

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about 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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LAGENDA PROPERTIES BERHAD
(FORMERLY KNOWN AS D.B.E. GURNEY RESOURCES BERHAD)
(Registration No: 200101000008 (535763-A))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED ESTABLISHMENT OF A NEW EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO FIFTEEN PERCENT (15%) OF THE TOTAL NUMBER OF ISSUED ORDINARY SHARES OF LAGENDA PROPERTIES BERHAD ("LAGENDA") (EXCLUDING TREASURY SHARES, IF ANY) FOR THE ELIGIBLE DIRECTORS AND EMPLOYEES OF LAGENDA AND ITS NON-DORMANT SUBSIDIARIES ("PROPOSED ESOS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



AmInvestment Bank

AmlInvestment Bank Berhad
(Registration No: 197501002220 (23742-V))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The resolutions in respect of the Proposed ESOS will be tabled at the Extraordinary General Meeting ("**EGM**") of our Company which will be conducted virtually through live streaming and online remote participation and voting from the broadcast venue at Level 43A, MYEG Tower, Empire City, No 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor on Monday, 28 June 2021 at 3.00 p.m. or immediately following the conclusion or adjournment of the 20th Annual General Meeting of our Company scheduled to be held at the same venue and on the same day at 2.00 p.m. whichever is later for the purpose of considering the Proposed ESOS. The Notice of the EGM together with the Proxy Form, Administrative Guide for Shareholders and this Circular are available at our Company's website at www.lagendaproperties.com.

The Proxy Form should be completed and deposited at the business address of our Company at Level 4, No. 131, Persiaran PM 2/1, Pusat Bandar Seri Manjung Seksyen 2, 32040 Seri Manjung, Perak Darul Ridzuan, not less than forty-eight (48) hours before the time for holding the EGM or at any adjournment thereof. Please follow the procedures provided in the Administrative Guide for Shareholders for the EGM in order to register, participate and vote remotely.

Last date and time for lodging the Proxy Form : Saturday, 26 June 2021 at 3.00 p.m.
Date and time of the EGM : Monday, 28 June 2021 at 3.00 p.m.

This Circular is dated 8 June 2021

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

Act	: Companies Act, 2016, as amended from time to time and any re-enactment thereof
AmBank Group	: AMMB Holdings Berhad (Registration No. 199101012723 (223035-V)) and its group of companies
AmInvestment Bank	: AmInvestment Bank Berhad (Registration No: 197501002220 (23742-V))
Board	: Board of Directors of Lagenda
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No: 200301033577 (635998-W))
By-Laws	: By-Laws governing the Proposed ESOS (as may be amended, varied or supplemented from time to time in accordance with the provisions of the By-Laws), the draft of which are set out in Appendix I of this Circular
Circular	: This circular to shareholders dated 8 June 2021 in relation to the Proposed ESOS
Director(s)	: A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, within the meaning of Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act, 2007
EGM	: Extraordinary general meeting
Eligible Person(s)	: Eligible employee(s) and director(s) of Lagenda Group (other than dormant subsidiaries) who fulfill the eligibility criteria to participate in the Proposed ESOS
EPS	: Earnings per share
ESOS	: Employees' share option scheme
ESOS Committee	: A committee duly appointed and authorized by the Board to administer the Proposed ESOS in accordance with the By-Laws, comprising such number of Directors and/or other persons appointed / identified from time to time by the Board.
ESOS Option(s)	: The right of a Grantee to subscribe for new and/or existing Lagenda Shares at the Exercise Price pursuant to an Offer duly accepted by a Grantee in the manner stipulated in the By-Laws, and where the context so requires, means any part of the ESOS Option as shall remain unexercised
Exercise Price	: The price which a Grantee is required to pay to be entitled to subscribe for or acquire each Lagenda Share pursuant to the exercise of an ESOS Option granted under the Proposed ESOS
Grantee(s)	: Eligible Person(s) who have accepted an Offer in the manner as stipulated in the By-Laws
Lagenda or Company	: Lagenda Properties Berhad (<i>formerly known as D.B.E. Gurney Resources Berhad</i>) (Registration No. 200101000008 (535763-A))

DEFINITIONS (CONT'D)

Lagenda Group or Group	:	Collectively, Lagenda and its subsidiaries
Lagenda RCPS(s)	:	296,192,288 redeemable convertible preference shares in Lagenda
Lagenda Share(s) or Share(s)	:	Ordinary share(s) in Lagenda
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time
LPD	:	17 May 2021, being the latest practicable date prior to the printing of this Circular
Maximum Scenario	:	Assuming full issuance and conversion of the outstanding 296,192,288 Lagenda RCPS and all of the outstanding 23,225,078 Warrants B are exercised as at the LPD
Minimum Scenario	:	Assuming no issuance and conversion of the outstanding 296,192,288 Lagenda RCPS and none of the outstanding 23,225,078 Warrants B are exercised as at the LPD
NA	:	Net assets
Offer	:	An award of ESOS Options made in writing by the ESOS Committee to an Eligible Person to participate in the Scheme in the manner stipulated in the By-Laws
Proposed ESOS or Scheme	:	Proposed establishment and implementation of an ESOS of up to fifteen percent (15%) of the total number of issued Lagenda Shares (excluding treasury shares, if any) at any point in time over the duration of the ESOS for the Eligible Persons
RM and sen	:	Ringgit Malaysia and sen respectively
Shareholders	:	Shareholder(s) of Lagenda
VWAP	:	Volume weighted average market price
Warrants B	:	23,225,078 outstanding five-year warrants (2017/2022) as at the LPD issued in registered form and constituted by the deed poll dated 20 January 2017 and expiring on 22 January 2022

DEFINITIONS (CONT'D)

Unless specifically referred to, words denoting the singular shall include the plural and vice versa and words denoting the masculine gender shall include the feminine and neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

All references to “you” in this Circular are to our Shareholders.

Any reference to time of day in this Circular is a reference to Malaysian time, unless otherwise stated.

Any reference in this Circular to the provisions of any statute, rules, regulation or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rules, regulation or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments to the statute, rules, regulation or rules of stock exchange for the time being in force.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that Lagenda’s plans and objectives will be achieved.

TABLE OF CONTENTS

	PAGE
LETTER TO THE SHAREHOLDERS	
1 INTRODUCTION	1
2 DETAILS OF THE PROPOSED ESOS	2
3 RATIONALE FOR THE PROPOSED ESOS	7
4 EFFECTS OF THE PROPOSED ESOS	8
5 APPROVALS REQUIRED AND CONDITIONALITY	10
6 CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION	11
7 INTERESTS OF DIRECTORS, CHIEF EXECUTIVE, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM	11
8 DIRECTORS' STATEMENT AND RECOMMENDATION	12
9 ESTIMATED TIME FRAME FOR COMPLETION	12
10 EGM	12
11 FURTHER INFORMATION	13
APPENDIX	
I DRAFT BY-LAWS	14
II FURTHER INFORMATION	53
NOTICE OF EGM	ENCLOSED
PROXY FORM	ENCLOSED



Lagenda Properties Berhad
(Registration No: 200101000008 (535763-A))
(Incorporated in Malaysia)

Registered Office
No. 54-4-8, Wisma Sri Mata
Jalan Van Praagh
11600 Penang

8 June 2021

Board of Directors

Dato' Doh Tee Leong (Non-Independent Non-Executive Chairman)
Dato' Doh Jee Ming (Managing Director)
Dato' Doh Jee Chai (Non-Independent Non-Executive Director)
Mohamad Ali Bin Ariffin (Independent Non-Executive Director)
Looi Sze Shing (Independent Non-Executive Director)
Dr Lim Pang Kiam (Independent Non-Executive Director)

To: The Shareholders

Dear Sir/Madam,

PROPOSED ESOS

1. INTRODUCTION

On 10 May 2021, AmInvestment Bank, had on behalf of our Board, announced that our Company proposed to establish an ESOS of up to fifteen percent (15%) of the total number of issued ordinary shares (excluding treasury shares, if any) at any one time of our Company, which entitles the Eligible Persons to, upon exercise, receive Lagenda Shares at a future date at a pre-determined price.

Subsequently, on 18 May 2021, AmInvestment Bank had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 17 May 2021, granted its approval for the listing of such number of new Lagenda Shares to be issued pursuant to the exercise of the ESOS Options, representing up to 15% of the total number of issued ordinary shares of our Company (excluding treasury shares, if any) at any point in time over the duration of the ESOS pursuant to the Proposed ESOS on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to the conditions as set out in Section 5 of the Circular.

THE PURPOSE OF THE CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED ESOS AND TO SET OUT THE VIEW AND RECOMMENDATION OF OUR BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS IN RELATION TO THE PROPOSED ESOS WHICH WILL BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED ESOS AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED ESOS

The Proposed ESOS will involve granting of ESOS Options to the Eligible Persons to subscribe for new and/or existing Lagenda Shares at a pre-determined price, in accordance with the By-Laws.

The Proposed ESOS will be administered by ESOS Committee and governed by a set of By-Laws. The ESOS Committee will comprise Directors and/or other persons identified and appointed from time to time by the Board. The composition of the ESOS Committee has yet to be determined at this juncture.

The ESOS Committee will have absolute discretion in administering the Scheme including prescribing financial and performance criteria and such other conditions as it may deem fit to be. The decision as to whether or not to stagger the allocation of the ESOS Options over the duration of the Proposed ESOS shall be determined by the ESOS Committee at a later date.

2.1 Mode of settlement

Subject to the prevailing legislation and Listing Requirements, our Company will have the flexibility and discretion in determining the mode of settlement of the ESOS Options by way of:-

- (i) issuance of new Lagenda Shares;
- (ii) transfer of Lagenda Shares held in treasury;
- (iii) any other mode of satisfaction that may be permitted by the Act (as amended from time to time or any re-enactment thereof); or
- (iv) a combination of any of the above.

2.2 Size of the Proposed ESOS

The maximum number of Lagenda Shares which may be available pursuant to the Proposed ESOS (whether in the form of new Shares to be issued under the Scheme or the aggregate number of new Shares together with existing Shares made available for the purposes of the Scheme) shall not at any point in time in aggregate exceed fifteen percent (15%) of the issued share capital of our Company (excluding treasury shares).

2.3 Eligibility

An employee of our Group (other than dormant subsidiaries) shall be able to participate in the Scheme, if, as at the date of Offer:-

- (i) he/she has attained the age of eighteen (18) years and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;
- (ii) he/she is employed on the date of Offer and he/she is employed:-
 - (a) on a full time basis and is on the payroll of any company of our Group for a continuous period of at least one (1) year (which shall include any probation period) and his/her employment has been confirmed by any company in our Group; or
 - (b) he/she is serving in a specific designation under an employment contract with any company of our Group (which are not dormant) for a continuous fixed duration of at least one (1) year (which shall include any probation period) and may, if the ESOS Committee deems fit, to include contract staff hired for a period of one (1) year or more for any purposes or specific requirements of our Group; and

- (iii) such employee falls within any other eligibility criteria (including variations to the eligibility criteria under sections 2.3 (i) or (ii) above) that may be determined by the ESOS Committee from time to time at its sole discretion, whose decision shall be final and binding.

If the employee is employed by a company which is acquired by our Group during the tenure of the Scheme and becomes a subsidiary whether directly or indirectly held by our Company upon such acquisition, the Eligible Person must fulfil the following as at the date of Offer:-

- (i) he/she is at least eighteen (18) years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings; and
- (ii) he/she is employed full time basis and is on the payroll of the newly acquired company for a continuous period of at least one (1) year (which shall include any probation period) and his/her employment has been confirmed by the newly acquired company.

The Director of Lagenda Group (other than dormant subsidiaries) shall be able to participate in the Scheme, if, as at the date of Offer:-

- (i) he/she has attained at least eighteen (18) years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;
- (ii) he/she has been appointed as a director of our Group (other than dormant subsidiaries).

The specific allocation of ESOS Options granted under the Scheme to any of the Eligible Persons who is a director, chief executive of our Company or a person connected with a director or chief executive or major shareholder of our Company must have been approved by the shareholders of our Company at a general meeting.

For avoidance of doubt, the ESOS Committee may from time to time at its absolute discretion determine any other eligibility criteria and/or waive any of the conditions of the eligibility as set out above, for the purposes of selecting an Eligible Person. In the event that any Eligible Person is a member of the ESOS Committee, such Eligible Person shall not participate in the deliberation or discussion of his/her own allocation of ESOS Options.

Eligibility under the Scheme does not confer upon an Eligible Person a claim or right to participate in the Scheme unless the ESOS Committee has made an Offer to the Eligible Person and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the provisions of the By-Laws.

2.4 Maximum allowable allocation and basis of allocation

Subject to any adjustments which may be made under the By-Laws, the maximum number of Lagenda Shares comprised in the ESOS Options that may be offered to an Eligible Person shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst others, the Eligible Person's performance, targets, position, annual appraised performance, seniority and length of service, contribution, category or grade of employment in Lagenda Group respectively, or such other matters that the ESOS Committee may in its discretion deem fit, subject to the following conditions:-

- (i) that the number of new Lagenda Shares to be issued under the Scheme shall not exceed the amount stipulated in Section 2.2 of this Circular;

- (ii) that not more than ten percent (10%) of the new Lagenda Shares to be issued and/or transferred under the Scheme at the point in time when an offer is made, be granted to any individual Eligible Person who, either singly or collectively through persons connected with him/her, holds twenty percent (20%) or more of the total number of issued Lagenda Shares (excluding treasury shares, if any);
- (iii) that not more than fifty percent (50%) of the ESOS Options available under the Scheme will be allocated in aggregate to our Directors of our Group (only including companies which are not dormant) who are Eligible Persons. Such allocation has been determined after taking into consideration, amongst other, the number of directors of our Group and the envisaged contributions of the directors to the growth of our Group.

For avoidance of doubt, no limit has been set for the allocation of the ESOS Options available under the Scheme to the senior management of the Group (only including companies which are not dormant). However, if such senior management personnel is also a Director of our Group, the aggregate allocation to aforesaid person together with all the Directors of our Group (only including companies which are not dormant) shall not be more than fifty percent (50%) of the ESOS Options available under the Scheme; and

- (iv) that the Eligible Persons who are also the members of the ESOS Committee, including our Directors and senior management and/or any employees of our Group do not participate in the deliberation or discussion of their respective allocation or allocations to person(s) connected to them.

For information purposes, unless the context otherwise requires, “persons connected with an Eligible Person” or “persons connected with a director” shall have the meaning given to “Person Connected” as defined in Paragraph 1.01 of the Listing Requirements.

Despite the granting of the ESOS Options to the Eligible Persons based on their eligibilities and subject to the maximum allowable allocation stated above, our Company will take into consideration, amongst others, our Group’s financial performance and the Eligible Person’s individual performance over the duration of the Proposed ESOS to determine the amount of ESOS Options to be vested to the Eligible Persons. In any event, the ESOS Committee, in its sole and absolute discretion, shall determine our Company’s and Eligible Persons’ performance target and/or criteria to achieve in order to ascertain the number of ESOS Options that will be vested to the Eligible Persons and its respective vesting period.

As at the LPD, our Company has not determined on the quantum of the ESOS Options to be granted to the Eligible Persons, performance target and/or criteria in respect of the vesting of the ESOS Options and the vesting period.

For avoidance of doubt, the ESOS Committee may at its sole and absolute discretion determine whether the Shares available for vesting under this Scheme are to be offered to the Eligible Person via:-

- (i) one single Offer at a time determined by the ESOS Committee; or
- (ii) several Offers, where the vesting of ESOS Options comprise in those Offers are staggered or made in several tranches at such times and on terms determined by the ESOS Committee.

2.5 Duration of the Proposed ESOS

The Proposed ESOS shall be in force for a duration of five (5) years from the effective date of the implementation of the Scheme, being the date to be determined and announced by our Board following the full compliance with all relevant requirements of the Listing Requirements in relation to the Proposed ESOS.

On or before the expiry of the above initial five (5)-years period, the Proposed ESOS may be extended by our Board at its absolute discretion, without having to obtain approval from our Shareholders, for a further period of up to five (5) years, but will not in aggregate exceed ten (10) years from the effective date.

Upon the expiry of the Scheme, any ESOS Options which have yet to be exercised or vested (as the case may be and whether fully or partially) shall be deemed cancelled and be null and void.

2.6 Pricing

Subject to any adjustments in accordance with the By-Laws and pursuant to the Listing Requirements, the Exercise Price shall be based on the five (5)-day VWAP of Lagenda Shares immediately preceding the date of Offer, with a discount of not more than 10% on the said VWAP.

2.7 Ranking of new Lagenda Shares

The new Lagenda Shares to be issued pursuant to the Proposed ESOS shall upon allotment and issue, rank *pari passu* in all respects with the then existing Shares except that the new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to shareholders of Lagenda, for which the entitlement date is prior to the date of allotment and issuance of such new Lagenda Shares.

In respect of existing Lagenda Shares to be transferred to the Eligible Persons who have exercised the ESOS Options, such Shares will not be entitled to any dividends, rights, allotments and/or other distributions, which may be declared, made or paid to shareholders, the entitlement date of which is prior to the date on which the existing Shares are credited into the Central Depository System accounts of such Eligible Persons maintained by Bursa Malaysia Depository Sdn Bhd.

2.8 Utilisation of proceeds

The proceeds to be received by Lagenda pursuant to the exercise of ESOS Options will depend on, *inter-alia*, the number of ESOS Options vested and exercised at the relevant point in time and the Exercise Price. As such, the actual amount of proceeds arising from the exercise of the ESOS Options as well as the timeframe for the utilisation of proceeds could not be determined at this juncture.

Our Group intends to utilise any proceeds from the exercise of ESOS Options for the working capital requirements of our Group.

2.9 Retention period

It is the intention of our Company for the Eligible Persons to hold the Lagenda Shares received via the Proposed ESOS as a long-term investment, and not for any speculative purposes and/or for the realisation of any immediate gains.

Accordingly, the Lagenda Shares issued pursuant to the Proposed ESOS may be subject to a retention period and/or such other restrictions on transfer at the discretion of the ESOS Committee.

Pursuant to Paragraph 8.20 of the Listing Requirements, an Eligible Person who is a non-executive director of our Company must not sell, transfer or assign any new Lagenda Shares obtained through the exercise of ESOS Options offered to him/her under the Scheme within one (1) year from the date of Offer.

2.10 Fees, costs and expenses

All fees, costs and expenses incurred in relation to the Proposed ESOS including but not limited to the costs and expenses in respect of the issue and allotment and/or transfer of Lagenda Shares pursuant to the ESOS Options, shall be borne by our Company.

Notwithstanding the above, the Grantee shall bear any fees, costs, expenses and stamp duty incurred in relation to his/her acceptance and exercise of the ESOS Options under the Scheme and any holding or dealing of new Shares to be allotted and issued and/or transferred pursuant to the exercise of the ESOS Options, including but not limited to brokerage commissions and stamp duties.

2.11 Alteration of share capital

In the event of any alteration in the capital structure of Lagenda during the duration of the Scheme whether by way of rights issue, bonus issue or other capitalisation issue, subdivision or consolidation of Lagenda Shares, capital reduction or any other alternation in the capital structure of our Company or otherwise howsoever, the ESOS Committee may, in accordance with the By-Laws, in its discretion, determine whether the Exercise Price and/or number of unexercised ESOS Options shall be adjusted, and if so, the manner in which such adjustments should be made.

Such adjustments must be confirmed in writing by either the external auditors of Lagenda or principal advisers (acting as experts and not as arbitrators) that the adjustments are in their opinion fair and reasonable. The opinion of the external auditors or principal adviser shall be final, binding and conclusive.

Nonetheless, adjustments shall not apply where the alteration of the capital structure in Lagenda arises from, amongst others, issuance of securities as consideration or part-consideration for an acquisition of assets and/or business, or a special issue or private placement or any purchase by Lagenda of its own Shares or any conversion of convertibles.

2.12 Amendment, variation and/or modification to the Proposed ESOS

Subject to the compliance with the Listing Requirements and the approvals of any other relevant authorities, the ESOS Committee may at any time and from time to time recommend to our Board any additions, modifications or amendments to or deletions of the By-Laws as it shall at its discretion think fit.

The approval of the Shareholders in a general meeting shall not be required in respect of additions or amendments to or modifications and/or deletions of the By-Laws provided that no such additions, modifications or amendments to or deletions of the By-Laws shall be made which will:-

- (i) prejudice any rights which have accrued to any Grantee without the prior consent of that Grantee;
- (ii) increase the number of new Lagenda Shares available under the Scheme beyond the maximum number of Lagenda Shares available; or
- (iii) alter any matter which are required to be contained in the By-Laws by virtue of the Listing Requirements to the advantage of the Eligible Person(s) and/or Grantee(s).

2.13 Termination of the Scheme

The Scheme may be terminated by our Company at any time during the duration of the Scheme and our Company shall make an announcement immediately to Bursa Securities.

The announcement shall include:-

- (i) the effective date of termination;
- (ii) the number of ESOS Options exercised; and
- (iii) the reasons and justification for termination.

2.14 Listing and quotation of the new Lagenda Shares to be issued pursuant to the Proposed ESOS

Bursa Securities had vide its letter dated 17 May 2021 approved the listing of and quotation for such number of new Lagenda Shares, representing up to fifteen percent (15%) of the total number of issued Shares (excluding treasury shares), to be issued pursuant to the Proposed ESOS on the Main Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions as set out in Section 5 of this Circular.

2.15 Proposed Specific Allocation

As part of the implementation of the Proposed ESOS, our Board seeks the approval of the Shareholders in accordance with the Listing Requirements and the By-Laws, for the ESOS Committee to offer and grant the following specific allocation of ESOS Options to the following directors, chief executive, major shareholders and persons connected to them, subject always to such terms and conditions and/or adjustments which may be made in accordance with the By-Laws and the allocation of the ESOS Options as stated in Section 2.4 above:-

- (i) Dato' Doh Jee Ming (*Managing Director*);
- (ii) Dato' Doh Tee Leong (*Non-Independent Non-Executive Chairman*);
- (iii) Dato' Doh Jee Chai (*Non-Independent Non-Executive Director*);
- (iv) Mohamad Ali Bin Ariffin (*Independent Non-Executive Director*);
- (v) Looi Sze Shing (*Independent Non-Executive Director*); and
- (vi) Dr Lim Pang Kiam (*Independent Non-Executive Director*)

Our Company is of the view that the allocation to the independent non-executive directors will not affect them in exercising their independent judgement or their ability to act in the best interest of our Company as the Proposed ESOS is expected to further motivate / enhance their level of commitment in promoting long term growth of our Group. Further, pursuant to Paragraph 8.20 of the Listing Requirements, an Eligible Person who is a non-executive director of our Company must not sell, transfer or assign any new Lagenda Shares obtained through the exercise of ESOS Options offered to him/her under the Scheme within one (1) year from the date of Offer.

3. RATIONALE FOR THE PROPOSED ESOS

The employees of Lagenda have been the driving force behind our Group's strong economic performance and will continue to be one of our Group's most critical and valued assets.

In line with the above, our Board believes that the Proposed ESOS will act as a long-term incentive plan, of which the opportunity to directly participate in the equity of our Company will align the interests of the Eligible Persons with the long-term objectives of our Group to create sustainable value enhancement for shareholders.

The Proposed ESOS's intended purposes are to:-

- (i) provide an incentive to drive and motivate the Eligible Persons towards better performance, and work towards achieving our Group's goals and objectives in order to drive the growth of our Group;

- (ii) reward the Eligible Persons in recognition of their accumulated contributions to the operations and sustained growth and profitability of our Group;
- (iii) align the interests of the Eligible Persons with the interest of the shareholders of our Company via direct participation in the equity of our Company;
- (iv) retain the Eligible Persons by giving them a sense of ownership, loyalty and belonging to our Group by enabling them to participate directly in the equity of our Company; and
- (v) attract prospective employees with relevant skills and experience to our Group by making the total compensation package more competitive.

Non-executive directors come from different professions and backgrounds and they bring a wealth experience in corporate governance as well as business management to our Group. Notwithstanding that non-executive directors are not involved in the day-to-day business operations of our Group, they are often consulted on various matters in relation to the business strategy / corporate exercises of our Group. Therefore, the Proposed ESOS is also extended to the non-executive directors of Lagenda with the following objectives:-

- (i) to recognise the contribution of the non-executive directors of Lagenda in corporate governance areas of our Group;
- (ii) to promote active participation of the non-executive directors of Lagenda in the evaluation of our Group's strategic initiatives;
- (iii) to motivate the non-executive directors of Lagenda in promoting the interests of our Group by enabling them to participate in the long-term growth and success of our Group; and
- (iv) to attract and retain qualified persons from different professional backgrounds to join Lagenda as non-executive directors.

The selection of non-executive directors to participate in the Proposed ESOS and the number of ESOS Options to be offered (in accordance with the By-Laws) will be decided by the ESOS Committee, in consultation with the Board (where applicable), taking into consideration, *inter-alia*, the nature and extent of their input and expertise rendered to the Board for overseeing the development of Lagenda Group.

4. EFFECTS OF THE PROPOSED ESOS

The proforma effects of the Proposed ESOS are set out in the ensuing sections after taking into consideration the following:-

Minimum Scenario : Assuming no issuance and conversion of the outstanding 296,192,288* Lagenda RCPS and none of the outstanding 23,225,078 Warrants B are exercised as at the LPD

Maximum Scenario : Assuming full issuance and conversion of the outstanding 296,192,288* Lagenda RCPS and all of the outstanding 23,225,078 Warrants B are exercised as at the LPD

Note:-

* Assuming all 76,550,572 retention RCPS have been issued.

4.1 Share Capital

The Proposed ESOS is not expected to have any immediate effect on the existing share capital of Lagenda. The share capital of our Company will increase progressively depending on the number of new Shares that may be issued in connection with the Proposed ESOS.

For illustration purposes, assuming a maximum number of ESOS Options are granted, vested and exercised, the proforma effects of the Proposed ESOS on the share capital of Lagenda are shown in the table below:-

	Minimum Scenario		Maximum Scenario	
	No. of Lagenda Shares ('000)	RM ('000)	No. of Lagenda Shares ('000)	RM ('000)
As at the LPD (excluding treasury shares)	818,490	314,871	818,490	314,871
To be issued pursuant to the full conversion of the outstanding Lagenda RCPS	-	-	296,192	_(1)
After full conversion of the outstanding Lagenda RCPS	818,490	314,871	1,114,682	314,871
To be issued pursuant to the full exercise of the outstanding Warrants B	-	-	23,225	29,031 ⁽²⁾
After full exercise of the outstanding Warrants B	818,490	314,871	1,137,907	343,902
To be issued pursuant to the Proposed ESOS	122,773	162,061 ⁽³⁾	170,686	225,305 ⁽³⁾
After the Proposed ESOS	941,263	476,932	1,308,593	569,207

Notes:

- (1) No RCPS has been recognised by our Group as a result of reverse acquisition accounting whereby Blossom Eastland Sdn Bhd ("**Blossom**") and its subsidiaries have been identified as the accounting acquirer pursuant to the acquisition of Blossom and its subsidiaries in accordance with the Malaysian Financial Reporting Standard ("**MFRS**") 3 – Business Combination.
- (2) Based on the exercise price of RM1.25 per Warrants B.
- (3) Assuming new Lagenda Shares pursuant to the Proposed ESOS are issued at an illustrative Exercise Price of RM1.32, which represents a discount of approximately 9.43% to the five (5)-day VWAP of Lagenda Shares up to and including 30 April 2021, being the latest practicable date prior to the announcement of the Proposed ESOS of RM1.4575 per Lagenda Share.

4.2 Substantial shareholders' shareholdings

The Proposed ESOS will not have any effect on the shareholdings of Lagenda's substantial shareholders until and unless new Shares are issued to the Eligible Persons.

Any potential effects on their shareholdings will depend on the number of new Shares to be issued pursuant to the Proposed ESOS at the relevant point in time, which may result in a dilution to their shareholdings.

4.3 NA and Gearing

The Proposed ESOS will not have an immediate effect on the NA and NA per Share of Lagenda until such time the ESOS Options are exercised. Any potential effects on the NA and NA per Share of Lagenda will depend on the number of ESOS Options granted, vested and/or exercised at the material point in time as well as the fair value of the ESOS Options to be granted and the Exercise Price.

The Proposed ESOS is not expected to have any material effect on Lagenda's gearing level.

4.4 Earnings and EPS

The Proposed ESOS is not expected to have any immediate material effect on the earnings and EPS of our Group until such time when the ESOS Options are granted. In accordance with the MFRS 2 on “Share-Based Payment” issued by the Malaysian Accounting Standards Board (“MFRS 2”), the Proposed ESOS will result in a change to the earnings of our Group over the period from the grant date to the vesting date of the ESOS Options.

However, the potential effect of the Proposed ESOS on the future earnings and EPS of our Group cannot be determined at this juncture as it would depend on, amongst others, the number of ESOS Options granted and exercised and the various factors that affect the fair value of the ESOS Options at the relevant point in time.

Notwithstanding the above and excluding (i) the effects of the future earnings contribution to our Group and (ii) the potential costs arising from the issuance of the ESOS Options under the MFRS 2, the Proposed ESOS will have a dilutive effect on our Group’s EPS due to the increase in the number of Shares resulting from the issuance of new Shares arising from the exercise of the ESOS Options.

Our Board has taken note of the potential effect of the Proposed ESOS on the earnings of our Group and will take proactive measures to manage the earnings impact in the granting of ESOS Options.

4.5 Convertible Securities

Save for 23,225,078 Warrants B and 219,641,716 Lagenda RCPS (excluding 76,550,572 Lagenda RCPS which has yet to be issued as at the LPD), Lagenda does not have any other outstanding convertible securities.

5. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed ESOS is subject to the following approvals being obtained:-

- (a) Bursa Securities, which was obtained vide its letter dated on 17 May 2021 for the Proposed ESOS, subject inter-alia to, the following conditions:-

No.	Condition	Status of Compliance
1.	An Investment Bank 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 a certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed ESOS	To be complied
2.	Lagenda is required to furnish Bursa Securities on a quarterly basis a summary of the total number of Lagenda Shares listed pursuant to the Proposed ESOS as at the end of each quarter together with a detailed computation of listing fee payable.	To be complied

- (b) the approval of the Shareholders at an EGM of our Company to be convened for the Proposed ESOS; and
- (c) any other relevant authorities and/or parties, if required.

The Proposed ESOS is not conditional upon any other proposals undertaken or to be undertaken by Lagenda as at the LPD.

6. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the following, our Board confirms that there are no other outstanding corporate proposals that have been announced but yet to be completed prior to the printing of this Circular:-

- a) Proposed ESOS;
- b) Conditional sale and purchase agreement dated 25 August 2020 entered into between LPB Development Sdn Bhd (formerly known as DBE Development Sdn Bhd) ("**LPB Development**"), a wholly owned subsidiary of our Company and Symphony Hills Sdn Bhd, a subsidiary of UEM Sunrise Berhad for an acquisition of 5 parcels of leasehold agriculture lands at District of Batang Padang, Mukim of Batang Padang, State of Perak, measuring approximately 623.07 acres in total for a total cash consideration of RM29.86 million; and
- c) Joint venture cum shareholders' agreement dated 6 April 2021 entered into between LPB Development and BDB Land Sdn Bhd to undertake an affordable housing development project on 5 parcels of land located at Bandar Amanjaya, District of Kuala Muda, State of Kedah via a joint venture company namely, BDB Lagenda Sdn Bhd.

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

All our Directors of Lagenda are entitled to participate in the Proposed ESOS and are therefore deemed interested in the Proposed ESOS to the extent of their respective allocations, as well as allocations to persons connected with them (if any) under the Proposed ESOS.

Our Directors have abstained and will continue to abstain from all deliberations and voting in respect of the specific allocation of ESOS Options to themselves as well as the specific allocations to any persons connected with them (if any) at the relevant Board meetings of our Company.

Further, our Directors will also abstain and have undertaken to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in Lagenda on the resolutions pertaining to any specific allocations of ESOS Options to themselves, as well as the specific allocations to any persons connected with them under the Proposed ESOS at the EGM to be convened.

The details of our Directors' shareholdings in our Company as at the LPD are as below:-

	Direct		Indirect	
	No of Lagenda Shares	%	No of Lagenda Shares	%
Dato' Doh Jee Ming	2,300,800	0.28	607,571,209	74.23 ⁽¹⁾
Dato' Doh Tee Leong	-	-	607,571,209	74.23 ⁽¹⁾
Dato' Doh Jee Chai	-	-	607,571,209	74.23 ⁽¹⁾
Mohamad Ali bin Ariffin	-	-	-	-
Looi Sze Shing	-	-	-	-
Dr Lim Pang Kiam	-	-	-	-

Note:-

- (1) Deemed interested pursuant to Section 8 of the Act by virtue of their shareholdings in Lagenda Land Sdn Bhd, Doh Capital Sdn Bhd (formerly known as Doh Properties Holdings Sdn Bhd) and Setia Awan Plantation Sdn Bhd, of which in turn holds 100% equity interest in Doh Properties Holdings Sdn Bhd.

The major shareholders of Lagenda, namely Dato' Doh Jee Ming, Dato' Doh Tee Leong and Dato' Doh Jee Chai who are the Managing Director, Non-Independent Non-Executive Chairman and Non-Independent Non-Executive Director respectively, are the Eligible Persons under the Proposed ESOS. They will abstain from voting in respect of their respective direct and/or indirect shareholdings in Lagenda, on the resolutions pertaining to their specific allocations of ESOS Options as well as the specific allocations to any persons connected with them under the Proposed ESOS at the EGM to be convened.

Furthermore, Dato' Doh Jee Ming, Dato' Doh Tee Leong and Dato' Doh Jee Chai have also undertaken that they shall ensure that persons connected with them (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in Lagenda on the resolutions pertaining to their specific allocations of ESOS Options to themselves, as well as the specific allocations to any persons connected with them under the Proposed ESOS at the EGM to be convened.

Save as disclosed above, none of our Directors, chief executive, major shareholders and/or persons connected to them have any interest, direct or indirect, in the Proposed ESOS.

8. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board having considered all aspects of the Proposed ESOS, is of the opinion that the Proposed ESOS is in the best interests of our Company. For avoidance of doubt, our Directors have abstained from expressing any opinion and recommendation insofar on their specific allocations and specific allocations to any persons connected with them (if any) under the Proposed ESOS is concerned.

Accordingly, our Board (save for our Directors who have abstained from expressing any opinion and recommendation insofar on their specific allocations and specific allocations to any persons connected with them (if any) under the Proposed ESOS is concerned) recommends that you vote in favour of the resolution pertaining to the Proposed ESOS at the forthcoming EGM of our Company.

9. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, Lagenda expects to implement the Proposed ESOS by the third (3rd) quarter of calendar year 2021.

10. EGM

The EGM of Lagenda, the notice of which is available on our Company's website at www.lagendaproperties.com, will be conducted virtually through live streaming and online remote participation and voting from the broadcast venue: Level 43A, MYEG Tower, Empire City, No 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor on Monday, 28 June 2021 at 3.00 p.m. or immediately following the conclusion or adjournment of the 20th Annual General Meeting of our Company scheduled to be held at the same venue and on the same day at 2.00 p.m. whichever is later for the purpose of considering and, if thought fit, passing, *inter-alia*, with or without modifications, the resolutions to give effect to the Proposed ESOS, the notice of which is set out in this Circular.

If you are unable to participate at the EGM, you are requested to complete, sign and return the Proxy Form available at:-

- (i) Company's website www.lagendaproperties.com/investor-relations; or

(ii) Bursa Securities' website:

https://www.bursamalaysia.com/market_information/announcements/company_announcement?keyword=&cat=CS%2CCSCO&sub_type=&company=7179&mkt=&alph=&sec=&subsec=&dt ht=&dt lt=

in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the business address of our Company at Level 4, No. 131, Persiaran PM 2/1, Pusat Bandar Seri Manjung Seksyen 2, 32040 Seri Manjung, Perak Darul Ridzuan, not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.

The completion and lodgement of the Proxy Form will not preclude you from participating and voting at the EGM should you subsequently decide to do so.

The EGM will be conducted virtually through live streaming and online remote participation and voting from the broadcast venue, the members are advised to refer to the Administrative Guide for Shareholders on the registration and voting process for the EGM.

11. FURTHER INFORMATION

You are requested to refer to the enclosed appendices in this Circular for further information.

Yours faithfully

For and on behalf of the Board of
LAGENDA PROPERTIES BERHAD

DATO' DOH JEE MING
Managing Director

**LAGENDA PROPERTIES BERHAD
(FORMERLY KNOWN AS D.B.E. GURNEY RESOURCES BERHAD)**

BY-LAWS OF THE EMPLOYEES' SHARE OPTION SCHEME

PART I

1. NAME OF THE SCHEME

The Scheme (as defined herein) shall be called the “Lagenda Employees’ Share Option Scheme”.

2. OBJECTIVES OF SCHEME

2.1 The objectives of the ESOS (as defined herein) are as follows:

- (a) To provide an incentive to drive and motivate the Eligible Persons (as defined herein) towards better performance, and work towards achieving the goals and objectives of the Group in order to drive the growth of the Group (as defined herein).
- (b) To reward the Eligible Persons in recognition of their accumulated contributions to the operations and sustained growth and profitability of the Group.
- (c) To align the interests of the Eligible Persons, including management personnel of the Group, with the interest of the shareholders of the Company (as defined herein) via direct participation in the equity of the Company.
- (d) To retain the Eligible Persons by giving them a sense of ownership, loyalty and belonging to the Group by enabling them to participate directly in the equity of the Company.
- (e) To attract prospective employees with relevant skills and experience to the Group by making the total compensation package more competitive.

2.2 The ESOS is also extended to the non-executive Directors of the Company with the following objectives:

- (a) To recognise the contribution of the non-executive directors of Lagenda in corporate governance areas of the Group.
- (b) To promote active participation of the non-executive directors of Lagenda in the evaluation of the Group’s strategic initiatives.
- (c) To motivate the non-executive directors of Lagenda in promoting the interests of the Group by enabling them to participate in the long-term growth and success of the Group.
- (d) To attract and retain qualified persons from different professional backgrounds to join Lagenda as non-executive directors.

3. DEFINITIONS AND INTERPRETATION

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

Act	The Companies Act 2016 as amended from time to time including all regulations made thereunder and any re-enactment thereof
Award Date	The date of the letter by which an ESOS Offer is offered by the ESOS Committee to the Eligible Persons to participate in the Scheme
Board	The Board of Directors for the time being of Lagenda
Bursa Depository	Bursa Malaysia Depository Sdn Bhd [Registration No. 198701006854(165570-W)]
Bursa Securities	Bursa Malaysia Securities Berhad [Registration No. 200301033577(635998-W)]
By-Laws	The rules, terms and conditions of the Scheme (as may be modified, varied and/or amended from time to time in accordance with By-Law 24)
CDS	Central Depository System
CDS Account	An account established by Bursa Depository for the recording of deposits and withdrawal of securities and for dealings in such securities by a depositor
Company or Lagenda	Lagenda Properties Berhad (<i>formerly known as D.B.E. Gurney Resources Berhad</i>) [Registration No. 200101000008(535763-A)], a public limited company incorporated in Malaysia under the Companies Act, 1965 and includes its successor-in-title and permitted assigns
Constitution	The Company's constitution, as amended from time to time
Date of Expiry	Last day of the Duration of the Scheme as defined in By-Law 22.1
Director	A director within the meaning stipulated in the Act
Disciplinary Proceedings	Proceedings instituted by any company within the Lagenda Group against an Employee for any alleged misbehaviour, misconduct and/or any other act of the Employee deemed to be unacceptable by that company in the course of that Employee's employment, whether or not such proceedings may

APPENDIX I – DRAFT BY-LAWS (CONT'D)

	give rise to a dismissal or termination of the contract of service of such Employee
Duration of the Scheme	The duration of the Scheme as defined in By-Law 22 and includes any extension of the duration
Effective Date	The date on which the Scheme comes into force as provided in By-Law 22.1
EGM	Extraordinary General Meeting
Eligible Person(s)	Employee(s) and Directors who fulfill(s) the eligibility criteria for participation in the Scheme as set out in By-Law 5
Employee	A natural person who has attained the age of 18 years and is employed by, and is on the payroll of, any company in the Group and whose employment has been confirmed in writing and falls within any other eligibility criteria that may be determined by the ESOS Committee from time to time at its discretion
Entitlement Date	The date as at the close of business on which the names of shareholders must appear in Lagenda's Record of Depositors and/or Register of Members in order to be entitled to any dividends, rights, allotments and/or other distributions
ESOS Committee	The committee appointed by the Board to administer the ESOS in accordance with By-Law 25, comprising such number of the Directors and/or other persons appointed / identified from time to time by the Board
ESOS Offer	An award of ESOS Options made in writing by the ESOS Committee from time to time to an Eligible Person to participate in the ESOS in the manner provided in By-Law 7
ESOS Options or Options	The right of a Grantee to subscribe for or acquire Shares at the Exercise Price pursuant to an ESOS Offer duly accepted by the Grantee in the manner provided in By-Law 8
ESOS or Scheme	The Lagenda Employees' Share Option Scheme, as the same may be modified or altered from time to time
Exercise Price	The price at which a Grantee shall be entitled to subscribe for or acquire each Share from the Company upon the exercise of the ESOS Options, as initially determined and as may be adjusted pursuant thereto in accordance with the provisions of By-Law 10

APPENDIX I – DRAFT BY-LAWS (CONT'D)

Grantee	Any Eligible Person who has accepted an ESOS Offer in the manner provided in By-Law 8
Group or Lagenda Group	The Company and its subsidiary company(ies) as defined in Section 4 of the Act, which are not dormant. Subject to the foregoing, subsidiaries include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the duration of the ESOS but exclude subsidiaries which have been divested in the manner provided in By-Law 20
Listing Requirements	The Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
Market Day	A day on which Bursa Securities is open for trading of securities
Maximum Allowable Allocation	The maximum number of Shares to be allotted and issued and/or transferred pursuant to the exercise of the Options by an Eligible Person in accordance with the provisions of By-Law 6
Offer Period	A period of 30 days from the Award Date or such longer period as may be determined by the ESOS Committee at its sole and absolute discretion during which an ESOS Offer is valid as stipulated in By-Law 7.5
Option Certificate	The certificate issued by the ESOS Committee confirming the grant of the Option to the Grantee and the Exercise Price together with the number of Shares comprised in the ESOS Option.
Option Period	The period commencing from the Effective Date to a date not exceeding 5 years or such other date as stipulated by the ESOS Committee in the ESOS Offer or upon the date of termination or expiry of the ESOS as provided in By-Laws 14 or 22 respectively
Performance Target	The performance targets determined by the ESOS Committee, which are to be achieved by the Grantee and/or Group and/or business units within the Group as determined by the ESOS Committee, during such period as specified in the ESOS Offer
“person(s) connected”	Shall have the same meaning given in relation to persons connected with a Director or persons connected with a major shareholder as defined in Rule 1.01 of the Listing Requirements

APPENDIX I – DRAFT BY-LAWS (CONT'D)

Principal Adviser	A corporate finance adviser licensed to make submissions to the SC for corporate proposals
Rules of Bursa Depository	The rules of Bursa Depository, as issued pursuant to SICDA
SC	Securities Commission Malaysia
Shares	Ordinary shares in the relevant ordinary share capital of the Company from time to time
SICDA	Securities Industry (Central Depositories) Act 1991, as amended from time to time
Vesting Conditions	The conditions determined by the ESOS Committee and stipulated in the ESOS Offer which must be fulfilled for the Options under an ESOS to be vested in a Grantee

- 3.2 Headings are for ease of reference only and do not affect the meaning of a By-Law.
- 3.3 Any reference to a statutory provision or an applicable law shall include a reference to:
- (a) any and all subsidiary legislation made from time to time under that provision or law;
 - (b) any and all Listing Requirements, policies and/or guidelines of Bursa Securities and/or Bank Negara Malaysia and/or the SC (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 by Bursa Securities and/or Bank Negara Malaysia and/or the SC);
 - (c) 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 ESOS Offer made, offered and/or accepted within the Duration of the Scheme; and
 - (d) any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced.
- 3.4 Words importing the masculine gender shall include the feminine and neuter genders.
- 3.5 Words importing the singular number shall include the plural number and *vice versa*.
- 3.6 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 if an event is to occur on a stipulated day which falls after the Date of Expiry then the stipulated day shall be taken to be the last Market Day of the Duration of the Scheme.

- 3.7 Any liberty or power or discretion which may be exercised, and/or any decision or determination which may be made, under these By-Laws:
- (a) by the Board may be exercised in the Board's sole and absolute discretion and the Board shall not be under any obligation to give any reasons therefor;
 - (b) by the ESOS Committee may be exercised in the ESOS Committee's sole and absolute discretion and the ESOS Committee shall not be under any obligation to give any reason therefor, but subject always to the Board's power to overrule any decision of the ESOS Committee.
- 3.8 In the event of any change in the name of the Company from its present name, all reference to "Lagenda Properties Berhad" in these By-Laws and all other documents pertaining to the Scheme shall be deemed to be references to the Company's new name.

PART II

4. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME

- 4.1 The aggregate maximum number of Shares which may be made available under the Scheme and all other employee share schemes of the Company which may still be subsisting, if any (whether in the form of new Shares to be issued under the Scheme or the aggregate number of new Shares together with existing Shares made available for the purposes of the Scheme), shall not in aggregate exceed 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the Duration of the Scheme as provided in By-Law 22.1.
- 4.2 Notwithstanding By-Law 4.1 above nor any other provision herein contained, in the event the maximum number of Shares granted under the Scheme exceeds in aggregate 15% of the total number of issued shares of the Company (excluding treasury shares, if any) as a result of the Company purchasing its own Shares pursuant to Section 127 of the Act or the Company undertaking any corporate proposal and thereby diminishing the issued shares of the Company, then such ESOS Options granted prior to the adjustment of the number of issued shares (excluding treasury shares, if any) of the Company shall remain valid and exercisable in accordance with these By-Laws. However, in such a situation, the ESOS Committee shall not make any further ESOS Offer unless the total number of Shares to be issued under the Scheme falls below 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the Duration of the Scheme as provided in By-Law 22.1 after such adjustment.
- 4.3 The Company and/or the ESOS Committee shall ensure that:
- (a) the allocation of Shares granted under the Scheme to Eligible Person(s) is verified at the end of each financial year of the Company by the Company's audit committee, as being in compliance with By-Law 4.1; and
 - (b) a statement by the audit committee, verifying such allocation, is included in the Company's annual report.

5. ELIGIBILITY

- 5.1 Only Eligible Persons who fulfil the following conditions on the date on which an ESOS Offer is made in writing by the ESOS Committee to such persons to participate in the Scheme shall be eligible to participate in the Scheme:
- (a) In respect of an Employee, he/she must fulfil the following criteria as at the Award Date:
 - (i) he/she has attained 18 years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;
 - (ii) he/she is employed on the Award Date and he/she is employed –
 - (1) on a full time basis and is on the payroll of any company in the Group for a continuous period of at least one year (which shall include any probation period) and his/her employment has been confirmed by any company in the Group; or
 - (2) serving in a specific designation under an employment contract with any company of the Group for a continuous fixed duration of at least one year (which shall include any probation period) and may, if the ESOS Committee deems fit, to include contract staff hired for a period of one year or more for any purposes or specific requirements of the Group; and
 - (iii) such Employee falls within any other eligibility criteria (including variations to the eligibility criteria under By-Law 5.1(a)(i) or (ii) above) that may be determined by the ESOS Committee from time to time at its sole discretion, whose decision shall be final and binding.
 - (b) If an Employee is employed by a company which is acquired by the Group during the Duration of the Scheme and becomes a subsidiary whether directly or indirectly held by the Company upon such acquisition, such employee must fulfil the following as at the Award Date:
 - (i) he/she has attained 18 years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings; and
 - (ii) he/she is employed full time by and on the payroll of the newly acquired company for a continuous period of at least one year (which shall include any probation period) and his/her employment has been confirmed by the newly acquired company.
 - (c) In respect of a Director, he/she must fulfil the following criteria as at the Award Date:
 - (i) he/she has attained 18 years of age on the Award Date and is not an undischarged bankrupt or subject to any bankruptcy proceedings; and
 - (ii) he/she has been appointed as a Director of the Group.

- (d) In respect of an Eligible Person who is a Director, chief executive officer of the Company or a person connected with a Director, chief executive officer or major shareholder of the Company, the specific allocation of ESOS Options granted under the Scheme must have been approved by the shareholders of the Company at a general meeting.
- (e) The Eligible Person must fulfil any other criteria and/or fall within such category/designation of employment as may be determined by the ESOS Committee from time to time at its sole discretion, whose decision shall be final and binding.

For the avoidance of doubt, an Employee who attains the prescribed retirement age but is offered to continue to serve the Group on a full time basis shall be treated as an employee of the Group.

5.2 Without prejudice to the generality of the foregoing and subject to the ESOS Committee's discretion otherwise, any ESOS Offer made by the ESOS Committee that has not been accepted or exercised by an Eligible Person shall be automatically terminated in the following circumstances:

- (a) the death of the Eligible Person;
- (b) the Eligible Person having received a letter of termination or ceasing to be an Employee (as the case may be) of the Lagenda Group, for any reason whatsoever;
- (c) the Eligible Person giving notice of his/her resignation from service/employment;
- (d) bankruptcy of the Eligible Person, in which event the Option shall be automatically terminated on the date a receiving order is made against the Eligible Person by a court of competent jurisdiction;
- (e) the corporation which employs the Eligible Person ceasing to be part of the Lagenda Group;
- (f) a disciplinary action is taken on the Eligible Person pursuant to By-Law 14.9;
or
- (g) winding up or liquidation of the Company, in which event the Option shall be automatically terminated on the following date:
 - (i) In the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
 - (ii) In the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
- (h) termination of the Scheme pursuant to By-Law 22.5,

whichever shall be applicable.

5.3 The ESOS Committee may from time to time at its absolute discretion select and

identify suitable Eligible Persons to be offered the ESOS Offer. In the event that any Eligible Person is a member of the ESOS Committee, such Eligible Person shall not participate in the deliberation or discussion of their own allocation or allocations to person(s) connected to them.

- 5.4 Any Eligible Person who holds more than one position within the Lagenda Group and by holding such position is an Eligible Person, shall only be entitled to the Maximum Allowable Allocation of any one category/designation of employment. The ESOS Committee shall be entitled at its discretion to determine the applicable category/designation of employment.
- 5.5 An Eligible Person of a dormant company within the Group is not eligible to participate in the Scheme.
- 5.6 Eligibility under the Scheme does not confer upon the Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the ESOS Options unless an ESOS Offer has been made by the ESOS Committee to the Eligible Person and the Eligible Person has accepted the ESOS Offer in accordance with By-Law 8 hereof.

6. MAXIMUM ALLOWABLE ALLOCATION OF SHARES AND BASIS OF ALLOCATION

- 6.1 Subject to By-Law 4.1 and any adjustments which may be made under By-Law 18, the aggregate maximum number of Options that may be granted to any one category/designation of employment of the Eligible Person shall be determined entirely at the discretion of the ESOS Committee.
- 6.2 No allocation of more than 10% of the total number of the Shares to be issued and/or transferred under the Scheme shall be made to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the total number of the issued shares of the Company.
- 6.3 Not more than 50% of the ESOS Options available under the Scheme shall be allocated in aggregate to the Directors of the companies in the Group.
- 6.4 Subject to By-Laws 6.2 and 6.3, the aggregate maximum number of Shares that may be offered to an Eligible Person under the Scheme shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst others, the provisions of the Listing Requirements or other applicable regulatory requirements prevailing during the Duration of the Scheme relating to employees' and/or directors' share issuance schemes and after taking into consideration the performance, targets, position, annual appraised performance, seniority and length of service, contribution, category or grade of employment of the Eligible Person or such other matters which the ESOS Committee may in its sole and absolute discretion deem fit.

At the time an ESOS Offer is offered, the ESOS Committee shall set out the basis of the allocation of the ESOS Offer(s) made to the Eligible Person(s) having the further particulars as set out in By-Law 7.4.

- 6.5 The ESOS Committee may make more than one ESOS Offer to an Eligible Person **PROVIDED THAT** the aggregate number of ESOS Offer so offered to an Eligible Person throughout the entire Duration of the Scheme does not exceed the Maximum Allowable Allocation of such Eligible Person.
- 6.6 The Company shall ensure that allocation of Shares pursuant to the Scheme is verified by the Audit Committee of the Company at the end of each financial year as being in compliance with the criteria for allocation of Shares which have been disclosed to the Employees and Directors.
- 6.7 For the avoidance of doubt, the ESOS Committee shall have sole and absolute discretion in determining whether the Shares available for vesting under this Scheme are to be offered to the Eligible Person via:
- (a) one single ESOS Offer at a time determined by the ESOS Committee; or
 - (b) several ESOS Offers, where the vesting of Options comprised in those ESOS Offers are staggered or made in several tranches at such times and on terms determined by the ESOS Committee.
- 6.8 In the event the ESOS Committee decides that the ESOS Offer is to be staggered, the number of Shares to be offered in each ESOS Offer and the timing for the vesting of the same shall be decided by the ESOS Committee at its sole and absolute discretion and each ESOS Offer shall be separate and independent from the others.
- 6.9 No Director or Employee who are also member of the ESOS Committee shall participate in the deliberation and discussion of their own respective allocations or allocations to person(s) connected to them.

PART III

7. ESOS OFFER

- 7.1 During the Duration of the Scheme, the ESOS Committee may at its discretion at any time from the Effective Date and from time to time make an ESOS Offer in writing for acceptance in accordance with By-Law 7 to an Eligible Person based on the criteria for allocation as set out in By-Law 6 above and otherwise in accordance with the terms of this Scheme.
- 7.2 The actual number of ESOS Options which may be offered to any Eligible Person shall be at the discretion of the ESOS Committee, subject to any adjustments that may be made under By-Law 18, provided that the number of ESOS Options so offered which may be exercised in respect of all or any part of the Shares shall not be less than 100 Shares nor more than the Maximum Allowable Allocation of such Eligible Person and shall be in multiples of 100 Shares.
- 7.3 In the event the ESOS Committee decides that the Offer is to be offered in tranches, the number of ESOS Options to be offered in each ESOS Offer shall be decided by the ESOS Committee at its sole and absolute discretion and each ESOS Offer shall be separate and independent from the others.

- 7.4 The ESOS Committee shall state the following particulars in the letter of an ESOS Offer:
- (a) The number of ESOS Options that are being granted to the Eligible Person;
 - (b) The number of Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the ESOS Options being granted;
 - (c) The date of the ESOS Offer;
 - (d) The Option Period;
 - (e) The Exercise Price;
 - (f) The Vesting Conditions (if any/if applicable);
 - (g) The vesting date(s) (if any/if applicable); and
 - (h) The Offer Period as mentioned in By-Law 7.5;
 - (i) The basis of the allocation of the ESOS Offer(s) made having regard to the Eligible Person(s)' annual appraised performance, category or grade of employment, Maximum Allowable Allocation and such other information that the ESOS Committee may in its sole and absolute discretion deem fit; and
 - (j) Any other information deemed necessary by the ESOS Committee.
- 7.5 An ESOS Offer shall be valid for a period of 30 days from the Award Date or such longer period as may be determined by the ESOS Committee at its sole and absolute discretion (“**Offer Period**”).
- 7.6 No ESOS Offer shall be made to any Director, chief executive officer of the Company or a person connected with any Director, chief executive officer or major shareholder of the Company who are Eligible Persons unless such ESOS Offer and the related allocation of Shares have previously been approved by the shareholders of the Company in general meeting.
- 7.7 Without prejudice to By-Law 25, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 7.4, the following provisions shall apply:
- (a) As soon as possible but in any event no later than one month after the discovery of the error, the Company shall issue a supplemental letter of ESOS Offer, stating the correct particulars referred to in By-Law 7.4;
 - (b) In the event that the error relates to particulars other than the Exercise Price, the Exercise Price applicable in the supplemental letter of ESOS Offer shall remain as the Exercise Price as per the original letter of ESOS Offer; and
 - (c) In the event that the error relates to the Exercise Price, the Exercise Price applicable in the supplemental letter of ESOS Offer shall be the Exercise Price applicable as at the date of the original letter of ESOS Offer, save and except

with respect to any ESOS Options which have already been exercised as at the date of issue of the supplemental letter of ESOS Offer.

8. ACCEPTANCE OF ESOS OFFER AND VESTING CONDITIONS

- 8.1 An ESOS Offer shall be accepted by an Eligible Person within the Offer Period by written notice to the Company accompanied by a payment to the Company of a nominal non-refundable consideration of RM1.00 only or such other amount as may be determined by the ESOS Committee for the grant of the ESOS Options (regardless of the number of Shares comprised therein).
- 8.2 If an ESOS Offer is not accepted in the manner set out in By-Law 8.1 above, the ESOS Offer shall automatically lapse upon the expiry of the Offer Period and be null and void and be of no further force and effect. The Shares comprised in such Options may, at the discretion of the ESOS Committee, be re-offered to other Eligible Persons.
- 8.3 The number of ESOS Options offered in the lapsed ESOS Offer shall be deducted from the Maximum Allowable Allocation or the balance of the Maximum Allowable Allocation of the Eligible Person, and the Eligible Person shall not be entitled to be offered the number of ESOS Options offered in the lapsed ESOS Offer, in any ESOS Offer made in the future. However, ESOS Options not taken up resulting from the non-acceptance of ESOS Offer within the Offer Period shall thereafter form part of the balance of ESOS Options available under the ESOS for future ESOS Offer.
- 8.4 The Company shall within 30 days of the acceptance of the ESOS Offer by the Eligible Person (“**Acceptance Date**”), issue to the Eligible Person an Option Certificate in such form as may be determined by the ESOS Committee.
- 8.5 The Options or such part thereof as may be satisfied in the ESOS Offer will only vest with the Grantee on the ESOS vesting date if the Vesting Conditions are fully and duly satisfied, including the following:
- (a) the Grantee remains an Eligible Person and shall not have given notice of resignation or received a notice of termination as at the ESOS vesting date or has otherwise ceased or had his/her employment terminated;
 - (b) the Grantee has not been adjudicated a bankrupt;
 - (c) the Performance Targets, including the target of the Group’s financial performance and/or the Grantee’s individual performance as determined by the ESOS Committee, are fully and duly satisfied; and/or
 - (d) any other conditions which are determined by the ESOS Committee.
- 8.6 The ESOS Committee shall have full discretion to determine whether any Vesting Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the ESOS Committee shall have the right to make reference to, amongst others, the audited financial results of the Company or the Group (as the case may be) and to take into account such factors as the ESOS Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend and/or waive any Vesting Condition.

- 8.7 The ESOS Committee may cancel any ESOS Options awarded under this Scheme that has not been exercised and any unvested ESOS Options awarded under this Scheme. In the event of any such cancellation, the ESOS Committee may, at its discretion, authorise the granting of new ESOS Options (which may or may not cover the same number of Shares that had been the subject of any prior ESOS Option) in such manner, at such Exercise Price and subject to such terms, conditions and discretion as would have been applicable under this Scheme had the cancelled ESOS Options not been awarded.

9. EXERCISE OF ESOS OPTIONS

- 9.1 Each ESOS Option shall be exercisable into one Share, in accordance with the provisions of these By-Laws.
- 9.2 Subject to By-Laws 14, 19, 20, 21 and 22, a Grantee shall be allowed to exercise the ESOS Options granted to him/her (subject to By-Law 9.4) as provided in these By-Laws whilst he/she is in the employment of the Lagenda Group and within the Option Period.
- 9.3 A Grantee shall exercise the Options granted to him/her in whole or part in multiples of 100 Shares. Notwithstanding anything herein to the contrary in the event of any alteration in the share capital of the Company during the Option Period in accordance with By-Law 18 which result in the number of Shares comprised in an Option not being in multiples of not less than 100, then the requirement that an Option shall be exercised in multiples of not less than 100 Shares shall not be applicable for the Grantee's final exercise of the Option.
- 9.4 A Grantee shall exercise his/her ESOS Options in such form and manner as the ESOS Committee may prescribe or approve ("**Notice of Exercise**"), which will be attached to the letter of ESOS Offer. The procedure for the exercise of ESOS Options to be complied with by the Grantee shall be determined by the ESOS Committee from time to time. Any ESOS Options which remain unexercised at the expiry of the Option Period shall be automatically terminated and lapse without any claim against the Company.
- 9.5 Subject to By-Law 9.4, a Grantee shall exercise his/her ESOS Options by executing and delivering to the Company Notice of Exercise, stating the number of ESOS Options to be subscribed and be accompanied with the remittance for the full amount of the subscription monies payable in respect thereof in Ringgit Malaysia in the form of a banker's draft or cashier's order drawn and payable in Malaysia or any other mode acceptable to the ESOS Committee for the full amount of the Exercise Price in relation to the number of Shares in respect of which the notice is given **PROVIDED THAT** the number of Shares stated therein shall not exceed the amount granted to such Grantees and be subject to By-Laws 9.2 and 9.3 above. The ESOS Committee may pursuant to By-Law 24 hereof, at any time and from time to time, before or after the ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of Shares and/or such percentage of total Shares comprised in the ESOS Option during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the ESOS Committee in its sole discretion including amending or varying any terms and conditions imposed earlier. The exercise by a Grantee of some but not all of the ESOS Options which have been offered to and accepted by him/her shall not preclude the Grantee from subsequently exercising any other ESOS Options

which have been or will be offered to and accepted by him/her, during the Option Period.

- 9.6 The Grantee shall provide all information as required in the Notice of Exercise. Within 8 Market Days of the receipt by the Company of such notice and payment, or such other period as may be prescribed by Bursa Securities, and subject to the Constitution, in the event that the Shares are delivered to the Grantee via issuance of new Shares, the Company shall allot and issue the relevant number of Shares to the Grantee and apply to Bursa Securities for the quotation for such new Shares arising from the exercise of the ESOS Options. The said Shares will be credited directly into the CDS Account of the Grantee or his/her financier, as the case may be, and a notice of allotment stating the number of Shares so credited will be issued to the Grantee. No physical share certificates will be issued to the Grantee or his/her authorised nominee (as the case may be).
- 9.7 The Group, the Board (including Directors that had resigned but were on the Board during the Option Period) and the ESOS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities, gains or profits foregone, howsoever arising in the event of any delay on the part of the Company in allotting and issuing and/or transferring the Shares or in procuring Bursa Securities to list and quote the Shares subscribed for by a Grantee or any delay in receipt or non-receipt by the Company of the Notice of Exercise in respect of the ESOS Options or for any errors in any ESOS Offer.
- 9.8 Any failure to comply with the procedures specified by the ESOS Committee or to provide information as required by the Company in the Notice of Exercise or inaccuracy in the CDS Account number provided shall result in the Notice of Exercise being rejected at the discretion of the ESOS Committee, and the ESOS Committee shall inform the Grantee of the rejection of the Notice of Exercise within 14 Market Days from the date of rejection and the Grantee shall be deemed to not have exercised his/her Option.
- 9.9 Every ESOS Options shall be subjected to the condition that no Shares shall be issued and/or transferred pursuant to the ESOS Options if such issue would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the Duration of the Scheme or such period as may be extended.

10. EXERCISE PRICE

The Exercise Price of each Share comprised in any ESOS Option shall, subject always to the provisions of By-Law 18 hereof, be a price to be determined by the Board upon recommendation of the ESOS Committee based on the volume weighted average market price of the Shares for the 5 Market Days immediately preceding date of the ESOS Offer with a discount of not more than 10%.

The Exercise Price as determined by the ESOS Committee shall be conclusive and binding on the Grantees and shall be subject to any adjustments in accordance with By-Law 18.

PART IV**11. NON-TRANSFERABILITY**

- 11.1 An ESOS Option is personal to the Grantee and subject to the provisions of By-Laws 11.2, 11.3 and 14.3, is exercisable only by the Grantee personally during his/her lifetime whilst he/she is in the employment of any company in the Group.
- 11.2 An ESOS Option shall not be transferred, assigned, disposed of or subject to any encumbrances by the Grantee save and except in the event of the death of the Grantee as provided under By-Law 14.7. Any such attempt to transfer, assign, dispose or encumber any ESOS Option shall result in the automatic cancellation of the ESOS Option.
- 11.3 Notwithstanding By-Law 11, in the event a Grantee is transferred to another company within the Group which has its own share issuance scheme, the Grantee shall be entitled to continue to exercise all unexercised ESOS Options granted under this Scheme, in accordance with these By-Laws, but such Grantee shall not upon such transfer taking effect be eligible to participate for further ESOS Options under the Scheme.

12. RIGHTS ATTACHING TO SHARES AND ESOS OPTIONS

- 12.1 The new Shares to be allotted and issued upon the exercise of any ESOS Options granted under the Scheme will be subject to the provisions of the Constitution and will, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued Shares of the Company, save and except that the Shares so allotted and issued will not be entitled to any dividends, rights, allotments or other distributions, which may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares.
- 12.2 In respect of existing Shares to be transferred to the Grantees, such Shares will not be entitled to any dividends, rights, allotments and/or other distributions, which may be declared, made or paid to shareholders, the entitlement date of which is prior to the date on which the existing Shares are credited into the CDS Accounts of the Grantees.
- 12.3 The ESOS Options shall not carry any rights to vote at any general meeting of the Company. For the avoidance of doubt, a Grantee shall not in any event be entitled to any dividends, rights or other entitlements on his/her unexercised Options and/or unvested Shares.

13. RESTRICTION ON DEALING/RETENTION PERIOD

The Shares to be allotted and issued and/or transferred to a Grantee pursuant to the exercise of an Option under the Scheme may be subject to such reasonable retention period or restriction on transfer (if any/applicable) imposed/determined by the ESOS Committee at its discretion. The Company encourages Grantees to hold the Shares subscribed for by them for as long as possible although a Grantee or his/her financier, as the case may be, may sell the Shares subscribed for by the Grantee at any time after such Shares have been credited to the Grantee's or his/her financier's CDS Account. A Grantee should note that the Shares are intended for him/her to hold as an investment rather than for any speculative purposes and/or for the realization of any immediate gain.

14. TERMINATION OF THE ESOS OFFER

14.1 Prior to the full vesting of any ESOS Option and/or the allotment or satisfaction by any other means of an ESOS Option in the manner as provided for under By-Law 25.2, such ESOS Options that remain unvested or unexercised or unsatisfied (as the case may be) shall be automatically terminated and cease or deemed to cease to be valid without any claim against the Group in the following circumstances:

- (a) Termination or cessation of employment of the Grantee with the Group for any reason whatsoever, in which event the ESOS Options shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any other member of the Group on the day the Grantee's employer accepts his/her notice of resignation or the Grantee's employer notifies the Grantee of termination of his/her employment or on the day the Grantee notifies his/her employer of his/her resignation or on the Grantee's last day of employment, whichever is the earlier; or
- (b) Bankruptcy of the Grantee, in which event the ESOS Options shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the date a receiving order is made against the Grantee by a court of competent jurisdiction; or
- (c) Upon the happening of any other event which results in the Grantee being deprived of the beneficial ownership of the ESOS Options, in which event the ESOS Options shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the date such event occurs; or
- (d) Winding up or liquidation of the Company, in which event the ESOS Options shall be automatically terminated and/or cease to be valid on the following date:
 - (i) In the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
 - (ii) In the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
- (e) Termination of the Scheme pursuant to By-Law 22.5, in which event the ESOS Options shall be automatically terminated and cease or cease to be valid without any claim against the Group on the Termination Date (as defined in By Law 22.5),

whichever shall be applicable.

Upon the termination of the ESOS Options pursuant to By-Laws 14.1(a), (b), (c), (d) or (e) above, the Grantee shall have no right to compensation or damages or any claim against the Company or any other member of the Group from any loss of any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from him/her ceasing to hold office or employment or from the suspension of his/her entitlement to the award of, acceptance or vesting of any

ESOS Option or right to exercise his/her ESOS Option(s) or his/her ESOS Option ceasing to be valid.

- 14.2 Notwithstanding By-Law 14.1 above, the ESOS Committee may at its discretion allow any unexercised Option to remain exercisable during the Option Period (as the case may be) on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:
- (a) Ill-health, injury, physical or mental disability; or
 - (b) Transfer to any company outside the Group at the direction of the Company; or
 - (c) Any other circumstance as may be deemed as acceptable to the ESOS Committee in its sole and absolute discretion.
- 14.3 Applications under By-Law 14.2 shall be made:
- (a) in a case where By-Law 14.2(a) is applicable, within 3 months after the Grantee notifies his/her employer of his/her resignation due to ill health, injury, physical or mental disability, the Grantee may exercise all his/her unexercised Options within the said 3 months period. In the event that no application is received by the ESOS Committee within the said period, any unexercised Options held by the Grantee at the expiry of the said period shall be automatically terminated; and
 - (b) in a case where By-Law 14.2(b) is applicable, the Grantee may exercise his/her unexercised Options within 3 months after he/she is notified, subject to the provisions of By-Law 9. Thereafter, any unexercised Option held by the Grantee at the expiry of the said period shall be automatically terminated.
- 14.4 In the event that a Grantee is notified that he will be retrenched or where he/she is given an offer by his/her employer as to whether he/she wishes to accept retrenchment upon certain terms, the Grantee may exercise his/her unexercised Options within one month after he/she receives such notice or accepts such offer, as the case may be, subject to the provisions of By-Law 9. Thereafter, any Option held by the Grantee at the expiry of the said period shall be automatically terminated.
- 14.5 The ESOS Committee shall consider applications under By-Law 14.2 on a case-by-case basis and may at its discretion approve or reject any application in whole or in part without giving any reasons therefor and may impose any terms and conditions in granting an approval. The decision of the ESOS Committee shall be final and binding. In the event that the ESOS Committee approves an application in whole or in part, the Grantee may exercise the Options which are the subject of the approval within the period so approved by the ESOS Committee and subject to the provisions of By-Law 9. Any Options and/or Shares in respect of which an application is rejected shall be automatically terminated on the date of termination stipulated in the relevant paragraph of By-Law 14.3 or on the date of the ESOS Committee's decision, whichever is the later.
- 14.6 In the event that the ESOS Committee receives an application under By-Law 14.2 after the expiry of the relevant period under By-Law 14.3, the ESOS Committee shall take into account the reasons given by the Grantee for the delay in making the application, in exercising the ESOS Committee's discretion and powers under By-Law 14.5. In the

event that the ESOS Committee approves the application in whole or in part, the Company shall make an ESOS Offer in respect of the unexercised Options which are the subject of approval to the Grantee and such Options offered and/or Shares awarded, if accepted by the Grantee shall be exercisable:

- (a) only within the period of those Options which were terminated due to the Grantee's delay in making the application;
- (b) in accordance with the provisions of By-Law 9 as applicable in respect of such terminated Options; and
- (c) at the subscription price applicable in respect of such terminated Options.

14.7 In the event that a Grantee dies before the Date of Expiry and, at the date of death, holds any ESOS Options which are unexercised, the following provisions shall apply:

- (a) Such ESOS Options and/or unvested Shares may be exercised and/or be vested by/in (as the case may be) the personal or legal representative of the deceased Grantee ("**Representative**") within 12 months after the Grantee's death ("**Permitted Period**") or within the Date of Expiry, whichever expires first, subject to the approval of the ESOS Committee;
- (b) In the event that the Date of Expiry expires before the Permitted Period, any Options which have not been exercised by the Representative at the Date of Expiry shall be automatically terminated and the Representative shall not be entitled to apply for any extension of time for exercising such unexercised Options;
- (c) In the event that the Permitted Period expires before the Date of Expiry, the following provisions shall apply:
 - (i) The Representative may, at any time before the expiry of the Permitted Period, apply in writing to the ESOS Committee for an extension of the Permitted Period, stating the reasons as to why the extension is required. In the event no application is received by the ESOS Committee before the expiry of the Permitted Period, any Options which have not been exercised by the Representative at the expiry of the Permitted Period shall be automatically terminated.
 - (ii) The ESOS Committee shall consider such applications on a case-by-case basis and may at its discretion approve or reject an application in whole or in part without giving any reasons therefor and may impose any terms and conditions in granting an approval. The decision of the ESOS Committee shall be final and binding. In the event that the ESOS Committee approves an application in whole or in part, the Representative may exercise the Options which are the subject of the approval within such extension of the Permitted Period as is approved (which shall not exceed the Date of Expiry) and in accordance with the provisions of By-Law 9.4. Any ESOS Option in respect of which an application is rejected shall be automatically terminated at the expiry of the Permitted Period or on the date of the ESOS Committee's decision, whichever is the later.

- (iii) In the event that the ESOS Committee receives an application after the expiry of the Permitted Period, the ESOS Committee shall take into account the reasons given by the Representative for the delay in making the application, in exercising the ESOS Committee's discretion and powers under sub-paragraph (ii) above. In the event that the ESOS Committee approves an application in whole or in part, the Company shall make an ESOS Offer in respect of the Options and/or unvested Shares which are the subject of the approval to the Representative and such Options and/or unvested Shares shall be exercisable/vested -
 - (3) within such period as may be stipulated in the ESOS Offer a which shall not exceed the Date of Expiry of those Options and/or Shares which were terminated pursuant to sub-paragraph (i) above;
 - (4) in accordance with the provisions of By-Law 9.4; and
 - (5) at the subscription price applicable in respect of the Options which were terminated pursuant to sub-paragraph (i) above.
- 14.8 The provisions of By-Law 14.7 constitute exception to the provisions of By-Law 5.1 and By-Law 11.
- 14.9 Notwithstanding anything to the contrary herein contained in these By-Laws, the ESOS Committee shall have the right, at its absolute discretion by notice in writing to that effect to the Grantee, 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 or are found to have had no basis or justification) to exercise his/her ESOS Options and/or have Shares vested in him/her pending the outcome of such Disciplinary Proceedings. In addition to this right of suspension, the ESOS Committee may impose such terms and conditions as the ESOS Committee shall deem appropriate at its sole and absolute discretion, on the Grantee's right to exercise his/her ESOS Options and/or have Shares vested in him/her having regard to the nature of the charges made or brought against such Grantee, **PROVIDED ALWAYS** that:
 - (a) in the event such Grantee is found not guilty of the charges which gave rise to such Disciplinary Proceedings, the ESOS Committee shall reinstate the right of such Grantee to their ESOS Option;
 - (b) in the event the Disciplinary Proceedings result in a recommendation for the dismissal or termination of service of such Grantee, all unexercised and partially exercised ESOS Options of the Grantee and/or unvested Shares shall immediately lapse and be null and void and of no further force and effect, without notice to the Grantee, upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the Grantee in any other forum;
 - (c) in the event the Grantee is found guilty but no dismissal or termination of service is recommended, the ESOS Committee shall have the right to determine at its absolute discretion whether or not the Grantee may continue to exercise his/her ESOS Options and/or have the Shares vested in him/her or

any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such exercise rights; and

- (d) in the event that no decision is made and/or Disciplinary Proceedings are not concluded prior to the Date of Expiry, the ESOS Options of such Grantee shall immediately lapse on the Date of Expiry without notice,

and nothing herein shall impose any obligation on the ESOS Committee to enquire into or investigate the substantiveness and/or validity of such Disciplinary Proceeding(s) and the ESOS Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the ESOS Committee's exercise of or failure to exercise any of its rights under this By-Law.

15. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

All Grantees shall be entitled to inspect a copy of the latest annual audited consolidated financial statements of the Company, which shall be made available on Bursa Securities' website as well as the Company's website.

16. SCHEME NOT A TERM OF EMPLOYMENT

This Scheme shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment in the Group under which the Eligible Person is employed nor any rights additional to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment. The Scheme shall not form part of or constitute or be in any way construed as a term or condition of employment of any employee of the Group.

17. TAXES

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

PART V

18. ALTERATION OF SHARE CAPITAL AND ADJUSTMENTS

18.1 In the event of any alteration in the capital structure of the Company during the Duration of the Scheme, whether by way of rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Shares or reduction or any other alteration in the capital structure of the Company or otherwise howsoever, the ESOS Committee may, in its discretion, determine whether the Exercise Price and/or the number of unexercised ESOS Options shall be adjusted, and if so, the manner in which such adjustments should be made.

- 18.2 The provisions of this By-Law 18 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:
- (a) An issue of Shares pursuant to the exercise of ESOS Options under the Scheme; or
 - (b) An issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business; or
 - (c) An issue of securities as a private placement; or
 - (d) Any special issuance of new Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation; or
 - (e) A restricted issue of securities; or
 - (f) An issue of warrants, convertible loan stocks or other instruments by the Company which give a right of conversion into new Shares arising from the conversion of such securities
 - (g) An issue of new Shares arising from the conversion of securities with a right of conversion into new Shares; or
 - (h) A purchase by the Company of its own Shares of all or a portion of such Shares purchased pursuant to Section 127 of the Act.
- 18.3 Save as expressly provided for herein, the external auditors or Principal Adviser (acting as expert and not arbitrator) must confirm in writing that the adjustments are in their opinion fair and reasonable. The opinion of the external auditors or Principal Adviser shall be final, binding and conclusive.
- 18.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part VII of the Act, By-Law 18.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 18.1 is applicable, but By-Law 18.1 shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 18.1 is not applicable as described in By-Law 18.2.
- 18.5 An adjustment pursuant to By-Law 18.1 shall be made according to the following terms:
- (a) In the case of a rights issue, bonus issue or other capitalisation issue, on the next Market Day immediately following the Entitlement Date in respect of such issue; or
 - (b) In the case of a consolidation or subdivision of Shares or reduction of capital, on the next Market Day immediately following the date of allotment of shares of the Company in respect of such consolidation, subdivision or reduction.

18.6 Upon any adjustment required to be made pursuant to this By-Law 18, the Company shall notify the Grantee (or his/her duly appointed personal representatives where applicable) in writing and deliver to him/her (or his/her duly appointed personal representatives where applicable) a statement setting out the Exercise Price or number of ESOS Options which are the subject of the adjusted ESOS Option and any adjustment shall take effect upon such written notification being given or such date as may be specified in such written notification.

18.7 In respect of the Options or the ESOS, any adjustment pursuant to this By-Law 18 shall be made in accordance with the following formula below, pursuant to By-Law 18.6:

(a) **Consolidation, Subdivision, Conversion or Reduction**

If and whenever Shares shall be consolidated, subdivided, converted or reduced, the Exercise Price and/or the additional number of Options to be issued shall be adjusted, calculated or determined in the following manner:-

$$\text{New Exercise Price} = S \times \left(\frac{P}{Q} \right)$$

(1) For consolidation of Shares,

$$\text{Additional number of Options} = T \times \left(\frac{Q}{P} \right)$$

(2) For subdivision of Shares,

$$\text{Additional number of Options} = T \times \left(\frac{Q}{P} \right) - T$$

Where:

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

Q = the aggregate number of issued Shares immediately after the consolidation, subdivision or conversion;

S = Existing Exercise Price; and

T = Number of existing Options held

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the date on which the consolidation, subdivision, conversion or reduction becomes effective.

(b) **Capitalisation of Profits or Reserves**

If and whenever the Company shall make any issue of new Shares to ordinary shareholders, by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature), in respect of ESOS Options, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the additional number of Options to be issued shall be calculated as follows:

$$\text{Additional number of Options} = T \times \left(\frac{A+B}{A} \right) - T$$

Where:

A = the aggregate number of issued Shares immediately before such bonus issue or capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature); and

T = Number of existing Options held

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

(c) If and whenever the Company shall make:

- (1) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (2) any offer or invitation to ordinary shareholders whereunder they may acquire or subscribe new Shares by way of rights; or
- (3) any offer or invitation to ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares attached thereto,

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

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

and in respect of the case referred to in By-Law 18.7(c)(2) hereof, the number of additional Options to be issued shall be calculated as follows:

$$\text{Additional number of Options} = T \times \left(\frac{C}{C - D^*} \right) - T$$

Where:

T = T as in By-Law 18.7(b) above;

C = the prevailing 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 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 or (where appropriate) any relevant date as may be determined by the Company; and

D = (aa) in the case of an offer or invitation to acquire or subscribe for new Shares under By-Law 18.7(c)(2) above or for securities convertible into Shares or securities with rights to acquire or subscribe for new Shares under By-Law 18.7(c)(3) above, the value of rights attributable to one existing Share (as defined below); or

(bb) in the case of any other transaction falling within By-Law 18.7(c) hereof, the fair market value as determined by the external auditors or Principal Adviser of that portion of the Capital Distribution attributable to one existing Share.

D* = The value of rights attributable to one Share (as defined below).

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

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

Where:

C = C as in By-Law 18.7(c) above;

E = the subscription price for one additional Share under the terms of such offer or invitation to acquire or subscribe for Shares or subscription price of one Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one Share under the offer or invitation; and

F = the number of existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one additional Share or security convertible into Shares or one additional security with right to acquire or subscribe for one additional Share; and

D* = The “value of rights attributable to one existing Share” (as defined below).

For the purpose of definition “D*” above, the “value of the rights attributable to one existing Share” shall be calculated in accordance with the formula:

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

Where:

C = C as in By-Law 18.7(c) above;

E* = the subscription price for one additional Share under the terms of such offer or invitation to acquire or subscribe for Shares; and

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

For the purpose of By-Law 18.7(c) hereof, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of new Shares (not falling under By-Law 18.7(b) hereof) or other securities by way of capitalisation of profits or reserves of the Company (whether of a capital or income nature).

Any dividend charged or provided for in the audited financial statements of the Company for any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated statement of comprehensive income of the Company for any period 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 next Market Day (or such other period as may be prescribed by Bursa Securities) immediately following the Entitlement Date for such issue or the closing date for the acceptance of the rights, as the case may be, for such issue.

(d) **Capitalisation of Profits/Reserves and Rights Issue of Shares or Convertible Securities**

If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 18.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 18.7(c)(2) or (3) above and the Entitlement Date for the purpose of the allotment is also the Entitlement

Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and where the Company makes any allotment to its ordinary shareholders as provided in By-Law 18.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 18.7(c)(2) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of additional Options to be issued shall be calculated as follows:

$$\text{Additional number of Options} = T \times \left(\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

B = B as in By-Law 18.7(b) above;

G = the aggregate number of issued Shares on the Entitlement Date;

C = C as in By-Law 18.7(c) above;

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 Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;

I = the subscription price of one 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 additional Share, as the case may be;

I* = the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares;

T = T as in By-Law 18.7(b) above.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day (or such other period as may be prescribed by Bursa Securities) immediately following the Entitlement Date for such issue or the closing date for the acceptance of the rights, as the case may be, for such issue.

(e) **Rights Issue of Shares and Convertible Securities**

If and whenever the Company makes any offer or invitation to its ordinary

shareholders to acquire or subscribe for Shares as provided in By-Law 18.7(c)(2) above together with an offer or invitation to acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for Shares as provided in By-Law 18.7(c)(3) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the number of additional Options to be issued shall be calculated as follows:

$$\text{Additional number of Options} = T \times \left(\frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

G = G as in By-Law 18.7(d) above;

C = C as in By-Law 18.7(c) above;

H = H as in By-Law 18.7(d) above;

H* = H* as in By-Law 18.7(d) above;

I = I as in By-Law 18.7(d) above;

I* = I* as in By-Law 18.7(d) above;

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

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

T = T as in By-Law 18.7(b) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions or the closing date for the acceptance of the rights, as the case may be, for such issue.

(f) **Capitalisation of Profits/Reserves and Rights Issue of Shares and Convertible Securities**

If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 18.7(b) above and also makes an offer or invitation to acquire or subscribe for Shares to its ordinary shareholders as provided in By-Law 18.7(c)(2) above, together with rights to acquire or subscribe for securities convertible into new Shares or with rights to acquire or subscribe for Shares as

provided in By-Law 18.7(c)(3) above, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the number of additional Options to be issued shall be calculated as follows:

$$\text{Additional number of Options} = T \times \left(\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

G = G as in By-Law 18.7(d) above;

C = C as in By-Law 18.7(c) above;

H = H as in By-Law 18.7(d) above;

H* = H* as in By-Law 18.7(d) above

I = I as in By-Law 18.7(d) above;

I* = I* as in By-Law 18.7(d) above

J = J as in By-Law 18.7(e) above;

T = T as in By-Law 18.7(b) above;

K = K as in By-Law 18.7(e) above; and

B = B as in By-Law 18.7(b) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day (or such other period as may be prescribed by Bursa) immediately following the Entitlement Date for the above transactions or the closing date for the acceptance of the rights, as the case may be, for such issue.

(g) **Others**

If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under By-Laws 18.7(c)(2), 18.7(c)(3), 18.7(d), 18.7(e) or 18.7(f) above) the Company shall issue either any Shares or any security convertible into new Shares or with rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than 90% of the Average Price for one Share (as defined below) 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 Bursa Securities 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 (as defined below) (exclusive of expenses); and
- N = the aggregate number of Shares so issued or, in the case of securities convertible into new Shares or securities with rights to acquire or subscribe for Shares, the maximum number (assuming no adjustments of such rights) of Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purpose of this By-Law 18.7(g), “**Total Effective Consideration**” shall be determined by the ESOS Committee with the concurrence of the external auditors or Principal Adviser and shall be:

- (i) in case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares; or
- (ii) in the case of the issue by the Company of securities wholly or partly convertible into new 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
- (iii) 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 commission, discount 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 new Shares issued as aforesaid or, in the case of securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares, by the maximum number of new Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of By-Law 18.7(g), “**Average Price**” of a Share shall be the average market price of one Share as derived from the last traded prices for one or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

Such adjustment will be calculated (if appropriate, retroactively) from the close of business on Bursa Securities on the next Market Day immediately following the date on which the issue is announced, or (failing any such announcement) on the next Market Day immediately following the date on which the Company determines the subscription price of such Shares. Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the completion of the above transaction.

- (h) For the purpose of By-Laws 18.7(c), (d), (e) and (f), the current market price in relation to one existing Share for any relevant day shall be the average of the last traded prices for the 5 consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.
- 18.8 If an event occurs that is not set out in By-Law 18.7 or if the application of any of the formula set out in By-Law 18.7 to an event results in a manifest error or does not, in the opinion of the ESOS Committee, achieve for any reason whatsoever the desired result of preventing the dilution or enlargement of the Eligible Person's rights or providing a fair and reasonable entitlement, the ESOS Committee may effect an adjustment in such manner deemed appropriate by the ESOS Committee provided that the Eligible Persons shall be notified of the adjustment through an announcement to all Eligible Persons to be made in such manner deemed appropriate by the ESOS Committee.
- 18.9 Notwithstanding the provisions of this By-Law, the ESOS Committee may exercise its discretion to determine whether any adjustments to the Exercise Price, the number of Options and/or Shares (as the case may be) be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the Exercise Price and/or the number of Options notwithstanding that no such adjustment formula has been explicitly set out in this By-Law.
- 18.10 Any adjustment to the Exercise Price shall be rounded down to the nearest RM0.01.
- 18.11 In the event that a fraction of a Share arises from the adjustments pursuant to this By-Law 18, the number of Shares comprised in an ESOS Offer shall automatically be rounded down to the nearest whole number.

19. TAKE-OVER OFFER, SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC

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 (or such part of the issued share capital 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; or

- (c) the court sanctioning a compromise or arrangement between the Company and its members for the purpose of, or in connection with, a scheme of arrangement and reconstruction of the Company under Subdivision 2 of Division 7 of Part III of the Act or its amalgamation with any other company or companies under the Act,

then a Grantee who is holding outstanding exercisable Options shall be entitled to exercise all or any of his/her unexercised Options in accordance with By-Law 9.4, within 60 days from the date of his/her receipt of the notice by the Company in respect of any of the events in paragraphs (a), (b) and (c) as above. In the event that the Grantee elects not to so exercise some or all of the Options held by him/her, the unexercised Options shall be automatically terminated and lapse by the date prescribed and be null and void and of no further force and effect.

20. DIVESTMENT FROM THE GROUP, ETC

20.1 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 not be entitled to continue to hold and to exercise all unexercised vested ESOS Options held by him/her from the date of completion of such divestment, within a period of 3 months from the date of completion of such divestment or the Date of Expiry, whichever expires first, and in accordance with the provisions of By-Law 9.4. In the event that the Grantee does not so exercise some or all of such Options and/or the unvested Shares, the unexercised Options shall be automatically terminated upon the expiry of the relevant period; and
- (b) shall no longer be eligible to participate for further ESOS Options under the Scheme as from the date of completion of such divestment, unless approved by the ESOS Committee in writing.

20.2 For the purposes of By-Law 20.1, a company shall be deemed to be divested from the Group or disposed off from the Group in the event that the effective interest of the Company in such company is reduced from above 50% to 50% or below so that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act or such company ceases to form part of the Group for such reason(s) as determined by the ESOS Committee as its absolute discretion.

21. WINDING UP

All outstanding ESOS Options shall be automatically terminated and be of no further force and effect in the event that a resolution is passed or a court order is made for the winding up of the Company commencing from the date of such resolution or the date of the court order. In the event a petition is presented in court for the winding-up or liquidation of the Company, all rights to exercise and/or vest the ESOS Options shall automatically be suspended from the date of the presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the right to exercise and/or vest the ESOS Options shall accordingly be unsuspended.

PART VI

22. EFFECTIVE DATE, DURATION, TERMINATION AND EXTENSION OF SCHEME

22.1 The Effective Date for the implementation of the Scheme shall be such date to be determined and announced by the Board following full compliance with all relevant requirements of the Listing Requirements, including the following:

- (a) submission of the final copy of the By-Laws to Bursa Securities together with a letter of compliance pursuant to Rule 2.12 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements (and/or such other documents as may be determined by Bursa Securities from time to time);
- (b) receipt of the approval or approval-in-principle, as the case may be, from Bursa Securities for the listing of and quotation for the new Shares to be issued pursuant to the exercise of ESOS Options granted under the Scheme;
- (c) procurement of shareholders' approval for the Scheme;
- (d) receipt of approval of any other relevant authorities, where applicable; and
- (e) fulfilment or waiver (as the case may be) of all conditions attached to the above proposals, if any.

The Scheme shall be in force for a duration of 5 years from the Effective Date subject however to any extension of the Scheme as provided under By-Law 22.3 below. The date of expiry of the Scheme shall be at the end of the 5 years from the Effective Date or, if the Scheme shall be extended, shall be the date of expiry as so extended.

22.2 The ESOS Offer can only be made during the Duration of the Scheme before the Date of Expiry.

22.3 On or before the Date of Expiry, the Board shall have the discretion, without having to obtain approval of the Company's shareholders, to extend the Duration of the Scheme 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 10 years from the Effective Date. In the event the Scheme is extended in accordance with this provision, the ESOS 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. For the avoidance of doubt, no further sanction, approval, consent or authorisation of the shareholders of the Company in a general meeting is required for any such extension.

22.4 Notwithstanding anything to the contrary, all ESOS Options shall lapse on the Date of Expiry.

22.5 The Scheme may be terminated by the ESOS Committee at any time before the Date of Expiry **PROVIDED THAT** the Company makes an announcement immediately to Bursa Securities. The announcement shall include:

- (a) the effective date of termination (“**Termination Date**”);
 - (b) the number of Options exercised under ESOS; and
 - (c) the reasons and justification for termination.
- 22.6 The Company may implement more than one employee share scheme provided that the aggregate number of Share available under all the employee share schemes implemented by the Company is not more than 15% of its total number of issued shares (excluding treasury shares, if any) at any one time or any other limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.
- 22.7 In the event of termination as stipulated in By-Law 22.5 above, the following provisions shall apply:
- (a) No further ESOS Offers shall be made by the ESOS Committee from the Termination Date;
 - (b) All ESOS Offers which have yet to be accepted by Eligible Persons shall automatically lapse on the Termination Date;
 - (c) All ESOS Offers which have yet to be vested in the Eligible Persons shall automatically lapse on the Termination Date; and
 - (d) All outstanding ESOS Options which have yet to be exercised by Grantees and/or vested shall be automatically terminated on the Termination Date.
- 22.8 Approval or consent of the shareholders of the Company by way of a resolution in an EGM and written consent of Grantees who have yet to exercise their Options and/or vest the unvested Shares are not required to effect a termination of the Scheme.

23. NO COMPENSATION FOR TERMINATION

No Eligible Persons shall be entitled to any compensation for damages arising from the termination of any ESOS Options or this Scheme pursuant to the provisions of these By-Laws. Notwithstanding any provisions of these By-Laws:

- (a) this Scheme shall not form part of any contract of employment between the Company or any company within the Group and any Eligible Person of any company of the Group. The rights of any Eligible Person under the terms of his/her office and/or employment with any company within the Group shall not be affected by his/her participation in the Scheme, nor shall such participation or the ESOS Offer or consideration for the ESOS Offer afford such Eligible Person 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 right or other rights under any other theory of law (other than those constituting the ESOS Options themselves) against the Company or any company of the Group, directly or indirectly, or give rise to any course of action in law or in equity or under any other theory of law against any company within the Group;

- (c) no Grantee or his/her Representative shall bring any claim, action or proceeding against any company of the Group, the ESOS Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/cancellation of his/her rights/exercise of his/her ESOS Options ceasing to be valid pursuant to the provisions of these By-Laws; and
- (d) the Company, the Board or the ESOS Committee shall in no event be liable to the Grantee or his/her personal or legal 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 lost profits or savings, directly or indirectly arising from the breach or non-performance of these By-Laws or any loss suffered by reason of any change in the price of the Shares or from any other cause 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 Board or the ESOS Committee has been advised of the possibility of such damage.

24. MODIFICATION, VARIATION AND/OR AMENDMENT TO THE SCHEME

- 24.1 Subject to the compliance with the Listing Requirements and any other relevant authorities, the ESOS Committee may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its discretion think fit. The approval of the shareholders of the Company in general meeting shall not be required in respect of additions or amendments to, or modifications and/or deletions of these By-Laws **PROVIDED THAT** no additions, modifications or amendments to or deletions of these By-Laws shall be made which will:
 - (a) prejudice any rights which have accrued to any Grantee without the prior consent or sanction of that Grantee; or
 - (b) increase the number of Shares available under the Scheme beyond the maximum imposed by By-Law 4.1; or
 - (c) alter any matter which are required to be contained in these By-Laws by virtue of the Listing Requirements to the advantage of the Eligible Person and/or Grantee.
- 24.2 For the purpose of complying with the provisions of the Listing Requirements, By-Laws 4, 5, 6, 8.1, 8.4, 9.2, 9.5, 10, 11, 12, 13, 18, 21 and 22 shall not be amended or altered in any way whatsoever for the advantage of Eligible Persons and/or Grantees without the prior approval of shareholders obtained at a general meeting and subject to any applicable laws.
- 24.3 Upon amending and for modifying all or any of the provisions of the Scheme, the Company shall within 5 Market Days after the effective date of the amendments, cause to be submitted to Bursa Securities the amended By-Laws and a confirmation letter that the said amendment and/or modification complies and does not contravene any of the provisions of the Listing Requirements in relation to the Scheme.

PART VII

25. ADMINISTRATION AND TRUST

- 25.1 The Scheme shall be administered by the ESOS Committee. The ESOS Committee shall, subject to these By-Laws, administer the Scheme in such manner as it shall think fit and with such powers and duties as are conferred upon it by the Board. The decision of the ESOS Committee shall be final and binding.
- 25.2 In implementing the Scheme, the ESOS Committee may in its absolute discretion, after taking into consideration, amongst others, factors such as prevailing market price of the Shares, funding considerations and dilutive effects on the Company's capital base, future returns and cash requirements of the Group, decide that the Shares to be awarded under this Scheme shall be satisfied by any of the following methods:
- (a) Issuance of new Shares;
 - (b) Transfer of existing Shares held in treasury;
 - (c) Any other methods as may be permitted by the Act, as amended from time to time and any re-enactment thereof; or
 - (d) A combination of any of the above.
- 25.3 For the purposes of facilitating the implementation and administration of the Scheme, the Company and/or the ESOS Committee may (but shall not be obliged to) establish a trust to be administered by trustee(s) consisting of such trustee appointed by the Company from time to time ("**Trustee**"), if required, for the purposes of subscribing for new Shares and/or acquiring existing Shares from the Main Market of Bursa Securities and transferring them to Grantees at such times as the ESOS Committee shall direct ("**Trust**"). To enable the Trustee to subscribe for new Shares and/or acquire existing Shares for the purpose of the Scheme and to pay expenses in relation to the administration of the Trust, the Trustee will, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise, from the Company and/or its subsidiaries or any third party to subscribe for Shares on behalf of Grantees and to release the relevant net gains arising from the sale of the Shares from the exercise of the ESOS Options by a Grantee (after deducting the Exercise Price and the related transaction costs) to the relevant Grantee.
- 25.4 The Trustee if and when a Trust is established shall administer the Trust in accordance with the terms of the trust deed to be entered into between the Company and the trustee constituting the trust ("**Trust Deed**"). For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the ESOS Committee may in its sole and absolute discretion direct for the implementation and administration of the Trust.
- 25.5 The Company or ESOS Committee shall have power from time to time, at any time, to appoint or rescind/terminate the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed. The ESOS Committee shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.

- 25.6 Without limiting the generality of By-Law 25.1, the ESOS Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any errors in an ESOS Offer, execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its discretion consider to be necessary or desirable for giving effect to the Scheme.
- 25.7 The Board shall have power at any time and from time to time to approve, rescind and/or revoke the appointment of any person in the ESOS Committee as it shall deem fit.

26. DISPUTES

- 26.1 In case any dispute or difference shall arise between the ESOS Committee and an Eligible Person or a Grantee or in the event of an appeal by an Eligible Person, as the case may be, as to any matter of any nature arising hereunder, such dispute or appeal must have been referred to and received by the ESOS Committee during the Duration of the Scheme. The ESOS Committee shall then determine such dispute or difference by a written decision (without the obligation to give any reason therefor) given to the Eligible Person and/or Grantee, as the case may be, PROVIDED THAT where the dispute is raised by a member of the ESOS Committee, the said member shall abstain from voting in respect of the decision of the ESOS Committee in that instance.
- 26.2 In the event the Eligible Person or Grantee, as the case may be, shall dispute the same by written notice to the ESOS Committee within 14 days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, provided that any Director of the Company who is also in the ESOS Committee shall abstain from voting and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws. Under no circumstances shall a dispute or difference be brought to a court of law. Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the ESOS Committee shall be borne by such party.
- 26.3 Notwithstanding the foregoing provisions of By-Laws 26.1 and 26.2 above, matters concerning adjustments made pursuant to By-Law 18 shall be referred to external auditors of the Company or Principal Adviser, who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.

27. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment and/or transfer of the Shares pursuant to the ESOS Option, shall be borne by the Company. Notwithstanding this, the Grantee shall bear any fees, costs, expenses and stamp duty incurred in relation to his/her acceptance and exercise of the Options under the Scheme.

28. CONSTITUTION

In the event of a conflict between any of the provisions of these By-Laws and the Constitution, the Constitution shall at all times prevail.

29. NOTICE

29.1 Subject to By-Law 31.5, any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the Grantee pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given:

- (a) if it is sent by ordinary post by the Company to the Eligible Person or the Grantee at the last address known to the Company as being his/her address, such notice or request shall be deemed to have been received 3 Market Days after posting;
- (b) if it is delivered by hand to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received on the date of delivery; and
- (c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received by the recipient on the Market Day immediately following the day on which the electronic mail is sent or (in the case of communication by other digital means) on the Market Day immediately following the day on which such communication is effected or otherwise upon confirmation or notification received after the sending of notice or request by the Company.

Any change of address of the Eligible Person or the Grantee shall be communicated in writing to the Company.

29.2 Where any notice which the Company or the ESOS Committee is required to give, or may desire to give, in relation to matters which may affect all the Eligible Persons or all the Grantee (as the case may be) pursuant to the Scheme, the Company or the ESOS Committee may give such notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the ESOS Committee (including via electronic media). Upon the making of such an announcement, the notice to be made under By-Law 29.1 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or Grantee, as the case may be.

30. SEVERABILITY

Any term, condition, stipulation or provision in these By-Laws which is or becomes 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 or provision herein contained.

31. GOVERNING LAW AND JURISDICTION

- 31.1 These By-Laws shall be governed and construed in accordance with the laws of Malaysia and the Eligible Person and/or Grantee shall subject to the provisions of By-Law 26 submit to the exclusive jurisdiction of the courts of Malaysia in all matters connected with the obligations and liabilities of the parties hereto under or arising out of these By-Laws.
- 31.2 Any proceeding or action shall subject to the provisions of By-Law 26, be instituted or taken in Malaysia and the Eligible Person and/or Grantee irrevocably and unconditionally waives any objection on the ground of venue or forum non-convenience or any other grounds.
- 31.3 Any notice/process required to be given to or served upon the Board or the ESOS Committee by an Eligible Person and/or Grantee shall be deemed to be sufficiently given, served or made if it is given served or made by hand, by facsimile transmission and/or by letter sent via ordinary post addressed to the Eligible Person and/or Grantee at his/her place of employment, at his/her last facsimile transmission number known to the Company, or to his/her last-known address. Any notice/process served by hand, by facsimile, by post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and duly acknowledged, (if by facsimile transmission) is transmitted with a confirmed log print-out for the transmission indicating the date, time and transmission of all pages, and (if by post) on the day the letter containing the same is posted and in proving such service by post, it shall be sufficient to prove that the letter containing the notice or documents was properly addressed, stamped and posted.
- 31.4 Any notice/process required to be given to or served upon the Board or the ESOS Committee by an Eligible Person and/or Grantee shall be given, served or made in writing and delivered by hand or by registered post to the registered office of the Company (or such other office or place which the ESOS Committee may have stipulated for this purpose). Any notice/process served by hand or post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and duly acknowledged and (if by post) 5 Market Days after postage.
- 31.5 Any ESOS Offer to be made and acceptances thereof, and normal correspondence (other than notice/process) under the Scheme (“**Normal Correspondence**”) to be given to or served upon the Board or the ESOS Committee or the Eligible Person and/or the Grantee, as the case may be, shall be given, served or made in writing and delivered by electronic mail to such e-mail address specified by the Company (if to be given to or served upon the Board of the ESOS Committee) or to such e-mail address of the Employee/Director provided by the Company (if to be given to or served upon the Eligible Person and/or Grantee) or such communication by other digital means as may be prescribed by the Board and/or ESOS Committee, and shall be deemed to have been received by the recipient (in the case of electronic mail) on the Market day immediately following the day on which the electronic mail is dispatched or (in the case of communication by other digital means) on the Market Day immediately following the day on which such communication is effected.

- 31.6 Notwithstanding By-Law 31.5, where any Normal Correspondence is required to be given by the Company or the ESOS Committee or the Trustee under these By-Laws in relation to matters which may affect any or all of the Eligible Persons and/or Grantees, the Company or the ESOS Committee may give the Normal Correspondence through an announcement to all employees of the Group to be made in such manner deemed appropriate by the ESOS Committee. Upon the making of such an announcement, the Normal Correspondence to be made under By-Law 31.5 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons and/or Grantee.
- 31.7 In order to facilitate the offer of any ESOS Offer (and/or the benefit thereof) under this Scheme, the ESOS Committee may provide for such special terms to the Eligible 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 ESOS Committee may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction. The ESOS 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 affecting the terms of the Scheme as in effect for any other purpose, and the secretary of the Company or any other 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 ESOS Offer offered to such Eligible Person pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the ESOS Committee in the ESOS Offer.
- 31.8 No action has been or will be taken by the Company to make an ESOS Offer valid in any country or jurisdiction other than Malaysia or to ensure compliance of the ESOS 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 Eligible Person to whom an ESOS Offer is offered, with all applicable laws and regulations in such other country or jurisdiction in which the Eligible Person accepts the ESOS Offer or will exercise the ESOS Option.
- 31.9 Any Eligible Person to whom an ESOS Offer is offered is required to ensure that they comply with all applicable laws and regulations in each country or jurisdiction in or from which they accept the ESOS Offer or exercise the ESOS Option. By their acceptance of an ESOS Offer, each Grantee has represented, warranted and agreed that they have and will continue to observe all applicable laws and regulations in the jurisdiction in which they accept the ESOS Offer and/or will exercise the ESOS Option.

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APPENDIX II – FURTHER INFORMATION

1. DIRECTORS RESPONSIBILITY STATEMENT

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

2. CONSENT AND CONFLICT OF INTEREST

2.1 AmInvestment Bank

AmInvestment Bank has given and has not subsequently withdrawn its consent for the inclusion in this Circular of its name and all references thereto in the form and context in which it appears in this Circular.

AmInvestment Bank is a wholly-owned subsidiary of AMMB Holdings Berhad. AmBank Group forms a diversified financial group and are engaged in a wide range of transactions relating to amongst others, investment banking, commercial banking, private banking, brokerage, securities trading, asset and funds management and credit transaction services businesses. AmBank Group's securities business is primarily in the areas of securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trade.

In the ordinary course of their businesses, any member of the AmBank Group may at any time extend services to any company as well as hold long or short positions, and trade or otherwise effect transactions, for its own account or the account of its other clients, in debt or equity securities or senior loans of any company. Accordingly, there may be situations where parts of the AmBank Group and / or its existing or future clients, may have interests or take actions that may conflict with the interests of the Lagenda Group.

As at the LPD, AmBank Group has extended term facilities amounting to approximately RM113 million to Lagenda Group, which represent less than 0.11% compared to the total audited loans, advances and financing of AMMB Holdings Berhad (being the holding company of AmBank Group) as at 31 March 2020.

Notwithstanding the above, AmInvestment Bank is of the opinion that its role as the Principal Adviser for the Proposed ESOS does not give rise to a conflict of interest situation in view that AmBank Group form a diversified financial group and are engaged in a wide range of transactions relating to amongst others, investment banking, commercial banking, private banking, brokerage, securities trading, asset and funds management and credit transaction services businesses.

APPENDIX II - FURTHER INFORMATION (CONT'D)

3. HISTORICAL SHARE PRICE

The monthly high and low prices of Lagenda Shares traded on Bursa Securities for the past twelve (12) months preceding the date of this Circular are as follows:

	High RM	Low RM
<u>2020</u>		
June	0.875	0.625
July	0.875	0.625
August	0.94	0.75
September	0.91	0.81
October	0.93	0.805
November	1.26	0.89
December	1.31	1.05
<u>2021</u>		
January	1.58	1.18
February	1.80	1.45
March	1.68	1.30
April	1.69	1.42
May	1.45	1.15
Last transacted market price on 7 May 2021 (being the last Market Day prior to the announcement of the Proposed ESOS)		1.38
Last transacted market price as at the LPD		1.29

(Source: Bloomberg)

4. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position or business of our Group and our Board confirms that there are no proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group.

5. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**5.1 Material commitments**

Save as disclosed below, as at the LPD, our Board is not aware of any material commitments incurred or known to be incurred which upon becoming enforceable may have a material impact on the financial position of the business of Lagenda Group:-

	RM'000
Authorised and contracted for:-	
- Acquisition of lands	76,015
	76,015

APPENDIX II - FURTHER INFORMATION (CONT'D)

5.2 Contingent liabilities

As at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group which, upon becoming due or enforceable, may have a material impact on the Lagenda Group's financial position.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Lagenda at No. 54-4-8, Wisma Sri Mata, Jalan Van Praagh, 11600 Penang during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of the EGM:-

- (i) the constitution of Lagenda;
- (ii) the audited consolidated financial statements of Lagenda for the past two (2) financial year ended 31 December 2019 and 31 December 2020 and the latest unaudited quarterly results of Lagenda for the financial period ended 31 March 2021;
- (iii) the letter of consent referred to in Section 2 of Appendix II of this Circular; and
- (iv) the draft By-Laws as set out in Appendix I of this Circular.



**LAGENDA PROPERTIES BERHAD
(FORMERLY KNOWN AS D.B.E. GURNEY RESOURCES BERHAD)**

(Registration No: 200101000008 (535763-A))

(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Lagenda Properties Berhad (formerly known as D.B.E. Gurney Resources Berhad) (“**Lagenda**” or the “**Company**”) will be conducted virtually through live streaming and online remote participation and voting from the broadcast venue at Level 43A, MYEG Tower, Empire City, No 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor on Monday, 28 June 2021 at 3.00 p.m. or immediately following the conclusion or adjournment of the 20th Annual General Meeting of the Company scheduled to be held at the same venue and on the same day at 2.00 p.m. whichever is later for the purpose of considering and, if thought fit, passing the following resolution with or without any modifications:

ORDINARY RESOLUTION 1

PROPOSED ESTABLISHMENT OF A NEW EMPLOYEES’ SHARE OPTION SCHEME (“ESOS”) OF UP TO FIFTEEN PERCENT (15%) OF THE TOTAL NUMBER OF ISSUED ORDINARY SHARES OF LAGENDA (EXCLUDING TREASURY SHARES, IF ANY) FOR THE ELIGIBLE DIRECTORS AND EMPLOYEES OF LAGENDA AND ITS NON-DORMANT SUBSIDIARIES (“PROPOSED ESOS”)

“**THAT** subject to the approvals of all relevant authorities/parties, including the approval of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing and quotation of the new ordinary shares in Lagenda (“**Lagenda Shares**”) to be issued pursuant to the exercise of the options granted under the Proposed ESOS (“**ESOS Options**”), the board of directors of Lagenda (“**Board**”) be and is hereby authorised to:

- (i) establish, implement and administer the Proposed ESOS which involves the granting of ESOS Options to all eligible directors and employees of Lagenda and its subsidiaries (excluding subsidiaries which are dormant) (“**Lagenda Group**”) in accordance with the bylaws of the Proposed ESOS (“**By-Laws**”), a draft of which is set out in Appendix I of the circular to shareholders dated 8 June 2021 (“**Circular**”);
- (ii) to issue and/or transfer such number of Lagenda Shares from time to time as may be required pursuant to the exercise of the ESOS Options provided that the aggregate number of Lagenda Shares which may be made available under the Proposed ESOS shall not in aggregate exceed 15% of the total number of issued Lagenda Shares (excluding treasury shares, if any) at any point in time during the duration of the Proposed ESOS AND THAT such new Lagenda Shares to be issued upon the exercise of the ESOS Options shall upon allotment and issuance rank *pari passu* in all respects with the existing issued Lagenda Shares, save and except that the Lagenda Shares so allotted and issued will not be entitled to any dividends, rights, allotments or other distributions, which may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Lagenda Shares;
- (iii) make the necessary applications and do all things necessary at the appropriate time or times to Bursa Securities for the listing of and quotation for the new Lagenda Shares, which may from time to time be allotted and issued arising from the exercise of the ESOS Options; and
- (iv) modify and/or amend the Proposed ESOS and/or the ByLaws from time to time as may be required or permitted by the authorities or deemed necessary by the authorities or the Board provided that such modifications and/or amendments are effected and permitted in accordance with the provisions of the By-Laws.

THAT the By-Laws of the Proposed ESOS, a draft of which is set out in Appendix I of the Circular, be and is hereby approved and adopted;

AND THAT the Board be and is hereby authorised to do all such acts and things, take such steps, execute all such documents and enter into all such arrangements, agreements, deeds and/ or undertakings as they may deem fit, necessary, expedient and/ or appropriate in order to finalise, implement and/ or give full effect to the Proposed ESOS and the terms of the Bylaws with full power to assent to any terms, conditions, modifications, variations and/ or amendments as may be agreed to or required by any relevant authorities or as a consequence of any such requirement as may be deemed necessary and/ or expedient and in the best interest of the Company;”

ORDINARY RESOLUTION 2 TO 7

PROPOSED ALLOCATION OF ESOS OPTIONS TO THE FOLLOWING DIRECTORS OF LAGENDA

ORDINARY RESOLUTION 2 – DATO’ DOH JEE MING

ORDINARY RESOLUTION 3 – DATO’ DOH TEE LEONG

ORDINARY RESOLUTION 4 – DATO’ DOH JEE CHAI

ORDINARY RESOLUTION 5 – MOHAMAD ALI BIN ARIFFIN

ORDINARY RESOLUTION 6 – LOOI SZE SHING

ORDINARY RESOLUTION 7 – DR LIM PANG KIAM

"THAT, subject to the passing of Ordinary Resolution 1 and the approvals of the relevant authorities / parties for the Proposed ESOS having been obtained, approval be and is hereby given to the Board to authorise the ESOS Committee, at any time and from time to time throughout the duration of the Proposed ESOS, to offer and grant to the above-mentioned directors of Lagenda, such number of ESOS Options and Lagenda Shares to be allotted, issued and/or transferred arising therefrom under the Proposed ESOS, **PROVIDED THAT** –

- (i) the aggregate number of Lagenda Shares which may be made available under the Proposed ESOS shall not in aggregate exceed 15% of the total number of issued Lagenda Shares (excluding treasury shares, if any) at any point in time during the duration of the Proposed ESOS;
- (ii) the allocation to him/ her, who either singly or collectively, through person(s) connected to him/ her, holds 20% or more of the total number of issued Lagenda Shares (excluding treasury shares, if any), must not exceed 10% of the total number of Lagenda Shares to be made available under the Proposed ESOS;
- (iii) not more than 50% of the ESOS Options available under the Proposed ESOS shall be allocated in aggregate to the directors of Lagenda Group (only including companies which are not dormant);
- (iv) he / she must not participate in the deliberation or discussion of his/ her own allocation or allocations to person(s) connected to him/ her; and
- (v) subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, the Main Market Listing Requirements of Bursa Securities, or any prevailing guidelines issued by Bursa Securities or any other relevant authority, as amended from time to time.

BY ORDER OF THE BOARD

JESSLYN ONG BEE FANG (SSM PC No. 202008002969) (MAICSA 7020672)

ERIC TOH CHEE SEONG (SSM PC No. 202008002884) (MAICSA 7016178)

Company Secretaries
Penang

Dated this 8 June 2021

Notes:

1. *In light of the COVID-19 outbreak and as part of the safety measures, the EGM of the Company will be conducted virtually through live streaming and online remote voting using the Remote Participation and Voting Facilities (“**RPV Facilities**”) which are available through an online portal at <https://web.vote2u.app>. Please follow the procedures provided in the Administrative Guide for the EGM in order to register, participate and vote remotely via the RPV Facilities.*
2. *The venue of the EGM is the broadcast venue, strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. **No shareholders/proxies/corporate representatives from the public will be physically present at the Broadcast Venue.***
3. *Only members whose names appear on the Record of Depositors on 21 June 2021 (“**General Meeting Record of Depositors**”) shall be entitled to attend, speak and vote at the EGM.*
4. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy may but need not be a member of the Company.*
5. *A member shall be entitled to appoint not more than two proxies to attend and vote at the EGM. Where a member appoints more than one proxy, the appointment shall be invalid unless the member specifies the proportions of his/her holdings to be represented by each proxy.*
6. *Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds. An exempt authorized nominee refers to an authorized nominee defined under Securities Industry (Central Depositories) Act, 1991 (“**SICDA**”) which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*
7. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorized in writing.*
8. *Pursuant to Paragraph 8.29(A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions at the EGM shall be put by way of poll.*
9. *The Form of Proxy duly completed must be deposited at the business address of the Company at Level 4, No. 131, Persiaran PM 2/1, Pusat Bandar Seri Manjung Seksyen 2, 32040 Seri Manjung, Perak Darul Ridzuan not less than 48 hours before the time of holding the EGM or any adjournment thereof.*

PERSONAL DATA PRIVACY

By submitting a Form of Proxy or an instrument appointing a representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the Purposes), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



LAGENDA PROPERTIES BERHAD
(FORMERLY KNOWN AS D.B.E. GURNEY RESOURCES BERHAD)
(Registration No: 200101000008 (535763-A))
(Incorporated in Malaysia)

FORM OF PROXY

I/We _____ (Full Name In Block Letters)
of _____ (Address)
being a member/members of Lagenda Properties Berhad hereby appoint _____ (Full Name In Block Letters)
of _____ (Address)
NRIC / Passport No. _____ Email Address _____
or failing him/her _____ (Full Name In Block Letters)
of _____ (Address)
NRIC / Passport No. _____ Email Address _____

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting (“**EGM**”) of the Company to be conducted virtually through live streaming and online remote participation and voting from the broadcast venue at Level 43A, MYEG Tower, Empire City, No 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor on Monday, 28 June 2021 at 3.00 p.m. or immediately following the conclusion or adjournment of the 20th Annual General Meeting of the Company scheduled to be held at the same venue and on the same day at 2.00 p.m. whichever is later on the resolutions as set out in the notice of the EGM as hereunder indicated:-

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

	ORDINARY RESOLUTIONS	FOR	AGAINST
1	PROPOSED ESOS		
2	PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' DOH JEE MING		
3	PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' DOH TEE LEONG		
4	PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' DOH JEE CHAI		
5	PROPOSED ALLOCATION OF ESOS OPTIONS TO MOHAMAD ALI BIN ARIFFIN		
6	PROPOSED ALLOCATION OF ESOS OPTIONS TO LOOI SZE SHING		
7	PROPOSED ALLOCATION OF ESOS OPTIONS TO DR. LIM PANG KIAM		

No of Shares Held	
CDS Account No.	
Telephone No.	
Email Address	
If more than one proxy is appointed, please specify below the proportion of your vote in percentage represented by each proxy :-	
First Named Proxy	%
Second Named Proxy	%

Dated this day of 2021 :
Signature(s) of Member(s) / Common Seal



Notes:-

1. *In light of the COVID-19 outbreak and as part of the safety measures, the EGM of the Company will be conducted virtually through live streaming and online remote voting using the Remote Participation and Voting Facilities (“**RPV Facilities**”) which are available through an online portal at <https://web.vote2u.app>. Please follow the procedures provided in the Administrative Guide for the EGM in order to register, participate and vote remotely via the RPV Facilities.*
2. *The venue of the EGM is the broadcast venue, strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. No shareholders/proxies/corporate representatives from the public will be physically present at the broadcast venue.*
3. *Only members whose names appear on the Record of Depositors on 21 June 2021 (“**General Meeting Record of Depositors**”) shall be entitled to attend, speak and vote at the EGM.*
4. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy may but need not be a member of the Company.*
5. *A member shall be entitled to appoint not more than two proxies to attend and vote at the EGM. Where a member appoints more than one proxy, the appointment shall be invalid unless the member specifies the proportions of his/her holdings to be represented by each proxy.*
6. *Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds. An exempt authorized nominee refers to an authorized nominee defined under Securities Industry (Central Depositories) Act, 1991 (“**SICDA**”) which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*
7. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorized in writing.*
8. *Pursuant to Paragraph 8.29(A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions at the EGM shall be put by way of poll.*
9. *The Form of Proxy duly completed must be deposited at the business address of the Company at Level 4, No. 131, Persiaran PM 2/1, Pusat Bandar Seri Manjung Seksyen 2, 32040 Seri Manjung, Perak Darul Ridzuan not less than 48 hours before the time of holding the EGM or any adjournment thereof.*

PERSONAL DATA PRIVACY

By submitting a Form of Proxy or an instrument appointing a representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 8 June 2021.

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AFFIX
STAMP

LAGENDA PROPERTIES BERHAD

(formerly known as D.B.E. Gurney Resources Berhad)

[Registration No: 200101000008 (535763-A)]

Level 4, No. 131 Persiaran PM 2/1

Pusat Bandar Seri Manjung Seksyen 2

32040 Seri Manjung, Perak

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