

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant, or other professional advisers immediately.

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Bursa Malaysia has not perused the information relating to this Circular prior to its issuance, as it is prescribed as an exempt document pursuant to Guidance Note 22 of the ACE Market Listing Requirements of Bursa Malaysia.



**RESERVOIR LINK ENERGY BHD**

(Registration No. 201401044508 (1120690-K))  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**PART A**

**PROPOSED AUTHORITY TO PURCHASE ITS OWN SHARES BY THE COMPANY  
("PROPOSED SHARE BUY-BACK")**

**PART B**

**PROPOSED AMENDMENT TO THE CONSTITUTION OF THE COMPANY  
("PROPOSED AMENDMENT")**

The resolutions in respect of the above will be tabled at the 7<sup>th</sup> Annual General Meeting (AGM) of the Company which will be conducted entirely on a fully virtual basis through live streaming and online remote voting via the online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) voting via the online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) on Thursday, 12 May 2022 at 10.00 a.m.

The Form of Proxy must be lodged at the office of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd on Ground Floor or 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or by electronic means via Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> not less than forty-eight (48) hours before the time set for holding the AGM or at any adjournment thereof. The lodging of the Form of Proxy does not preclude a member from attending and voting in person at the meeting of members, should the member subsequently wish to do so.

Last date and time for lodging the Form of Proxy:	Tuesday, 10 May 2022 at 10.00 a.m.
Date and time of Annual General Meeting:	Thursday, 12 May 2022 at 10.00 a.m.

This Circular is dated 13 April 2022

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**RESERVOIR LINK ENERGY BHD**

(Registration No. 201401044508 (1120690-K))  
(Incorporated in Malaysia)

**Registered Office**

E289 1<sup>st</sup> Floor  
Block E iCom Square  
Jalan Pending  
93450 Kuching  
Sarawak

13 April 2022

**Board of Directors**

Datuk Tai Hee (*Non-Independent Non-Executive Chairman*)  
Dato' Wan Hassan Bin Mohd Jamil (*Chief Executive Officer/Managing Director*)  
Thien Chiet Chai (*Non-Independent Executive Director*)  
Eric Lim Swee Khoo (*Independent Non-Executive Director*)  
Siti Zurina binti Sabarudin (*Independent Non-Executive Director*)  
Elain Binti Lockman (*Independent Non-Executive Director*)

**TO THE SHAREHOLDERS OF RESERVOIR LINK ENERGY BHD ("RLEB" OR "COMPANY")**

Dear Sir/Madam

**PART A - PROPOSED AUTHORITY TO PURCHASE ITS OWN SHARES ("PROPOSED SHARE BUY-BACK")**

**1. INTRODUCTION**

On 23 March 2022, the Company announced our intention to seek approval from our shareholders for the Proposed Share Buy-Back at the forthcoming 7<sup>th</sup> Annual General Meeting ("AGM") of the Company which will be held on 12 May 2022.

The purpose of this Circular is to provide you with the relevant information on the Proposed Share Buy-Back and to seek your approval for the Ordinary Resolution pertaining to the authority to undertake the Proposed Share Buy-Back, which will be tabled at the forthcoming AGM.

**2. DETAILS OF THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back is subject to compliance with the Companies Act 2016, Bursa Malaysia Listing Requirements and any prevailing laws and relevant regulations, rules and guidelines as may be issued by the relevant authorities at the time of purchases.

The approval from the shareholders for the Proposed Share Buy-Back shall be effective immediately upon the passing of the Ordinary Resolution for the Proposed Share Buy-Back at the forthcoming AGM until:

- (a) the conclusion of the next AGM of the Company following the General Meeting at which such resolution was passed at which time it will lapse unless by Ordinary Resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders in General Meeting;

whichever occurs first.

## **2.1 Quantum and Funding**

Based on the total issued ordinary share capital of the Company as at 16 March 2022, the maximum number of RLEB shares that may be purchased by the Company is 29,044,500 ordinary shares, representing ten per cent (10%) of the issued ordinary share capital of the Company.

A fund not exceeding the Company's retained profits at the time of purchase will be allocated for the Proposed Share Buy-Back. The audited retained profits of the Company as at 31 December 2021 was RM68,623.00.

The actual number of shares to be purchased, the total amount of funds involved for each purchase and the timing of the purchase(s) will depend on the market conditions and sentiments of the stock market as well as the availability of financial resources of the Company and the availability of the retained profit reserve of the Company.

The Proposed Share Buy-Back will be funded from internally generated funds and/or borrowings of the Company. In the event that the Proposed Share Buy-Back is to be partly financed by external borrowings, the Company expects that it will be capable of repaying such borrowings and that such funding is not expected to have any material effect on the cash flows of the Company.

## **2.2 Status of Shares Purchased by the Company**

The treasury shares so purchased or to be purchased pursuant to the Proposed Share Buy-Back shall not be entitled to any of the rights attached to the existing RLEB shares of the Company as to voting, dividends and participation in any other distribution or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number of shares or a class of shares in the Company for any purposes including, without limiting to the generality of this provisions of any law or requirements of the Constitution of the Company or the Listing Requirements on substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum and the result of a vote on a resolution at a meeting.

The Directors may deal with RLEB shares in the following manner:

- (a) cancel all or part of the RLEB shares so purchased; and/or
- (b) retain all or part of the RLEB shares so purchased as treasury shares for distribution as dividends to the shareholders and/or resale on the market of Bursa Malaysia and/or to be subsequently cancelled.

## **2.3 Pricing**

In accordance with the Listing Requirements, the Company may only purchase its own shares on the market of Bursa Malaysia at a price that is not more than 15% above the weighted average market price for the shares for the past five (5) market days immediately before the purchase.

The Company may only resell treasury shares on the Bursa Malaysia or transfer treasury shares pursuant to Section 127(7) of the Companies Act 2016, at:

- (a) a price which is not less than the weighted average market price for the shares for the five (5) market days immediately before the resale or transfer; or
- (b) a discounted price of not more than 5% to the weighted average market price for the shares for the five (5) market days immediately before the resale or transfer provided that:
  - (i) the resale or transfer takes place not earlier than thirty (30) days from the date of purchase; and
  - (ii) the resale or transfer price is not less than the cost of purchase of the shares being resold or transferred.

## **2.4 Potential Advantages and Disadvantages of the Proposed Share Buy-Back**

### **2.4.1 Potential Advantages**

The Proposed Share Buy-Back, if exercised, is expected to potentially benefit the Company and its shareholders as follows:

- (a) The Company may be able to stabilize the supply and demand of its shares in the open market and hence support its fundamental values;
- (b) Where the RLEB shares are bought back and retained as treasury shares, these treasury shares can be distributed as dividends in future to reward shareholders; and
- (c) Where the RLEB shares are cancelled, the shareholders of the Company may enjoy an increase in the value of their investment in the Company due to the increase in the net EPS as a result of the reduction in the issued and paid-up share capital of the Company upon cancellation of the shares.

### **2.4.2 Potential Disadvantages**

The potential disadvantages of the Proposed Share Buy-Back are as follows:

- (a) It may reduce the financial resources of the Company and result in the Company having to forego any good investment opportunities which may emerge in the future; and
- (b) It is expected to temporarily reduce the immediate financial resources of the Company.

Nevertheless, the Proposed Share Buy-Back is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be undertaken only after careful consideration of the financial resources of the Company and its resultant impact. The Board is mindful of the interest of the Company and its shareholders and will be prudent in respect of the above exercise.

## **2.5 Financial Effects of the Proposed Share Buy-Back**

On the assumption that the Proposed Share Buy-Back is carried out in full, the effects of the Proposed Share Buy-Back on the share capital, net assets, working capital, earnings, and dividends of RLEB are set out below:

### 2.5.1 Share Capital

The Proposed Share Buy-Back will have no impact on the share capital if all the shares purchased by the Company are held as treasury shares. The impact on the share capital of the Company if the treasury shares are subsequently cancelled will be as follows:

Issued and paid up share capital	No. of shares
Existing share capital before cancellation of treasury shares as at 16 March 2022	290,445,000
Less: Cancellation of treasury shares (Assumed maximum shares bought back and cancelled)	29,044,500
Resultant share capital after cancellation	261,400,500

### 2.5.2 Earnings

The Proposed Share Buy-Back would generally increase the consolidated Earnings Per Share ("EPS") of the Company and/or the Group. However, the Proposed Share Buy-Back, if exercised, is not expected to have any material effect on the EPS of the Company and/or the Group for the financial year ending 31 December 2021.

### 2.5.3 Net Assets

The effect of the Proposed Share Buy-Back on the Net Assets per Share of the Group is dependent on the number of RLEB shares that the Company buys back, the purchase price of RLEB shares at the time of purchase and the treatment of RLEB shares so purchased.

The Proposed Share Buy-Back is likely to reduce the Net Assets per Share of the Group if the purchase price exceeds the audited Net Assets per Share of the Group at the time of purchase and will increase the Net Assets per Share of the Group if the purchase price is less than the audited Net Assets per Share of the Group at the relevant point of time.

### 2.5.4 Working Capital

The Proposed Share Buy-Back will reduce the working capital of the Group, the quantum of which depends on the number of RLEB shares so purchased and the purchase prices of RLEB shares. The extent of the reduction in cash flow of the Group will depend on the number of RLEB shares eventually purchased and the purchase price of the shares.

The working capital and cash flow of the Group will increase upon resale of the treasury shares, the quantum of which will depend on the actual selling prices of the treasury shares and the number of treasury shares resold.

### 2.5.5 Dividends

Assuming the Proposed Share Buy-Back is implemented in full, the Proposed Share Buy-Back will have the effect of increasing the dividend rate of RLEB as a result of the reduction in the issued and paid-up share capital of the Company.

## 2.6 Directors' and Substantial Shareholders' Shareholdings

The effect of the Proposed Share Buy-Back on the shareholdings of the Directors and substantial shareholders of the Company, based on the Record of Depositors, as at 16 March 2022 below:

	No. of ordinary shares held							
	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back assuming 10% of the share capital is bought back and cancelled			
Substantial Shareholders and Directors	Direct		Indirect		Direct		Indirect	
Reservoir Link Holdings Sdn Bhd	78,200,000	26.92%	-	-	78,200,000	29.92%	-	-
Dato' Wan Hassan Bin Mohd Jamil	10,408,605	3.58%	78,200,000*	26.92%	10,408,605	3.98%	78,200,000*	29.92%
Mad Haimi Bin Abu Hassan	2,626,335	0.90%	78,200,000*	26.92%	2,626,335	1.00%	78,200,000*	29.92%
Thien Chiet Chai	16,355,035	5.63%	78,200,000*	26.92%	16,355,035	6.26%	78,200,000*	29.92%
Pansar Berhad	29,323,503	10.10%	-	-	29,323,503	11.22%	-	-
Pan Sarawak Holdings Sdn Bhd	-	-	29,323,503**	10.10%	-	-	29,323,503**	11.22%
Tai Sing Chii & Sons Sdn Bhd	-	-	29,323,503**	10.10%	-	-	29,323,503**	11.22%
Inplaced Capital Sdn Bhd	-	-	29,323,503**	10.10%	-	-	29,323,503**	11.22%
Puan Sri Datin Sri Ling Lah Kiong	-	-	29,323,503**	10.10%	-	-	29,323,503**	11.22%
Dato' James Tai Cheong @ Tai Chiong	-	-	29,323,503**	10.10%	-	-	29,323,503**	11.22%
Datuk Tai Hee	500,000	0.17%	29,333,503***	10.10%	500,000	0.19%	29,333,503***	11.22%
David Tai Wei	-	-	29,323,503**	10.10%	-	-	29,323,503**	11.22%

Notes:

\* Deemed interested by virtue of his substantial shareholding in Reservoir Link Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

\*\* Deemed interested by virtue of its/his/her indirect substantial shareholding in Pansar Berhad.

\*\*\* Deemed interested by virtue of his indirect substantial shareholding in Pansar Berhad and his spouse's shareholding.

## 2.7 Public Shareholding Spread

The public shareholding spread of RLEB as at 16 March 2022 was 43.40%. In implementing the Proposed Share Buy-Back, the Company will ensure that a minimum public shareholding spread of 25% is maintained.

## 2.8 Implications of the Malaysian Code on Take-Overs and Mergers, 2016 (“Code”)

The Proposed Share Buy-Back will not trigger any obligation to undertake a mandatory general offer under the Code.

## 2.9 Historical Share Price

The table sets out the monthly highest and lowest prices of RLEB shares as transacted on Bursa Malaysia for the preceding twelve (12) months:

2021	High (RM)	Low (RM)
April	0.86	0.64
May	0.71	0.47
June	0.60	0.48
July	0.50	0.43
August	0.58	0.46
September	0.65	0.53
October	0.64	0.53
November	0.58	0.46
December	0.56	0.46
2022		
January	0.58	0.47
February	0.60	0.48
March	0.52	0.38

The last transacted market share price on 16 March 2022 being the closing price of RLEB shares at the latest practicable date prior to printing of this Circular was RM0.40.

*Source: Bloomberg (Equities Prices)*

## 2.10 Purchases, Resale or Cancellation of Shares Made During the Financial Year Ended 31 December 2021

RLEB did not purchase back any of its own shares in the preceding twelve (12) months up to 16 March 2022, being the latest practicable date prior to the printing of this Circular.

As at 16 March 2022, the Company does not hold any treasury shares and has not resold, transferred, cancelled and/or distributed any treasury shares as dividends in the preceding twelve (12) months.

## 3. APPROVAL REQUIRED

The Proposed Share Buy-Back is subject to the approval of the shareholders of the Company at the forthcoming AGM.

## 4. DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ INTERESTS

None of the Directors or substantial shareholders of the Company or persons connected to them has any interest, direct or indirect, in the Proposed Share Buy-Back.



## **5. DIRECTORS' RECOMMENDATION**

The Board of Directors of RLEB, having taken into consideration all aspects of the Proposed Share Buy-Back, is of the opinion that both proposals are in the best interests of the Company and its shareholders. Accordingly, the Board of Directors recommends that shareholders vote in favour of the Ordinary Resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming AGM respectively.

## **6. ANNUAL GENERAL MEETING**

The resolution pertaining to the Proposed Share Buy-Back will be tabled at the 7<sup>th</sup> Annual General Meeting (AGM) of the Company which will be conducted entirely on a fully virtual basis through live streaming and online remote voting via the online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) voting via the online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) on Thursday, 12 May 2022 at 10.00 a.m.

## **7. FURTHER INFORMATION**

Shareholders are advised to refer to **Appendix II** of this Circular for further information.

Yours faithfully,  
for and on behalf of the Board of Directors,  
**RESERVOIR LINK ENERGY BHD**

**DATUK TAI HEE**  
Non-Independent Non-Executive Chairman



**RESERVOIR LINK ENERGY BHD**

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**Registered Office**

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Sarawak

13 April 2022

**Board of Directors**

Datuk Tai Hee (*Non-Independent Non-Executive Chairman*)  
Dato' Wan Hassan Bin Mohd Jamil (*Chief Executive Officer/Managing Director*)  
Thien Chiet Chai (*Non-Independent Executive Director*)  
Eric Lim Swee Khoo (*Independent Non-Executive Director*)  
Siti Zurina binti Sabarudin (*Independent Non-Executive Director*)  
Elain Binti Lockman (*Independent Non-Executive Director*)

**TO THE SHAREHOLDERS OF RESERVOIR LINK ENERGY BERHAD ("RLEB" OR "COMPANY")**

Dear Sir/Madam

**PART B - PROPOSED AMENDMENT TO THE CONSTITUTION OF THE COMPANY ("PROPOSED AMENDMENT")**

**1. INTRODUCTION**

On 8 April 2022, an announcement was made to Bursa Malaysia of the Company's intention to seek your approval for the proposed amendment to the Constitution of the Company ("Proposed Amendment") at the forthcoming AGM.

The purpose of this Circular is to provide shareholders with the details and rationale relating to this proposal which will be tabled as a special resolution at the forthcoming AGM.

**2. RATIONALE FOR THE PROPOSED AMENDMENT**

As part of the Covid-19 pandemic relief measure for listed corporations, Bursa Malaysia has vide its letter dated 23 December 2021, extended the implementation and utilisation of the increased general mandate of 20% for the new issue of securities by way of private placement ("20% General Mandate"), to facilitate a conducive fundraising ecosystem for the listed corporations by easing the secondary fund-raising activities.

The 20% General Mandate is subject to among others, the views from the listed corporations' board that the 20% General Mandate is in the best interest of the listed corporation and that the 20% General Mandate is in compliance with the constitution.

However, RLEB's Constitution has limited the general mandate to 10% only. To avail RLEB of such a higher general mandate, the Board proposed that the existing Clause 15 of the Constitution be amended to benefit such a relief granted by Bursa Malaysia as well as not to restrict itself to a specific limit but to avail itself and tag along with any limit of the general mandate as may be allowed and/or authorised by Bursa Malaysia and/or any other regulatory body(ies) from time to time.

### **3. EFFECTS OF THE PROPOSED AMENDMENT**

The Proposed Amendment will not have any financial effects on the share capital, net assets, working capital, earnings and dividends or the major shareholders' and Directors' shareholdings of the RLEB group.

### **4. DETAILS OF THE PROPOSED AMENDMENT**

The Board proposes that the existing Clause 15 of the Constitution be deleted in its entirety and substituted thereof with the proposed new Clause 15 as set out in **Appendix I** of this Circular.

### **5. APPROVAL REQUIRED**

The Proposed Amendment is subject to the approval of the shareholders of the Company at the forthcoming AGM.

### **6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS**

None of the Directors or substantial shareholders of the Company or persons connected to them has any interest, direct or indirect, in the Proposed Amendment.

### **7. DIRECTORS' RECOMMENDATION**

The Board of Directors of RLEB, having taken into consideration all aspects of the Proposed Amendment, is of the opinion that both proposals are in the best interests of the Company and its shareholders. Accordingly, the Board of Directors recommends that shareholders vote in favour of the Special Resolution pertaining to the Proposed Amendment to be tabled at the forthcoming AGM respectively.

### **8. ANNUAL GENERAL MEETING**

The resolution pertaining to the Proposed Share Buy-Back will be tabled at the 7<sup>th</sup> Annual General Meeting (AGM) of the Company which will be conducted entirely on a fully virtual basis through live streaming and online remote voting via the online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) voting via the online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) on Thursday, 12 May 2022 at 10.00 a.m.

## Appendix I

### DETAIL OF THE PROPOSED AMENDMENT

Existing Clause 15	Proposed New Clause 15
<p><b>Allotment of Shares and Grant of Rights</b></p> <p>Subject to the prior approval of the Members of the Company in a meeting of Members and to the provisions of the Act and to the conditions, restrictions and limitations expressed in this Constitution, the Board may exercise the power of the Company to issue and allot Shares, grant options over Shares or otherwise dispose of the Shares in the Company to such person or persons on such terms and conditions with such preferred or deferred or other special rights and at such times as the Board may determine. PROVIDED ALWAYS that: -</p> <p>(a) the pricing, issuance and/or placement of Shares or convertible Securities shall be in compliance with and not in contravention of the provisions of the Listing Requirements;</p> <p>(b) no issue of Shares including any issue arising from convertible Securities shall be made which will have the effect of transferring a controlling interest in the Company to any person or corporation without the prior approval of the Members in general meeting;</p> <p>(c) no Director shall participate in a scheme that involves a new issuance of Shares or other convertible securities to employees unless the Members in a general meeting have approved the specific allotment to be made to such Director; and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, no Shares or convertible Securities with rights of conversion to equity may be issued if the total number of those Shares or convertible Securities, when aggregated with the total number of the Shares or convertible Securities which the Company has issued during the preceding 12 months, exceeds 10 per centum (10%) of the total number of issued Shares (excluding treasury Shares) of the Company except where the Shares or the convertible Securities are issued with the prior approval of the Members in general meeting of the precise terms and conditions of the issue.</p>	<p><b>Allotment of Shares and Grant of Rights</b></p> <p><i>Subject to the prior approval of the Members of the Company in a meeting of Members and to the provisions of the Act and to the conditions, restrictions and limitations expressed in this Constitution, the Board may exercise the power of the Company to issue and allot Shares, grant options over Shares or otherwise dispose of the Shares in the Company to such person or persons on such terms and conditions with such preferred or deferred or other special rights and at such times as the Board may determine. PROVIDED ALWAYS that: -</i></p> <p><i>(a) the pricing, issuance and/or placement of Shares or convertible Securities shall be in compliance with and not in contravention of the provisions of the Listing Requirements;</i></p> <p><i>(b) no issue of Shares including any issue arising from convertible Securities shall be made which will have the effect of transferring a controlling interest in the Company to any person or corporation without the prior approval of the Members in general meeting; and</i></p> <p><i>(c) no Director shall participate in a scheme that involves a new issuance of Shares or other convertible securities to employees unless the Members in a general meeting have approved the specific allotment to be made to such Director.</i></p>

## **Appendix II**

### **ADDITIONAL INFORMATION**

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#### **1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Directors of RLEB and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

#### **2. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at E289 1<sup>st</sup> Floor Block E iCom Square Jalan Pending 93450 Kuching Sarawak from the date of publication of this Circular until the date of the AGM:

- a.) the Constitution of RLEB; and
- b.) the audited financial statements of RLEB for the past two (2) financial years ended 31 December 2020 and 31 December 2021.