution or relevant constituent document; and

(iii) in addition to the existing disclosures required in the statement accompanying the proposed resolution under Paragraph 6.03(3) of the Listing Requirements, the listed issuer must disclose the views from its board of directors that the 20% General Mandate is in the best interest of the listed issuer and its shareholders, as well as the basis for such views.

The 20% General Mandate may be utilised by a listed issuer to issue new securities until 31 December 2021. After that, the 10% limit under Paragraph 6.03(1) of the Listing Requirements will be reinstated.

The Company had obtained the approval from its shareholders ("**Shareholders**") at the last annual general meeting ("**AGM**") held on 8 April 2021, authorising the Directors to issue and allot new CRB Shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("**Act**"), provided that the aggregate number of new CRB Shares to be issued does not exceed 20% of the total number of issued CRB Shares (excluding treasury shares) ("**General Mandate**"). The said approval shall continue to be in force, unless revoked or varies by the Company at a general meeting, until the conclusion of the next AGM of the Company. Nevertheless, the Company shall ensure at all times that it does not issue more than 20% of the total number of issued CRB Shares (excluding treasury shares), when aggregated with the total number of any shares that have been issued pursuant to a general mandate, within a period of 12 months under the General Mandate.

2.1 Size of the placement

The Proposed Private Placement shall be up to 20% of the total number of issued shares of CRB. As at 9 June 2021, being the latest practicable date prior to this announcement ("**LPD**"), the Company has:

(i) total issued share capital of CRB of RM417,152,154 comprising of 483,831,353 CRB Shares (net of 7,630,100 treasury shares); and

(ii) 33,530,000 outstanding share options pursuant to CRB's employee share option scheme ("**ESOS**"), where each ESOS option is exercisable into one CRB Share ("**ESOS Option(s)**") ("**Outstanding ESOS Options**").

Assuming the entire treasury shares are resold in the open market at cost and the full exercise of all the Outstanding ESOS Options prior to the implementation of the Proposed Private Placement, the resultant total number of issued shares of CRB will be 524,991,453 CRB Shares. As such, a total of up to 104,998,290 new CRB Shares ("**Placement Share(s)**") may be issued pursuant to the Proposed Private Placement, representing 20% of such total number of issued CRB Shares.

The actual number of Placement Shares to be issued pursuant to the Proposed Private Placement will depend on the total number of issued shares of the Company on a date to be determined and announced later, after the receipt of all relevant approvals for the Proposed Private Placement as set out in Section 6 of this announcement, where applicable.

For illustrative purpose, throughout this announcement, the effects of the Proposed Private Placement shall be illustrated based on the illustrative issue price of RM1.03 per Placement Share and the following two scenarios:

Minimum Scenario : Assuming that:

(i) none of the Outstanding ESOS Options as at the LPD are exercised prior to the implementation of the Proposed Private Placement;

(ii) no further ESOS Options are granted under the ESOS;

(iii) none of the 7,630,100 treasury shares as at the LPD are resold in the market at cost; and

(iv) the Placement Shares are fully placed out.

Maximum Scenario : Assuming that:

(i) all of the Outstanding ESOS Options as at the LPD are exercised prior to the implementation of the Proposed Private Placement;

(ii) no further ESOS Options are granted under the ESOS;

(iii) all of the 7,630,100 treasury shares as at the LPD are resold in the open market at cost; and

(iv) the Placement Shares are fully placed out.

	Minimum Scenario	Maximum Scenario
No. of new CRB Shares to be issued pursuant to the Proposed Private Placement	96,766,270	104,998,290
Total gross proceeds	**RM99,669,258.10**	**RM108,148,238.70**

Please refer to Section 5 of this announcement for the effects of the Proposed Private Placement.

2.2 Placement arrangement

The Placement Shares will be placed out to independent 3rd party investor(s) to be identified at a later date. Such placement shall fall within the criteria set out under Schedules 6 and 7 of the Capital Markets and Services Act, 2007. Additionally, the Placement Shares will not be placed to the following persons:

(i) a director, major shareholder or chief executive of CRB or a holding company of CRB ("**Interested Person(s)**") or person(s) connected with the Interested Person(s); and

(ii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

In the event the Company is unable to identify sufficient placee(s) to subscribe for the entire portion of the Placement Shares at one time, the Proposed Private Placement may be implemented in tranches within 6 months from the date of approval of Bursa Securities for the Proposed Private Placement or any extended period as may be approved by Bursa Securities.

2.3 Ranking of the Placement Shares

The Placement Shares shall, upon allotment and issue, rank equally in all respects with the existing CRB Shares, save and except that the holders of the Placement Shares will not be entitled to any dividends, rights, allotment and/or any other distributions, where the entitlement date of such distributions precedes the relevant date of allotment and issuance of the Placement Shares.

2.4 Listing of and quotation for the Placement Shares

An application will be made to Bursa Securities for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities.

2.5 Basis and justification for the issue price of the Placement Shares

The issue price of the Placement Shares will be determined and fixed by the Board at a later date, after the receipt of all relevant approvals for the Proposed Private Placement ("**Price-Fixing Date**").

Pursuant to Paragraph 6.04(a) of the Listing Requirements, the Placement Shares may be issued based on a discount, if any, of not more than 10% to the 5-day volume weighted average market price ("**VWAP**") of the CRB Shares immediately preceding the Price-Fixing Date.

For illustrative purposes only, assuming the Placement Shares are issued at an illustrative issue price of RM1.03 per Placement Share, this represents a discount of approximately 9.44% to the 5-day VWAP of CRB Shares up to and including the LPD of RM1.1374 per Share.

2.6 Utilisation of proceeds

Based on the illustrative issue price of RM1.03 per Placement Share, the Proposed Private Placement is expected to raise gross proceeds of up to RM108.15 million.

The proceeds are proposed to be utilised in the following manner:

Utilisation of proceeds	**Minimum Scenario RM'000**	**Maximum Scenario RM'000**	**Estimated timeframe for utilisation of proceeds from the date of listing of the Placement Shares**
Development cost for a solar power plant facility ("**Facility**")[(a)]	96,000	96,000	Within 15 months
Partial repayment of bank borrowings[(b)]	2,769	11,248	Within 6 months
Estimated expenses for the Proposed Private Placement[(c)]	900	900	Within 2 months
Total	**99,669**	**108,148**	

Notes:

(a) *Cypark Suria Merchang Sdn Bhd ("**CSM**"), a 70%-owned subsidiary of CRB, had on 24 June 2020 signed a Large Scale Solar ("**LSS**") Phase 3 ("**LSS3**") Photovoltaic ("**PV**") Power Purchase Agreement ("**PPA**") with Tenaga Nasional Berhad ("**TNB**").*

*CSM will design, construct, own, operate and maintain a solar PV energy generating facility with the capacity of 173 megawatt ("**MW**") peak ("**MWp**") at Merchang, Marang, Terengganu Darul Iman ("**Facility**"). The PPA governs the obligations of CSM to sell and TNB to purchase the power generated by the Facility for a period of 21 years from the commercial operation date in accordance with the agreed terms and conditions as stipulated in the PPA. As at the LPD, all the preliminaries and design & engineering work has been finalised. The procurement of major equipment has also been concluded and is now progressively being delivered to the site. Additionally, construction work at the site which includes site clearance, profiling, civil engineering works and installation of structures have also started. The scheduled commercial operation date of the plant is in March 2022. The total development cost of the plant is approximately RM480 million and is comprised of the following:*

No.	***Details***
(i)	*Preliminaries, design and consultancy costs (i.e. consultation fees for engineering and architectural services, site management, as well as contract and authorities compliance)*
(ii)	*Associated costs for civil work (i.e. site preparation, site clearance, earthwork, drainage, temporary work and other infrastructure work)*
(iii)	*Procurement of equipment (i.e. main equipment include PV modules, inverters, transformers, ground mounting structures and cables), installation works, grid connection, solar power producer/TNB facilities, as well as testing & commissioning of the Facility*
(iv)	*Finance costs during construction period*

As such, CRB proposes to utilise a portion of the proceeds to be raised from the Proposed Private Placement to fund the development costs above.

(b) *As at the LPD, the total borrowings of the Group stood at approximately RM1,219.17 million, with an outstanding amount of revolving credit facilities of RM107.74 million. For illustrative purposes only, the proceeds of up to RM11.25 million under the Maximum Scenario earmarked for partial repayment of the Group's borrowings is intended to be utilised for the following:*

Type of facility	***Interest rate of the facility %***	***Outstanding principal amount as at the LPD RM'000***	***Repayment amount RM'000***	***Estimated annual interest savings RM'000***
Revolving credit	*4.55*	*107,737*	*11,248*	*512*

(c) *Consisting of mainly professional fees, placement fees, fees payable to Bursa Securities and other ancillary expenses to be incurred pursuant to the Proposed Private Placement.*

The actual gross proceeds to be raised from the Proposed Private Placement are dependent on the issue price and the number of Placement Shares to be issued. Any variation to the total gross proceeds raised from the Proposed Private Placement will be adjusted against the amount allocated for general working capital.

Pending the utilisation of proceeds from the Proposed Private Placement as disclosed in the above table, the proceeds will be placed in interest-bearing deposits with financial institution(s) or short term money market instrument(s). The interest derived from the deposits with the financial institution(s) or any gains arising from the short term money market instrument(s) will be used for the Company and its subsidiary companies ("**Group**") as additional general working capital.

3. RATIONALE FOR THE PROPOSED PRIVATE PLACEMENT

The Proposed Private Placement will enable the Company to raise the requisite funds to meet the Group's funding requirements as detailed in Section 2.6 of this announcement, without relying entirely on internally generated funds and/or bank borrowings. The Proposed Private Placement will also provide the Group with the flexibility in respect of the financial allocations for its operational requirements.

After due consideration of the various methods of fund raising, the Board is of the view that the Proposed Private Placement is the most appropriate avenue of fund raising as the Proposed Private Placement:

(i) enables the Company to raise additional funds expeditiously without incurring interest costs as compared to conventional bank borrowings;

(ii) allows the Company to raise funds expeditiously from the capital market as the General Mandate from the Shareholders for the Proposed Private Placement has already been obtained. Further, the placement funds for the Placement Shares will be paid by the independent third party investor(s) within 5 market days from the Price-Fixing Date and thus, allowing the Group to gain access to the funds within a short period of time as opposed to other form of fund raising options such as rights issue exercise which usually takes a longer timeframe for implementation; and

(iii) strengthen the financial position of the Group, of which the share capital of the Group will increase from RM417.15 million (after subsequent events) to RM516.82 million (Minimum Scenario) and RM552.65 million (Maximum Scenario).

The Company has not undertaken any equity fund raising exercises in the past 12 months before the date of this announcement.

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4. INDUSTRY OUTLOOK AND PROSPECTS

4.1 Overview and outlook of the Malaysian economy

The Malaysian economy registered a smaller decline of 0.5% in the first quarter (4Q 2020: -3.4%). The growth performance was supported mainly by the improvement in domestic demand and robust exports performance, particularly for electrical and electronic ("**E&E**") products. Growth was also supported by the continued policy measures. The imposition of the Second Movement Control Order ("**MCO 2.0**") and the continued closure of international borders and restrictions on inter-state travel, however, weighed on economic activity. Nevertheless, as restrictions were eased in February and March, economic activity gradually picked up. All economic sectors registered an improvement, particularly in the manufacturing sector. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a growth of 2.7% (4Q 2020: -1.5%).

Despite the recent re-imposition of containment measures, the impact on growth would be less severe than that experienced in 2020, as almost all economic sectors are allowed to operate. Overall, the growth recovery will benefit from better global demand, increased public and private sector expenditure as well as continued policy support. This will also be reflected in the recovery in labour market conditions, especially in the gradual improvement in hiring activity. Higher production from existing and new manufacturing facilities, particularly in the E&E and primary-related subsectors, as well as oil and gas facilities will provide further impetus to growth. The roll-out of the domestic COVID-19 vaccine programme will also lift sentiments and contribute towards recovery in economic activity. Nevertheless, the pace of recovery will be uneven across economic sectors.

The balance of risks remains tilted to the downside, arising mainly from ongoing uncertainties in developments related to the pandemic, and continued challenges that affect the roll-out of vaccines both globally and domestically.

(Source: Economic and Financial Developments in Malaysia in the 1st Quarter of 2021, Bank Negara Malaysia)

Recovery in the domestic economy, which began in the second half of 2020, is expected to continue in 2021. The recovery, nevertheless, is expected to be uneven and will be shaped by several factors, including the course of the COVID-19 pandemic and vaccine rollout, the extent of external spillovers, sector-specific developments, and the degree of improvement in labour market conditions. Amid a highly uncertain operating environment, continued and targeted policy measures will remain central in supporting growth going forward.

COVID-19 developments remain key in influencing Malaysia's growth trajectory in 2021, particularly the extent and duration of containment measures and the rollout of vaccines. Malaysia entered the year with the tightening of containment measures in most states with a resurgence in cases since late last year. The corresponding restrictions and weakness in sentiments amid the uncertain progress of the pandemic will likely weigh further on spending in the early part of 2021. Nevertheless, the overall impact for the year is expected to be smaller than in 2020, owing to a less restrictive and more targeted approach to contain the COVID-19 resurgence. In particular, the flexibility for more economic sectors to operate should lessen supply and demand disruptions. Firms and consumers are also better adapted to physical distancing requirements and other operating procedures to contain the spread of infections.

Notwithstanding the COVID-19 situation, a positive development is on the external spillovers from the broader recovery in global demand. This will sustain domestic production, investment, and export activity. Firms in the export-oriented industries and the supporting sectors are poised to benefit from improving domestic demand in key trade partner economies and the global technology upcycle. Of note, the rising demand for remote working equipment and medical-related products augurs well for firms in the manufacturing industry, particularly E&E as Malaysia forms an integral part of the global value chain. Beyond these, the recovery in global commodity prices and demand should lift commodity production and export revenues.

In addition, policy measures remain in place to support the growth momentum while still assisting the vulnerable segments. These include the extension of measures introduced in 2020, the 2021 Budget, as well as the PERMAI and PEMERKASA assistance packages. Notable measures to ease financial constraints for affected individuals include the Bantuan Prihatin Nasional, Bantuan Prihatin Rakyat and Bantuan Kehilangan Pendapatan cash transfers, the Employee Provident Fund i-Sinar and i-Lestari cash withdrawals, and the Targeted Repayment Assistance. Various tax relief and incentives will also lift overall consumer spending. For businesses, special grants, wage subsidies and the Targeted Relief and Recovery Facility are extended to firms in the services sector, which is the hardest-hit sector. The continued accommodativeness of monetary policy and supportive financing conditions will further maintain a conducive environment for a recovery in domestic demand as the adverse impact from the COVID-19 crisis gradually subsides.

The Malaysian economy is projected to rebound to between 6.0% and 7.5% in 2021. Growth will be underpinned by the recovery in global demand and the gradual improvement in domestic economic activity. The growth trajectory will be mainly influenced by the COVID-19 developments, particularly the extent and duration of containment measures and the rollout of vaccines.

(Source: Economic and Monetary Review 2020, Bank Negara Malaysia)

4.2 Overview and outlook of the environmental services sector in Malaysia

Waste generation is often linked to development and industrialisation, and its implication to people and the environment, remains a global issue, particularly in developing countries. Population, rapid economic growth and changes in lifestyle have resulted in the complexity of the waste composition being generated and contributed to the ever-increasing waste generation per capita. These, together with inadequate infrastructure, limited budget in managing the waste and land scarcity has made waste management a priority area for the Malaysian Government.

Waste generated in Malaysia can be categorised into 7 types namely: municipal solid waste ("**MSW**"), sewage, mining waste, construction waste, scheduled and hazardous waste, agriculture waste and radioactive waste. In 2016, the daily MSW generation reached 40,566 tonnes. This surpassed the projected waste generation of 30,000 tonnes by 2020, resulting in a revised estimation of projection of daily MSW to 49,670 tonnes in 2020.

The Malaysian Government has implemented policies and programmes to reduce waste generation and to divert waste from landfills. Multi-pronged approaches have been taken to address MSW management issues, including waste minimisation through the *National Recycling Programme* introduced in the year 2002 and the *Waste Separation at Source Programme* introduced on 1st September 2015.

Waste treatment and disposal, which includes sanitary landfills, contributed about RM81.07 million towards Malaysia's gross domestic product ("**GDP**") in 2012 and 2013. This figure is projected to increase to RM334.0 million and RM489.7 million in 2020 and 2030 respectively, should the volume of waste continue to increase with 95% of the counted waste being taken to disposal sites and the remaining 5% goes to waste treatment facilities.

Furthermore, the Government had established the Entry Point Project ("**EPP**") 9: "*Developing an Efficient Solid Waste Management System",* as part of the Economic Transformation Programme ("**ETP**") of Malaysia. There are four (4) initiatives under the EPP9 that have been identified to nurture future clean and green technologies, which are as follows:

(i) product design to facilitate the implementation of the Reduce, Reuse, Recycle (3R) programme;
(ii) waste treatment capacity to reduce reliance on landfills;
(iii) waste collection and transportation such as automatic waste collection and the use of deep bins; and
(iv) waste treatment and disposal technology.

Assuming that waste recycling rates increase and more waste goes into sanitary landfills instead of uncontrolled dumpsites, the GDP contribution of the waste sector will increase from RM1.6 billion (2013) to RM7.6 billion (2030). However, the percentage of overall GDP contribution of the waste sector is likely to shrink from 20% to 13%. This is mainly because the growth rate of other sectors are significantly higher than the waste sector and also assuming that the existing tipping fees remain unchanged. Nevertheless, the increase in waste generation per capita is likely to result in the increase of the absolute GDP contribution of the waste sector.

The waste sector is expected to grow at 10% compound annual growth rate from 2013 to 2030, attracting at least RM19.9 billion of cumulative investment. The economic potential of a green waste sector could be higher should there be wider adoption of green technology through Waste-to-Energy ("**WTE**"), biogas capture from Palm Oil Mill Effluent (POME), and other facilities such as transfer station, materials recovery facilities to green the entire waste management process from collection and transfer to final disposal.

(Source: Green Technology Master Plan Malaysia 2017 - 2030, Ministry of Energy, Green Technology and Water)

4.3 Overview and outlook of the renewable energy ("RE") sector

Balancing energy security and sustainability while ensuring that energy supply remains equitable and affordable is a 21st century global challenge, also known as the Energy Trilemma. In Malaysia, energy security that is vital to propel economic development is being strengthened by increasing the share of sustainable RE in the capacity mix.

*(Source: Annual Report 2019, Energy Commission Malaysia ("**ECM**"), published on ECM's website on 6 January 2021)*

The Cabinet of Malaysia has agreed with the Peninsular Malaysia Generation Development Plan approved by Jawatankuasa Perancangan dan Pelaksanaan Pembekalan Elektrik dan Tarif (JPPPET) on 20 October 2020. The key consideration of the plan is not only limited to projection of demand and generation capacity, but also to monitor the progress of the implementation of transmission projects and to support the Government's policies in achieving 31% RE capacity by 2025 for Malaysia (decided by the JPPPET meeting held on 20 October 2020).

In achieving the 31% RE capacity mix target for Malaysia by 2025, a total of 1,178 MW of new RE capacities will be developed in Peninsular Malaysia from 2021 onwards. The RE capacity mix for Malaysia is projected to increase to the 40% level by 2035. An additional 2,414 MW of RE capacity would be developed in Peninsular Malaysia from 2026 to 2035 to support the country's long-term national commitment of achieving 10,944 MW RE capacity.

Based on the Generation Development Plan 2020, the net demand of energy is projected to grow by 0.6% per annum for 2021 to 2030 and 1.8% per annum for 2031 to 2039. By 2030, 6,077 MW of new capacity is required to meet demand growth, replacing retiring plants and ensuring system reliability. In support of Malaysia's commitment towards sustainable energy pathway, supply capacity mix in Peninsular Malaysia will see an increase in RE share from 17% to 31%, whilst the thermal (gas and coal) capacity share will reduce from 82% to 69% by the end of the horizon. As a result, carbon emission intensity per GDP for the Peninsular Malaysia power sector is projected to be on a downtrend with a 45% reduction by 2030 compared to 2005 level and a further 65% reduction by 2039.

(Source: Report On Peninsular Malaysia Generation Development Plan 2020 (2021 – 2039), March 2021, ECM, published on ECM's website on 24 March 2021)

The Feed-in Tariff ("**FiT**") programme under the Sustainable Energy Development Authority ("**SEDA**") has continuously evolved to ensure a conducive environment for the industries e.g. change from fixed price to the e-bidding mechanism. By 2020, SEDA has conducted 3 successful biogas e-biddings, 2 successful small hydro e-biddings, and in the future, biomass shall be included in the e-bidding mechanism. SEDA will continuously upgrade the FiT system to meet the market requirement and provide better services; transparencies; and price discoveries.

In 2019, SEDA undertook a study to establish the Renewable Energy Transition Roadmap ("**RETR**") up to year 2035. The RETR 2035 supports global trends of renewables such as the deployment of smaller and distributed RE generations, which will in turn provide opportunities for participation by individuals and SMEs. It is expected to be launched once it has been approved by the Malaysian Government. The outcomes of the roadmap are expected to resonate with the objectives of the Government's Shared Prosperity Vision 2030. It also provided inputs to the 12th Malaysia Plan and the National Energy Policy that is expected to be launched in the first quarter of 2021.

The publication of this roadmap will resonate with the economic recovery of the nation post COVID-19 pandemic outbreak by reducing the country's dependence on petroleum products, mainstreaming the environment by accelerating RE, and making the energy transition as an integral part of the wider post COVID-19 recovery.

Malaysia's continuous commitment to nurture the green economy agenda is also reflected in the Budget 2021. Under one measure to promote sustainable finance, the Government will continue its Green Technology Financing Scheme 3.0 (GTFS) with a fund size of RM2 billion for two years up to 2022, which will be guaranteed by Danajamin Nasional Berhad to encourage the issue of Sustainable and Responsible Investment (SRI) sukuk.

(Source: Sustainable Energy Malaysia e-magazine, Volume 4 Issue 10, SEDA, published on SEDA's website)

4.4 Prospects and outlook of the CRB Group

The Group has 4 business segments comprising of the RE segment, green technology & environmental services segment, waste management & waste-to-energy segment, as well as construction & engineering segment. During the Government-imposed lockdown of non-essential services to contain the spread of COVID-19, the Group's green technology & environmental services segment, as well as the operation of RE plants under the RE segment are deemed as essential services and were not affected by the various movement control orders implemented by the Malaysian Government. However, the operations and site work activities of the waste management & waste-to-energy segment and construction & engineering segment were temporarily suspended and/or slowed down as these segments are deemed as non-essential services. During the third Movement Control Order ("**MCO 3.0**") and the subsequent full lockdown under MCO 3.0, the Group has obtained approval for the operation of all of its business segments, save for the construction & engineering segment. The Group will monitor the COVID-19 pandemic situation closely and introduce measures to ensure sustainability and minimise disruptions to its operations, if any.

The utilisation of the funds raised from the Proposed Private Placement as disclosed in Section 2.6 of this announcement would further expand the Group's competitive advantage and increase its foothold as a contributor to the Malaysian Government initiatives to increase RE production. The proceeds will be used to complete the construction of the solar PV energy generating facility with 173 MWp LSS3 project in Merchang, Marang, Terengganu Darul Iman.

Upon completion of the Facility, as well as the Group's 25 MW WTE plant in Tanah Merah, Negeri Sembilan Darul Khusus, the Group will increase its ownership of RE assets capacity to 245 MWp from its current operating capacity of 47 MWp. In addition to its own assets, the Group will operate a total of 150 MWp solar assets including the 100 MWp floating solar by middle 2021 under its engineering, procurement and construction plus operation and management long term contract. In total, the Group is expected to have secured capacity of solar assets built, owned and/or operated by the Group of over 395 MWp by the financial year ending 31 October 2022.

In view of the above, it is the Group's intention to continue to expand its green technology and RE segment projects, which is in line with its objective to focus on more concessionaire and long-term income generating assets. 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 RE industry, such as the Malaysian Electricity Supply Industry (MESI) 2.0 initiative, Net Energy Metering 3.0 and the LSS open tenders by SEDA.

(Source: Management of the Company)

5. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

5.1 Share capital

The pro forma effects of the Proposed Private Placement on the total issued share capital of CRB are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of CRB Shares ('000)	**Amount (RM'000)**	**No. of CRB Shares ('000)**	**Amount (RM'000)**
Issued share capital as at the LPD (excluding treasury shares)	483,831	411,362	483,831	411,362
To be issued assuming full exercise of the Outstanding ESOS Options[(a)]	-	-	33,530	27,345
Assuming all the treasury shares are resold in the open market at cost	-	-	7,630	5,790
To be issued pursuant to the Proposed Private Placement	96,766	[(b)]99,669	104,998	[(b)]108,148
Total enlarged issued share capital	**580,597**	**511,031**	**629,989**	**552,645**

Notes:

(a) Assuming the issuance of new CRB Shares pursuant to the following:

(i) the issue of 24,580,000 new CRB Shares upon full exercise of 24,580,000 Outstanding 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 ESOS Options at the exercise price of RM1.16 as per the offer dated 19 January 2021.

(b) Computed based on the indicative issue price of RM1.03 per Placement Share.

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5.2 Net assets ("NA") per CRB Share and gearing

Based on the latest audited consolidated statements of financial position of CRB as at 31 October 2020, the pro forma effects of the Proposed Private Placement on the consolidated NA per CRB Share and gearing of CRB are as follows:

Minimum Scenario

Group level	Audited as at 31 October 2020 (RM'000)	(I) After subsequent events[(a)] (RM'000)	(II) After (I) and the Proposed Private Placement[(b)] (RM'000)
Share capital	409,543	417,152	516,821
Reverse acquisition reserve	(36,700)	(36,700)	(36,700)
Employee share option reserve	3,011	2,337	2,337
Treasury shares	(5,790)	(5,790)	(5,790)
Retained earnings	460,611	460,611	[(c)]459,711
NA attributable to owners of the Company	**830,675**	**837,610**	**936,379**
Perpetual sukuk	118,470	118,470	118,470
Non-controlling interest	1,392	1,392	1,392
NA	**950,537**	**957,472**	**1,056,241**
No. of CRB Shares in issue (excluding treasury shares) ('000)	472,627	483,831	580,597
NA per CRB Share (RM)[(d)]	1.76	1.73	1.61
Total borrowings (RM'000)	1,219,074	1,219,074	[(e)]1,216,305
Gearing (times)[(f)]	1.28	1.27	1.15

Notes:

(a) The subsequent events effected on or after 1 November 2020 up to the LPD are arising from the issuance of the following:

(i) 6,101,500 new CRB Shares pursuant to the exercise of the ESOS Options at the exercise price of RM0.5950 per ESOS Option;

(ii) 1,564,900 new CRB Shares pursuant to the exercise of the ESOS Options at the exercise price of RM0.5950 per ESOS Option;

(iii) 1,107,500 new CRB Shares pursuant to the exercise of the ESOS Options at the exercise price of RM0.5950 per ESOS Option;

(iv) the grant of 8,950,000 new ESOS Options on 19 January 2021;

(v) 1,830,000 new CRB Shares pursuant to the exercise of the ESOS Options at the exercise price of RM0.5950 per ESOS Options; and

(vi) 600,500 new CRB Shares pursuant to the exercise of the ESOS Options at the exercise price of RM0.5950 per ESOS Options.

(b) Assuming 96,766,270 Placement Shares are issued at an illustrative issue price of RM1.03 per CRB Share.

(c) After deducting estimated expenses of RM900,000 in relation to the Proposed Private Placement.

(d) Calculated based on the NA attributable to owners of the Company divided by the total number of CRB Shares in issue (excluding 7,630,100 treasury shares).

(e) After adjusting for the utilisation of proceeds pursuant to the Proposed Private Placement of which RM2.77 million is earmarked for the partial repayment of bank borrowings.

(f) Calculated based on the total borrowings divided by the NA.

Maximum Scenario

Group level	Audited as at 31 October 2020 (RM'000)	(I) After subsequent events[(a)] (RM'000)	(II) After (I) and the full exercise of the Outstanding ESOS Options[(b)] (RM'000)	(III) After (I), (II) and assuming all of the treasury shares are resold (RM'000)	(IV) After (I), (II), (III) and the Proposed Private Placement[(c)] (RM'000)
Share capital	409,543	417,152	444,497	444,497	552,645
Reverse acquisition reserve	(36,700)	(36,700)	(36,700)	(36,700)	(36,700)
Employee share option reserve	3,011	2,337	-	-	-
Treasury shares	(5,790)	(5,790)	(5,790)	-	-
Retained earnings	460,611	460,611	460,611	460,611	[(d)]459,711
NA attributable to owners of the Company	**830,675**	**837,610**	**862,618**	**868,408**	**975,656**
Perpetual sukuk	118,470	118,470	118,470	118,470	118,470
Non-controlling interest	1,392	1,392	1,392	1,392	1,392
NA	**950,537**	**957,472**	**982,480**	**988,270**	**1,095,518**
No. of CRB Shares in issue (excluding treasury shares) ('000)	472,627	483,831	517,361	524,991	629,989
NA per CRB Share (RM)[(e)]	1.76	1.73	1.67	1.65	1.55
Total borrowings (RM'000)	1,219,074	1,219,074	1,219,074	1,219,074	[(f)]1,207,826
Gearing (times)[(g)]	1.28	1.27	1.24	1.23	1.10

Notes:

(a) The subsequent events effected on or after 1 November 2020 up to the LPD are arising from the issuance of the following:

(i) 6,101,500 new CRB Shares pursuant to the exercise of the ESOS Options at the exercise price of RM0.5950 per ESOS Option;

(ii) 1,564,900 new CRB Shares pursuant to the exercise of the ESOS Options at the exercise price of RM0.5950 per ESOS Option;

(iii) 1,107,500 new CRB Shares pursuant to the exercise of the ESOS Options at the exercise price of RM0.5950 per ESOS Option;

(iv) the grant of 8,950,000 new ESOS Options on 19 January 2021;

(v) 1,830,000 new CRB Shares pursuant to the exercise of the ESOS Options at the exercise price of RM0.5950 per ESOS Options; and

(vi) 600,500 new CRB Shares pursuant to the exercise of the ESOS Options at the exercise price of RM0.5950 per ESOS Options.

(b) Assuming the issuance of new CRB Shares pursuant to the following:

(i) the issue of 24,580,000 new CRB Shares upon full exercise of 24,580,000 Outstanding 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 ESOS Options at the exercise price of RM1.16 as per the offer dated 19 January 2021.

(c) Assuming 104,998,290 Placement Shares are issued at an illustrative issue price of RM1.03 per CRB Share.

(d) After deducting estimated expenses of RM900,000 in relation to the Proposed Private Placement.

(e) Calculated based on the NA attributable to owners of the Company divided by the total number of CRB Shares in issue (excluding 7,630,100 treasury shares).

(f) After adjusting for the utilisation of proceeds pursuant to the Proposed Private Placement of which RM11.25 million is earmarked for the partial repayment of bank borrowings.

(g) Calculated based on the total borrowings divided by the NA.

5.3 Substantial shareholders' shareholdings

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

Minimum Scenario

	As at the LPD				After the Proposed Private Placement[(a)]			
	Direct		Indirect		Direct		Indirect	
Substantial shareholders	**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	35,541,820	7.35	-	-	35,541,820	6.12	-	-
Dato' Daud bin Ahmad	59,005,884	12.20	-	-	59,005,884	10.16	-	-
Employees Provident Fund Board ("**EPF**")	32,883,450	6.80	-	-	32,883,450	5.66	-	-
Amanahraya Trustees Berhad – Amanah Saham Bumiputera ("**ASB**")	30,000,000	6.20	-	-	30,000,000	5.17	-	-

Note:

(a) The pro forma effects of the Proposed Private Placement on the substantial shareholding structure of the Company is based on the assumption that the Proposed Private Placement does not give rise to the emergence of any new substantial shareholder(s) in the Company.

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Maximum Scenario

Substantial shareholders	As at the LPD				(I) Assuming full exercise of the Outstanding ESOS Options[a]			
	Direct		Indirect		Direct		Indirect	
	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	35,541,820	7.35	-	-	39,541,820	7.64	-	-
Dato' Daud bin Ahmad	59,005,884	12.20	-	-	78,530,884	15.18	-	-
EPF	32,883,450	6.80	-	-	32,883,450	6.36	-	-
ASB	30,000,000	6.20	-	-	30,000,000	5.80	-	-

Substantial shareholders	(II) After (I) and assuming all of the treasury shares are resold				(III) After (I), (II) and the Proposed Private Placement[a]			
	Direct		Indirect		Direct		Indirect	
	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	39,541,820	7.53	-	-	39,541,820	6.28	-	-
Dato' Daud bin Ahmad	78,530,884	14.96	-	-	78,530,884	12.47	-	-
EPF	32,883,450	6.26	-	-	32,883,450	5.22	-	-
ASB	30,000,000	5.71	-	-	30,000,000	4.76	-	-

Note:

(a) *The pro forma effects of the Proposed Private Placement on the substantial shareholding structure of the Company is based on the assumption that the Proposed Private Placement does not give rise to the emergence of any new substantial shareholder(s) in the Company.*

5.4 Earnings and earnings per CRB Share ("EPS")

The Proposed Private Placement is not expected to have material effect on the consolidated earnings of CRB for the financial year ending 31 October 2021. However, the Proposed Private Placement may dilute CRB's consolidated EPS as a result of the increase in the number of CRB Shares issued pursuant to the Proposed Private Placement.

Nonetheless, the proceeds from the Proposed Private Placement are expected to contribute positively to the future earnings of CRB, as and when the benefits of the utilisation of proceeds are realised.

5.5 Convertible securities

As at the LPD, save for the 33,530,000 Outstanding ESOS Options, the Company does not have any outstanding convertible securities. The Proposed Private Placement is not expected to result in any adjustments to the exercise price and/or number of ESOS Options.

Save as disclosed above, the Company does not have any other outstanding convertible securities.

6. APPROVALS REQUIRED

The Proposed Private Placement is subject to the following approvals being obtained:

(i) Bursa Securities, for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities; and

(ii) any other relevant authority, if required.

The Board intends to allot and issue the Placement Shares under the General Mandate. As the Placement Shares will be issued under the General Mandate, the Proposed Private Placement does not require the approval by the shareholders of the Company. However, if the Placement Shares are not offered to 3rd party investors before the expiry of the General Mandate, the offering of such Placement Shares will be conditional upon the General Mandate being renewed at the next AGM of the Company. The Proposed Private Placement is not conditional upon any other proposal undertaken or to be undertaken by the Company.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM

None of the Directors, major shareholders and/or chief executive of CRB and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Private Placement.

8. DIRECTORS' STATEMENT

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

9. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Private Placement is expected to be completed in the 4th quarter of 2021.

10. APPLICATION TO THE AUTHORITIES

The application to the relevant authorities shall be made within 1 month from the date of this announcement.

11. ADVISER

PIVB has been appointed as the Principal Adviser and Placement Agent for the Proposed Private Placement.

This announcement is dated 16 June 2021.