

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.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

This Circular has been reviewed by M&A Securities Sdn Bhd as the Adviser to Reservoir Link Energy Bhd ("**RLEB**" or "**Company**") for the Proposed Bonus Issue of Warrants and Proposed ESOS (as defined below) to RLEB.



RESERVOIR LINK ENERGY BHD

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

- (I) **PROPOSED BONUS ISSUE OF UP TO 71,250,000 FREE WARRANTS ("WARRANTS") ON THE BASIS OF 1 WARRANT FOR EVERY 4 EXISTING RLEB SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED BONUS ISSUE OF WARRANTS")**
- (II) **PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") INVOLVING UP TO 30% 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 ESOS FOR ELIGIBLE DIRECTORS AND EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES (EXCLUDING DORMANT SUBSIDIARIES) ("RLEB GROUP" OR THE "GROUP") ("PROPOSED ESOS")**

AND

NOTICE OF MEETING OF MEMBERS

Adviser



M&A SECURITIES SDN BHD

Registration No. 197301001503 (15017-H)
(A Wholly-Owned Subsidiary of Insas Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the meeting of members of the Company in respect of the abovementioned Proposed Bonus Issue of Warrants and Proposed ESOS will be conducted entirely through live streaming from the broadcast venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday, 1 April 2021 at 10.00 a.m., together with the Form of Proxy are enclosed in this Circular.

A member entitled to attend and vote at the meeting of members is entitled to appoint a proxy or proxies to attend and vote on his behalf. The Form of Proxy must be lodged at the office of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd at Ground Floor or at 11th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan on or before the date and time indicated below in order for it to be valid. 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, 30 March at 10.00 a.m.

Date and time of meeting of members : Thursday, 1 April 2021 at 10.00 a.m. or at any adjournment thereof

This Circular is dated 17 March 2021

DEFINITIONS

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

"5D-VWAMP"	: 5-day volume weighted average market price
"ACE Market"	: ACE Market of Bursa Securities
"Announcement"	: Announcement dated 4 February 2021 pursuant to the Proposals
"Board"	: Board of Directors of RLEB
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
"Bursa Securities"	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"By-Laws"	: The by-laws governing the Proposed ESOS, the draft of which is set out in Appendix I of this Circular
"CDS Account"	: Securities account maintained through the central depository system operated by Bursa Depository
"Circular"	: This circular to shareholders dated 17 March 2021
"Deed Poll"	: The deed poll constituting the Warrants and governing the rights of Warrant holders to be executed by the Company
"Eligible Employee(s)"	: A natural person who is an employee or the Executive Directors and Non-Executive Directors of RLEB Group (excluding dormant subsidiaries) who meet the criteria of eligibility for participation in the Proposed ESOS
"Entitled Shareholders"	: The shareholders of RLEB whose names appear on RLEB's Record of Depositors on the Entitlement Date
"Entitlement Date"	: 5:00 p.m. on a date to be determined by the Board and announced later, on which the names of shareholders of RLEB must appear on the Record of Depositors of RLEB as at the close of business on that date in order to be entitled to participate in the Proposed Bonus Issue of Warrants
"EPS"	: Earnings per Share
"ESOS"	: Employees' share option scheme
"ESOS Committee"	: A committee comprising the Board, senior management personnel and other persons to be appointed from time to time by the Board to administer the Proposed ESOS
"ESOS Options" or "Options"	: The right(s) of a Participant to subscribe for new RLEB Shares at the ESOS Exercise Price pursuant to the Offer accepted by an Eligible Employee in accordance with the By-Laws

DEFINITIONS (Cont'd)

"ESOS Exercise Price"	: The price at which a Participant is entitled to subscribe for each new RLEB Share upon the exercise of the ESOS Options in the manner indicated in the By-Laws
"FYE"	: Financial year ended or financial year ending, as the case may be
"Listing Requirements"	: ACE Market Listing Requirements of Bursa Securities
"LPD"	: 17 February 2021, being the latest practicable date prior to the date of printing of this Circular
"LTD"	: 3 February 2021, being the last trading day immediately prior to the Announcement
"M&A Securities"	: M&A Securities Sdn Bhd (Registration No. 197301001503 (15017-H))
"MFRS 2"	: Malaysian Financial Reporting Standard 2 relating to share-based payment
"NA"	: Net assets
"Official List"	: The list specifying all securities listed on the ACE Market of Bursa Securities
"Offer"	: A written offer made by the ESOS Committee from time to time to an Eligible Employee to participate in the Proposed ESOS in the manner indicated in the By-Laws
"Offer Period"	: The period of validity of an Offer as prescribed in the By-Laws
"Participant(s)"	: An Eligible Employee who has accepted an Offer in the manner indicated in the By-Laws
"Proposals"	: The Proposed Bonus Issue of Warrants and Proposed ESOS
"Proposed Bonus Issue of Warrants"	: Proposed bonus issue of up to 71,250,000 Warrants on the basis of 1 Warrant for every 4 existing RLEB Shares held by the Entitled Shareholders on the Entitlement Date
"Proposed ESOS"	: The proposed establishment of an ESOS of up to 30% of the total issued share capital of RLEB (excluding treasury shares, if any) for the benefit of Eligible Employees to subscribe for RLEB Shares according to the terms set out in the By-Laws
"Record of Depositors"	: The record of securities holders established and maintained by Bursa Depository
"RM" and "sen"	: Ringgit Malaysia and sen, respectively
"RLEB" or "Company"	: Reservoir Link Energy Bhd (Registration No. 201401044508 (1120690-K))
"RLEB Group" or "Group"	: RLEB and its subsidiaries, collectively
"RLEB Share(s)" or "Share(s)"	: Ordinary share(s) in RLEB

DEFINITIONS (Cont'd)

"USD" : American Dollar

"Warrants" : Up to 71,250,000 free warrants to be issued pursuant to the Proposed Bonus Issue of Warrants

For the purpose of this Circular, all references to a time of day shall be a reference to Malaysian time unless otherwise stated. In this Circular, words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine gender and vice versa. References to persons shall, where applicable, include corporations.

Certain figures included in this Circular have been subject to rounding adjustments. References to "we", "us", "our" and "ourselves" are to our Company save where the context otherwise requires, our subsidiaries and to "you" or "your" are to the shareholders of the Company.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSALS. SHAREHOLDERS OF RLEB ARE ADVISED TO READ THE CIRCULAR AND ITS APPENDIX FOR FURTHER DETAILS AND NOT TO SOLELY RELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION ON THE PROPOSALS BEFORE VOTING AT THE FORTHCOMING MEETING OF MEMBERS

The Board is recommending shareholders of RLEB to vote **IN FAVOUR** of the resolutions in relation to the Proposals to be tabled at the forthcoming meeting of members to be convened. In respect of the Proposed ESOS, all the Directors have abstained from giving any opinion or recommendation on the resolutions in their respective entitlements and the entitlements to the person(s) connected with them, if any.

Key information	Description	Reference to Circular
Summary	<p>: Proposed Bonus Issue of Warrants: Up to 71,250,000 Warrants will be issued on the basis of 1 Warrant for every 4 existing RLEB Shares, held by the Entitled Shareholders.</p> <p>Proposed ESOS: Up to 30% of the issued share capital of RLEB will be issued to Eligible Employees</p>	Section 2
Exercise price	<p>: Proposed Bonus Issue of Warrants: The Warrants will be issued at no cost to the Entitled Shareholders. The illustrative exercise price of the Warrants is RM0.40 per Warrant. The final exercise price will be based on the 5D-VWAMP of RLEB Shares up to and including the price fixing date with a discount of up to 20% fixed by the Board at a later date.</p> <p>Proposed ESOS: The exercise price shall be based on the 5D-VWAMP of RLEB Shares immediately preceding the date of an Offer with a discount of up to 10%.</p>	<p>Section 2.1.2</p> <p>Section 2.2.5</p>
Rationale	<p>: The Proposed Bonus Issue of Warrants will:</p> <ul style="list-style-type: none"> (i) Enable shareholders of RLEB to participate in convertible securities of the Company, which are tradable on the ACE Market of Bursa Securities, without incurring any cost; (ii) Provide shareholders of RLEB with an opportunity to increase their equity participation in the Company at a pre-determined exercise price over the tenure of the Warrants; (iii) Provide the Company with additional working capital when the Warrants are exercised in the future, without incurring interest expenses as compared to bank borrowings; and (iv) Strengthen the capital base of the Company by increasing the size of the shareholders' funds pursuant to the exercise of the Warrants. <p>The Proposed ESOS aims:</p> <ul style="list-style-type: none"> (i) To recognise the contribution of the Eligible Employees; 	Section 4

EXECUTIVE SUMMARY (Cont'd)

<u>Key information</u>	<u>Description</u>	<u>Reference to Circular</u>
	(ii) To allow Eligible Employees to participate in the Group's profitability and eventually realise any potential capital gains;	
	(iii) To motivate the Eligible Employees towards improved performance through greater productivity and loyalty; and	
	(iv) To inculcate a greater sense of belonging and dedication through direct participation in the equity of the Company.	
Effects	: The effects of the Proposals are as follows:	Section 5

Warrants and ESOS Options

- (i) Will not have any immediate impact to the Company's share capital as well as the Group's NA and earnings, except for the MFRS 2 expense to the Company for ESOS Options granted; and
- (ii) When the Warrants or ESOS Options are exercised, the share capital and NA of the Company will increase. The exercise of the Warrants or ESOS Options will affect the Group's future earnings and EPS depending on the number of Warrants or ESOS Options exercised and the utilisation of proceeds raised therefrom.

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RESERVOIR LINK ENERGY BHD

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

Registered Office:

E289 1st Floor
Block E iCom Square
Jalan Pending
93450 Kuching
Sarawak

17 March 2021

Directors:

Datuk Tai Hee (*Non-Independent Non-Executive Chairman*)

Dato' Wan Hassan Bin Mohd Jamil (*Managing Director*)

Thien Chiet Chai (*Executive Director*)

Eric Lim Swee Khoon (*Independent Non-Executive Director*)

Siti Zurina binti Sabarudin (*Independent Non-Executive Director*)

Elain Binti Lockman (*Independent Non-Executive Director*)

To: Shareholders of RLEB

Dear Sir / Madam,

**PROPOSED BONUS ISSUE OF WARRANTS; AND
PROPOSED ESOS**

1. INTRODUCTION

On 4 February 2021, M&A Securities had on behalf of the Board announced that the Company proposes to undertake the Proposals.

On 3 March 2021, M&A Securities had on behalf of the Board announced that Bursa Securities had vide its letter dated 3 March 2021 approved-in-principle the following:

- (i) Admission to the Official List and listing and quotation for up to 71,250,000 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants;
- (ii) Listing and quotation for up to 71,250,000 new RLEB Shares to be issued arising from exercise of the Warrants; and
- (iii) Such new Shares, representing up to 30% of the total issued share capital of RLEB (excluding treasury shares, if any) to be issued pursuant to the exercise of Options under the Proposed ESOS.

Bursa Securities' approval-in-principle is subject to the following conditions:

<u>Conditions</u>	<u>Status of Compliance</u>
1. RLEB and M&A Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue of Warrants;	To be complied

Conditions	Status of Compliance
2. RLEB and M&A Securities to inform Bursa Securities upon the completion of the Proposed Bonus Issue of Warrants;	To be complied
3. M&A Securities is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Rule 6.44(1) of the Listing Requirements and stating the effective date of implementation;	To be complied
4. M&A Securities is required to submit a certified true copy of the resolution passed by the shareholders in the meeting of members approving the Proposed ESOS;	To be complied
5. RLEB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue of Warrants is completed; and	To be complied
6. RLEB to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants and ESOS Options as at the end of each quarter together with a detailed computation of listing fees payables.	To be complied

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSALS, TO SET OUT THE BOARD'S OPINION AND RECOMMENDATION IN RELATION TO THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSALS TO BE TABLED AT THE COMPANY'S FORTHCOMING MEETING OF MEMBERS. THE NOTICE OF THE MEETING OF MEMBERS TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS AT THE FORTHCOMING MEETING OF MEMBERS.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Bonus Issue of Warrants

2.1.1 Basis and number of Warrants to be issued

As at LPD, RLEB has a total issued share capital of RM45,082,060 comprising 285,000,000 RLEB Shares.

The Proposed Bonus Issue of Warrants entails the issuance of up to 71,250,000 Warrants on the basis of 1 Warrant for every 4 existing RLEB Shares held by the Entitled Shareholders on the Entitlement Date.

The basis and number of Warrants to be issued were determined after taking into consideration the following:

- (a) the Warrants are issued at no cost to the Entitled Shareholders;

- (b) the enlarged number of RLEB Shares upon exercise of the Warrants;
- (c) the dilutive effect on RLEB's EPS upon exercise of the Warrants; and
- (d) the number of new RLEB Shares which arise from the exercise of the Warrants must not exceed 50% of the Company's total number of issued shares at all times, in compliance with Rule 6.51 of the Listing Requirements.

Fractional entitlements of the Warrants arising from the Proposed Bonus Issue of Warrants, if any, will be disregarded and dealt with in such manner as the Board shall in its absolute discretion deem fit and expedient in order to minimise the incidence of odd lots and in the best interest of the Company.

The Entitlement Date will be determined and announced at a later date after all relevant approvals for the Proposals have been obtained. The Proposed Bonus Issue of Warrants will be implemented in a single tranche.

No reserves will be capitalised for the issuance of Warrants under the Proposed Bonus Issue of Warrants.

2.1.2 Basis and justification for the exercise price of the Warrants

The Warrants will be issued at no cost to the Entitled Shareholders.

The exercise price of the Warrants will be determined by the Board at a later date after all relevant approvals have been obtained, and after taking into consideration the following:

- (a) the historical price movement of RLEB Shares;
- (b) the 5D-VWAMP of RLEB Shares prior to the price-fixing date and prevailing market conditions; and
- (c) the future funding requirements of the Group.

In any event, the discount of the exercise price of the Warrants shall not be more than 20% from the theoretical ex-all price of RLEB Shares computed based on the 5D-VWAMP of RLEB Shares up to and including the price fixing date. This discount range was determined by the Board to stimulate more demand for the RLEB Shares before the Entitlement Date, encourage the exercise of the Warrants, as well as for the potential funding benefits of the Warrants in future upon the exercise of Warrants.

For illustrative purposes in this Circular, the exercise price of the Warrants is assumed to be RM0.40 which represents a discount of approximately 11.6% to the 5D-VWAMP of RLEB Shares up to and including LTD of RM0.4526 per Share. Correspondingly, the theoretical ex-all price of RLEB Shares for the Proposed Bonus Issue of Warrants, computed based on the 5D-VWAMP of RLEB Shares up to and including the LTD of RM0.4526 per Share, is RM0.4421 per Share. The indicative exercise price of the Warrants of RM0.40 represents a discount of approximately 9.5% to the said theoretical ex-all price.

2.1.3 Listing of and quotation for the Warrants and the new Shares to be issued arising from the exercise of Warrants

Approval-in-principle has been obtained from Bursa Securities, vide its letter dated 3 March 2021, for:

- (i) The admission of the Warrants to the Official List; and
- (ii) The listing of and quotation for the Warrants and new Shares to be issued from the exercise of the Warrants,

on the ACE Market of Bursa Securities.

2.1.4 Indicative salient terms of the Warrants

Terms	Details
Issue size	: Up to 71,250,000 Warrants
Form	: The Warrants will be issued in registered form and constituted by a Deed Poll.
Tenure	: 5 years commencing from and inclusive of the date of issuance of the Warrants (" Issue Date ").
Exercise Rights	: Each Warrant entitles the registered Warrant holder to subscribe for 1 new RLEB Share at the Exercise Price at any time during the Exercise Period, subject to the provisions of the Deed Poll.
Exercise Price	: The basis of determining the exercise price of the Warrants is set out in Section 2.1.2 above. The exercise price and the number of outstanding Warrants shall however be subject to the adjustments in accordance with the terms and provisions of the Deed Poll during the exercise period.
Exercise Period	: The Warrants may be exercised at any time during the Tenure of the Warrants commencing and including the Issue Date and ending at 5.00 p.m. (Malaysian time) on the Expiry Date. Any Warrants which have not then been exercised will lapse and every Warrant not exercised by then will cease to be valid for any purpose.
Expiry Date	: A date which falls on the day before the 5 th anniversary of the Issue Date, provided that if such day falls on a day which is not a market day, then it shall be the market day immediately preceding the said non-market day.
Adjustment in the Exercise Price and/or the number of Warrants	: Subject to the provisions of the Deed Poll, the Exercise Price and/or the number of unexercised Warrants held by each Warrant holder shall be adjusted, calculated or determined by the Board in consultation with an approved adviser appointed by the Company and certified by the auditors of RLEB in the event of alteration to the share capital of the Company at any time during the Tenure in accordance with the provisions of the Deed Poll.
Status of the new RLEB Shares to be issued from the exercise of the Warrants	: The new RLEB Shares to be issued upon the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the then existing RLEB Shares, except for any entitlements given on an entitlement date prior to the date of allotment of the said Shares. The new RLEB Shares allotted after such entitlement date will not be entitled to such entitlements.
Rights of Warrants holders	: The Warrant holders are not entitled to any voting rights in any meeting of members of the Company or to participate in any distribution and/or offer of further securities in the Company until and unless such Warrant holders are issued and allotted with new RLEB Shares arising from their exercise of the Warrants in accordance with the terms and provisions of the Deed Poll.

Terms	Details
Modification of rights of Warrant holder	<p>: The Company may, from time to time, without the consent or sanction of the Warrant holders but in accordance with the Deed Poll, modify the Deed Poll, if such modification made does not materially prejudice the interests of the Warrant holders or is made to correct a manifest error or to comply with the prevailing laws of Malaysia, Rules of the Bursa Malaysia Depository Sdn Bhd, Securities Industry (Central Depositories) Act, 1991 and/or the Listing Requirements.</p> <p>Subject to the approval of Bursa Securities (if required), any modifications to the Deed Poll may be effected only by a supplemental Deed Poll, executed by the Company and expressed to be supplemental to the Deed Poll and comply with the requirements of the Deed Poll. The Company must notify the Warrant holders of any modification within 30 days after such modification is effected in accordance with the Deed Poll.</p>
Rights in the event of winding up, liquidation, compromise and / or arrangement	<p>: Where a resolution has been passed by the Company for a members' voluntary winding-up or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies then:</p> <p>(a) for the purpose of such a winding-up, compromise or arrangement (other than consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant holders or some persons designated by them for such purposes by special resolution, are to be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the Warrants holders; and</p> <p>(b) in any other case, every Warrant holder shall be entitled at any time within 6 weeks after the passing of such resolution or 6 weeks after the granting of the court order approving the compromise or arrangement, by irrevocable surrender of his Warrants together with payment of the relevant Exercise Price monies, to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement, exercised the Exercise Rights represented by such Warrants, to the extent specified in the exercise notice and be entitled to receive out of the assets of the Company (which would be available in liquidation) if he had on such date been a holder of the RLEB Shares, to which he would have become entitled pursuant to such exercise; and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all Exercise Rights shall lapse and cease to be valid for any purpose.</p>
Board Lot	<p>: The Warrants are tradeable upon listing and quotation in board lot of 100 units carrying the right to subscribe for 100 new RLEB Shares at any time during the Exercise Period or such other denomination as may be prescribed by Bursa Securities.</p>

Terms	Details
Transferability	: The Warrants shall be transferable in accordance with the provisions of the Deed Poll, subject to the rules of Bursa Malaysia Depository (Sdn Bhd) and the provisions of the Securities Industry (Central Depositories) Act 1991.
Listing	: The Warrants will be listed and quoted on the ACE Market of Bursa Securities.
Governing law	: Laws of Malaysia.

2.2 Proposed ESOS

The Proposed ESOS involves the granting of options to subscribe for new RLEB Shares to the Eligible Employees, who meet the criteria of eligibility for participation in the Proposed ESOS as set out in the By-Laws. The grant of the ESOS Options to the Eligible Employees shall be subject to such participation in the Proposed ESOS not contravening any foreign laws, regulatory requirements, and/or administrative constraints in the respective countries where RLEB Group operates.

The Proposed ESOS will be administered in accordance with the By-Laws by the ESOS Committee.

The salient features of the Proposed ESOS are as follows:

2.2.1 Maximum number of new RLEB Shares available under the Proposed ESOS

The maximum number of new RLEB Shares which may be allotted and issued pursuant to the exercise of ESOS Options shall not exceed in aggregate 30% of the total number of issued shares of the Company (excluding treasury shares) ("**Maximum ESOS Options**") at any point in time over the duration of the Proposed ESOS as set out in Section 2.2.4.

In the event where the Company purchases or cancels its own Shares in accordance with the provisions of the Companies Act 2016 and/or undertakes any other corporate proposal and thereby reducing the total number of issued shares of the Company, then such ESOS Options granted prior to the adjustment of the total number of issued Shares (excluding treasury shares, if any) of the Company shall remain valid and exercisable in accordance with the provisions of the By-Laws. However, in such an event, no further offers shall be made to any Eligible Employee as long as the aggregate Shares comprised in the number of ESOS Options offered exceeds the Maximum ESOS Options.

2.2.2 Maximum allowable allocation and basis of allotment

The aggregate maximum number of new RLEB Shares that may be offered under the ESOS Options and allotted and issued to an Eligible Employee shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, among other factors, the Eligible Employee's length of service, position, seniority and performance in RLEB Group and such other factors as the ESOS Committee deems fit subject to the following:

- (i) the Executive Directors, Non-Executive Directors and senior management of RLEB Group do not participate in the deliberation or discussion of their own allocation of ESOS Options or allocation to persons connected them of the ESOS Options;
- (ii) not more than 10% of the total new RLEB Shares available under the Proposed ESOS are allocated to any individual Eligible Employee who, either singly or collectively through persons connected with him/her, holds 20% or more of the total number of issued Shares of RLEB (excluding treasury shares, if any). The term "persons connected" shall have the same meaning as that in the Listing Requirements; and

- (iii) not more than seventy percent (70%) of the total number of new RLEB Shares available under the Proposed ESOS are allocated in aggregate to the Directors and/or senior management of the RLEB Group who are Eligible Employees,

provided always that such allocation is in accordance with any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

The ESOS Committee shall have the discretion in determining whether the granting of ESOS Options to the Eligible Employee will be based on staggered granting over the tenure of the Proposed ESOS or in one (1) single grant, and whether there is any vesting period for the ESOS Options to be granted and if so, the vesting conditions as determined by the ESOS Committee, including amongst others the tenure and performance of the Eligible Employees as measured by both qualitative and quantitative performance indicators (as determined by the ESOS Committee) including financial and non-financial performance measures and the discretion to waive any such vesting period and/or vesting conditions as the ESOS Committee shall deem appropriate, during the tenure of the Proposed ESOS. The granting of the ESOS Option(s) whether by staggered or single grant shall be as specified in the offer made by the ESOS Committee to Eligible Employee to participate in the Proposed ESOS in accordance with the By-Laws.

2.2.3 Eligibility

Subject to the discretion of the ESOS Committee, only Eligible Employees who meet the following criteria are eligible to participate in the Proposed ESOS:

- (i) full time employee, Executive Director or Non-Executive Director, has attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (ii) full time employee or Executive Director of RLEB Group (excluding dormant subsidiaries) and his employment has been confirmed;
- (iii) full time employee, if he is employed by a company which is acquired by RLEB Group during the duration of the Proposed ESOS and becomes a subsidiary of the RLEB Group upon such acquisition, must have his employment confirmed following the date such company becomes or is deemed to be a subsidiary; and
- (iv) the fulfilment of any other eligibility criteria as may be set by the Board/ESOS Committee at any time and from time to time at its absolute discretion.

However, eligibility does not confer an Eligible Employee a claim or right to participate in or any rights whatsoever under the Proposed ESOS and an Eligible Employee does not acquire or have any rights over or in connection with the ESOS Option(s) or the new RLEB Shares comprised in the Proposed ESOS unless the ESOS Committee has made an Offer, and the Eligible Employee has accepted the Offer in accordance with the terms of the Offer and the By-Laws. The selection of any Eligible Employee to participate in the Proposed ESOS shall be at the discretion of the ESOS Committee whose decision shall be final and binding.

2.2.4 Duration

The Proposed ESOS shall take effect and commence from the date the adviser for the Proposed ESOS confirms in writing to Bursa Securities that the Company has complied with the following ("**Effective Date**") and shall be in force for a period of five (5) years from the Effective Date ("**ESOS Period**"):

- (i) Obtained the approval-in-principle from Bursa Securities for the listing of and quotation for the new Shares to be issued pursuant to the Proposed ESOS;

- (ii) Obtained the approval of the shareholders of RLEB in a meeting of members to be convened for the Proposed ESOS;
- (iii) Submitted a final copy of the By-Laws to Bursa Securities;
- (iv) Obtained other approvals of the relevant regulatory authorities whose approval is necessary in respect of the Proposed ESOS and has fulfilled the conditions imposed therein; and
- (v) Fulfilled all conditions attached to any of the above mentioned approvals (if any).

On or before the expiry of the ESOS Period, the ESOS Committee shall have the absolute discretion to extend in writing the ESOS Period (as the ESOS Committee may deem fit) for up to a maximum of 5 years immediately from the expiry of the original 5 year period provided always that the total duration of the Proposed ESOS shall not in aggregate exceed 10 years from the Effective Date. Such extension, if any shall not be subject to the approval of the shareholders.

Such extended Proposed ESOS shall be implemented in accordance with the terms of the By-Laws, save for any amendments and/or changes to the relevant statutes, guidelines and/or regulations in force and shall be valid and binding without further obtaining the approvals of the shareholders of the Company and/or any other relevant authorities or the Participants provided that the Company shall serve appropriate notices on each Participant (as defined in Section 2.2.6) and/or make the necessary announcements to any and/or all the aforementioned parties within thirty (30) days prior to the expiry of the Proposed ESOS and that Bursa Securities shall be informed of such extended Proposed ESOS.

2.2.5 Basis of determining the ESOS Exercise Price

Subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the exercise price shall be based on the 5D-VWAMP of RLEB Shares immediately preceding the date on which an Offer is made ("**Date of Offer**"). The exercise price shall not be at a discount of more than 10% to the 5D-VWAMP of RLEB Shares preceding the Date of Offer, or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time during the duration of the Proposed ESOS.

2.2.6 Ranking of new RLEB Shares to be issued arising from the exercise of ESOS Options pursuant to the Proposed ESOS

Eligible Employees who have accepted an Offer ("**Participant(s)**") will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in the Company until and unless such Participants exercise their ESOS Options into new RLEB Shares.

The new RLEB Shares to be issued arising from the exercise of the ESOS Options shall, upon allotment and issuance, rank equally in all respects with the existing RLEB Shares, except that the new RLEB Shares will not be entitled to any dividends, rights, allotment and/ or other forms of distribution that may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment and issuance of the new RLEB Shares.

2.2.7 Variation to the Proposed ESOS

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, amendments and/or modifications to and/or deletions of the By-Laws ("**Variations**") as it shall in its discretion think fit and the Board shall have the power at any time and from time to time by resolution to add to, amend, modify and/or delete all or any part of the By-Laws upon such recommendation provided that no additions, modifications or amendments to or deletions of the By-Laws shall be made which will:

- (a) prejudice any rights then accrued to any Participant without the prior consent or sanction of that Participant; or
- (b) prejudice any rights of the shareholders of the Company without the prior approval of the Company's shareholders in a meeting of members; or
- (c) alter to the advantage to the Participant, the provisions of the By-Laws of the Proposed ESOS without the prior approval of the Company's shareholders in meeting of members, unless otherwise allowed by the provisions of the Listing Requirements.

Where a Variations is made to the By-Laws, RLEB shall submit to Bursa Securities, the Variations to the By-Laws and a confirmation letter that the Variations complies with the provisions of the guidelines on employee share scheme stipulated under the Listing Requirements no later than 5 market days from the effective date of the said Variations.

2.2.8 Alteration of share capital

In the event of any alteration in the capital structure of RLEB during the ESOS Period, whether by way of rights issue, bonus issue or other capitalisation issues, subdivision or consolidation of RLEB Shares or reduction of capital or otherwise howsoever, the Company shall cause such adjustment to be made to:

- (i) the exercise price of the ESOS Options; and/or
- (ii) the number of ESOS Options granted to each Participant (excluding ESOS Options already exercised);

as shall be necessary to give the Participants, the same proportion of the issued capital of the Company as that to which he/she was entitled prior to the event giving rise to such adjustment (i.e. not taking into account ESOS Options already exercise).

2.2.9 Retention period

The Shares allotted and issued or transferred pursuant to the exercise of ESOS Options may be subject to such retention period or restriction on transfer as may be imposed by the ESOS Committee at its discretion, save as otherwise provided in the Constitution of RLEB, the Listing Requirements or unless the ESOS Committee stipulates otherwise in the Offer.

A Participant who is a Non-Executive Director of RLEB Group must not sell, transfer or assign any new RLEB Shares obtained through the exercise of the ESOS Options offered to him within 1 year from the Date of Offer.

2.2.10 Listing and quotation of Shares

Bursa Securities had on 3 March 2021 approved the listing of and quotation for the new RLEB Shares to be issued arising from the exercise of ESOS Options on the ACE Market of Bursa Securities.

2.2.11 Termination of the ESOS

Subject to compliance with the requirements of Bursa Securities and any other relevant authorities, the Proposed ESOS may be terminated at any time by the Company during the ESOS Period or during any extension or renewal period, as the case may be, without obtaining the approvals from the Participants or the shareholders provided that the Company makes an announcement immediately to Bursa Securities, and whereupon any ESOS Options which have yet to be vested, accepted and/or exercised (whether fully or partially) shall be deemed to have been automatically lapse or terminated (as the case may be) and be null and void on the date specified in the notice.

3. UTILISATION OF PROCEEDS

3.1 Proposed Bonus Issue of Warrants

The Proposed Bonus Issue of Warrants is not expected to raise immediate funds for RLEB as the Warrants will be issued at no cost to the Entitled Shareholders. However, the eventual proceeds to be raised from the exercise of the Warrants (if any) is dependent on the exercise price and number of Warrants exercised during the tenure of the Warrants.

For illustrative purpose only, the gross proceeds to be raised upon full exercise of the Warrants based on the indicative exercise price of RM0.40 is approximately RM28.50 million. Such proceeds, if raised, will be utilised as additional working capital for RLEB Group. This working capital includes but is not limited to defrayment of operational expenses such as payment of payroll expenses, utility expenses and the purchase of other consumables including personal protective equipment, hand tools and cleaning chemicals. The breakdown of each component of working capital is subject to the Group's operating requirements at the time of receipt of the funds and therefore cannot be determined at this juncture. The proceeds are expected to be utilised within 3 months from the date of receipt of funds.

Pending the utilisation of proceeds for the above purpose, such proceeds may be placed in deposits with financial institutions or short-term money market instruments. Interest derived from such deposits or gains from such money market instruments will be used as additional working capital for the Group.

3.2 Proposed ESOS

The actual amount of proceeds to be raised from the Proposed ESOS will depend on the number of ESOS Options granted and exercised during the ESOS Period and the exercise price payable upon the exercise of the ESOS Options.

The proceeds arising from the exercise of the ESOS Options will be utilised for the working capital requirements of RLEB Group, as and when received, within the tenure of the ESOS Period. As such, the exact timeframe for utilisation of the proceeds cannot be determined at this juncture. Nonetheless, the proceeds are expected to be utilised within 3 months from the date of receipt of funds. The proceeds for working capital will be utilised to finance the Group's operational expenses which may include, but not limited to, staff costs, payment to trade creditors and general expenses. Notwithstanding the foregoing, the detailed allocation to each component of the working capital cannot be determined at this juncture as there is no certainty in the timing and amount to be raised from the exercise of the ESOS Options.

3.3 Details of equity fund-raising exercises undertaken in the past 12 months

3.3.1 Initial public offering ("IPO")

The Company was listed on the ACE Market of Bursa Securities on 15 July 2020 and has raised gross proceeds of approximately RM23.4 million from the IPO. The status of utilisation of proceeds raised from the IPO is as follows:

Utilisation of proceeds	Actual proceeds raised	Amount utilised as at 31 December 2020	Transfer	Balance unutilised	Timeframe for utilisation from date of listing
			RM'000		
(i) Repayment of bank borrowings	5,000	(5,000)	-	-	Within 6 months
(ii) Capital expenditure	10,000	(1,402)	-	8,598	Within 24 months
(iii) Working capital	4,922	(4,032)	295 ⁽ⁱ⁾	1,185	Within 12 months
(iv) Estimated listing expenses	3,500	(3,205)	(295) ⁽ⁱ⁾	-	Immediate
	23,422	(13,639)	-	9,783	

Note:

- (i) The unutilised balance of RM295,000 allocated for listing-related expenses had been re-allocated to the working capital during the financial period as the actual listing-related expenses incurred are lower than the budgeted listing-related expenses.

Save as disclosed above, RLEB has not undertaken any equity fund-raising exercise in the past 12 months before the announcement of the Proposals.

4. RATIONALE FOR THE PROPOSALS

4.1 Proposed Bonus Issue of Warrants

After due consideration, the Board is of the view that the Proposed Bonus Issue of Warrants will:

- reward existing shareholders of the Company for their continuous support by enabling them to participate in convertible securities of the Company which are tradeable on Bursa Securities without incurring any cost;
- provide existing shareholders of the Company with an opportunity to increase their equity participation in the Company at a pre-determined price during the tenure of the Warrants;
- allow existing shareholders of the Company to benefit from any potential capital appreciation of the Warrants; and
- help to strengthen the Company's capital base and shareholders' funds as well as potentially provide additional working capital for the Group, as and when the Warrants are exercised.

4.2 Proposed ESOS

The implementation of the Proposed ESOS primarily serves to align the interests of Eligible Employees to the corporate goals of RLEB Group. The Proposed ESOS will provide Eligible Employees with an opportunity to have equity participation in the Company and help achieve the positive objectives as set out below:

- (i) To recognise the contribution of the Eligible Employees whose services are valued and considered vital to the operations and continued growth of RLEB Group;
- (ii) To reward the Eligible Employees by allowing them to participate in the Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of RLEB Shares, upon exercising of the ESOS Options;
- (iii) To motivate the Eligible Employees towards improved performance through greater productivity and loyalty; and
- (iv) To inculcate a greater sense of belonging and dedication as the Eligible Employees are given the opportunity to participate directly in the equity of the Company.

The Proposed ESOS is also extended to Non-Executive Directors in recognition of their contribution to the Company and to enable them to participate in the Company's future growth. In addition, it will also enable the Company to attract capable individuals to act as Non-Executive Directors of the Company.

5. EFFECTS OF THE PROPOSALS

5.1 Share capital

The Proposed Bonus Issue of Warrants and Proposed ESOS will not have an immediate effect on the share capital of RLEB until such time when the Warrants and ESOS Options are exercised. The share capital of RLEB will increase progressively as and when new RLEB Shares are issued arising from the exercise of Warrants and ESOS Options.

For illustrative purposes, the effects of the Proposed Bonus Issue of Warrants and Proposed ESOS on the share capital of RLEB are as follows:

	No. of shares	Share capital (RM'000)
Share capital as at LPD	285,000,000	45,082
To be issued assuming full exercise of Warrants	71,250,000	28,500 ⁽ⁱ⁾
	356,250,000	73,582
To be issued assuming full exercise of ESOS Options ⁽ⁱⁱⁱ⁾	85,500,000	34,200 ⁽ⁱⁱ⁾
Enlarged issued share capital	441,750,000	107,782

Notes:

- (i) Calculated based on an indicative exercise price of Warrants of RM0.40 which represents a discount of 11.6% from the 5D-VWAMP of RLEB shares up to and including LTD of RM0.4526, being a discount of not more than 20%.
- (ii) Based on an indicative exercise price of RM0.40.
- (iii) Computed based on the total number of issued shares as at the LPD.

Based on the illustration above, the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity securities does not exceed 50% of the total number of issued shares of the RLEB, and as such, are in compliance with Rule 6.51 of the Listing Requirements.

5.2 NA and gearing

The pro forma effects of the Proposed Bonus Issue of Warrants on the NA and gearing of the Group based on the latest audited consolidated financial position of the Group as at 31 December 2020 are as follows:

	As at 31 December 2020	⁽ⁱ⁾ Assuming full exercise of Warrants
	RM'000	
Share capital	45,082	73,582
Foreign exchange translation reserve	886	886
Merger deficit	(15,779)	(15,779)
Retained earnings	32,578	32,378 ⁽ⁱⁱ⁾
Equity attributable to owners of the Company	62,767	91,067
Non-controlling interest	(55)	(55)
Total equity	62,712	91,012
Number of shares in issue ('000)	285,000	356,250
NA per ordinary share (RM)	0.22	0.26
Borrowings (RM)	8,535	8,535
Gearing ratio (times)	0.14	0.09

Notes:

- (i) Assuming full exercise of 71,250,000 Warrants into 71,250,000 new RLEB Shares at the indicative exercise price of RM0.40 per Warrant.
- (ii) After deducting estimated expenses of RM200,000 for the Proposals.

The Proposed ESOS is not expected to have an immediate effect on the NA per RLEB Share and gearing of the RLEB Group until such time when the ESOS Options are exercised. The effects on the NA per RLEB Share and gearing of the RLEB Group will depend on, among others, the exercise price of the ESOS Options, the number of new RLEB Shares to be issued arising from the exercise of the ESOS Options and the potential impact arising from the adoption of MFRS2.

For illustration purposes only, upon exercise of the ESOS Options, the NA per RLEB Share is expected to:

- (i) increase if the exercise price of the ESOS Options is higher than the NA per RLEB Share; or
- (ii) decrease if the exercise price of the ESOS Options is lower than the NA per RLEB Share,

at such point of exercise.

5.3 Substantial shareholders' shareholding

The Proposed ESOS is not expected to have an immediate effect on the substantial shareholders' shareholdings in RLEB until such time when the ESOS Options are exercised. Any potential effect on the substantial shareholders' shareholdings in RLEB will depend on the number of ESOS Options granted and new RLEB Shares to be issued arising from the exercise of the ESOS Options at any point in time.

The Proposed Bonus Issue of Warrants will not have any immediate effect on the substantial shareholders' percentage of shareholding in the Company as the Warrants will be allotted on a pro-rated basis to all Entitled Shareholders. However, the number of RLEB Shares held by each substantial shareholder will increase proportionately assuming full exercise of the Warrants. For illustrative purposes, the pro forma effects of the Proposed Bonus Issue of Warrants on the substantial shareholders' shareholdings are as follows:

Substantial shareholders	As at LPD			After full exercise of Warrants		
	<-----Direct----->		<-----Indirect----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Reservoir Link Holdings Sdn Bhd	105,000,000	36.84	-	-	131,250,000	36.84
Dato' Wan Hassan Bin Mohd Jamil	10,608,605	3.72	105,000,000 ⁽ⁱ⁾	36.84	13,260,756	3.72
Mad Haimi Bin Abu Hassan	2,626,335	0.92	105,000,000 ⁽ⁱ⁾	36.84	3,282,918	0.92
Thien Chiet Chai	27,278,235	9.57	-	-	34,097,793	9.57
Pansar Berhad	29,323,503	10.29	-	-	36,654,378	10.29
Pan Sarawak Holdings Sdn Bhd	-	-	29,323,503 ⁽ⁱⁱ⁾	10.29	-	-
Tai Sing Chii & Sons Sdn Bhd	-	-	29,323,503 ⁽ⁱⁱ⁾	10.29	-	-
Inplaced Capital Sdn Bhd	-	-	29,323,503 ⁽ⁱⁱ⁾	10.29	-	-
Puan Sri Datin Sri Ling Lah Kiong	-	-	29,323,503 ⁽ⁱⁱ⁾	10.29	-	-
Dato' James Tai Cheong @ Tai Chiong	-	-	29,323,503 ⁽ⁱⁱ⁾	10.29	-	-
Datuk Tai Hee	500,000	0.18	29,323,503 ⁽ⁱⁱ⁾	10.29	625,000	0.18
David Tai Wei	-	-	29,323,503 ⁽ⁱⁱ⁾	10.29	-	-
					36,654,378 ⁽ⁱⁱ⁾	10.29

Notes:

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

(ii) Deemed interested by virtue of its/his/her indirect substantial shareholding in Pansar Berhad.

5.4 Earnings and Earnings Per Share ("EPS")

The Proposed Bonus Issue with Warrants is not expected to have any material effect on the earnings of RLEB Group for the financial year ending 31 December 2021. However, the EPS of the RLEB Group will be diluted as a result of the issuance of new RLEB Shares from the exercise of Warrants.

The Proposed ESOS is not expected to have any immediate effect on the EPS of the Company until such time when the ESOS Options are granted and exercised. Any potential effect on the EPS of RLEB Group in the future would depend on the number of ESOS Options granted and exercised, and the exercise price payable upon exercise of the ESOS Options, as well as the impact of MFRS 2.

Under MFRS 2, the potential cost arising from the issuance of the ESOS Options is measured by the fair value of the ESOS Options, which is expected to vest at each Date of Offer and is recognised as an expense in the statement of comprehensive income, thereby reducing the earnings of RLEB Group. The fair value of the ESOS Options is determined after taking into consideration, amongst others, the historical volatility of RLEB Shares, the risk-free rate, the exercise price payable upon exercise of the ESOS Options and the time to maturity of the ESOS Options from the vesting date. As such, the impact of the granting of the ESOS Options on the earnings and EPS of the Group and recognition of the expense cannot be determined at this juncture.

It should be noted that such potential costs arising from the granting of the ESOS Options does not represent a cash outflow but only an accounting treatment. The Board has taken note of the potential impact of MFRS 2 on the Group's future earnings and shall take into consideration of such impact in the allocation and granting of the ESOS Options to Eligible Employees.

The EPS of the Group will however be proportionately diluted as a result of the increase in the number of RLEB Shares after the exercise of the ESOS Options.

5.5 Convertible securities

As at LPD, the Company does not have any outstanding convertible securities in issue.

6. OUTLOOK AND PROSPECTS

6.1 Overview and outlook of the Malaysian economy

The Malaysian economy recorded a negative growth of 3.4% in the fourth quarter 2020 (3Q 2020: -2.6%), largely attributable to the imposition of the conditional movement control order (CMCO) on a number of states since mid-October. The restrictions on mobility, especially on inter-district and inter-state travel, weighed on economic activity. Nevertheless, the continued improvement in external demand provided support to growth. Consequently, except for manufacturing, all economic sectors continued to record negative growth. In terms of sectoral performance, all economic sectors, except manufacturing, registered negative growth in the fourth quarter.

For Malaysia, the momentum in economic recovery was affected by the resurgence in Coronavirus disease ("COVID-19") cases and the introduction of targeted containment measures in several states in the fourth quarter 2020. While there were minimal restrictions on production capacity, the movement restrictions implemented in selected states partly affected domestic demand during the quarter.

For 2021, while near-term growth will be affected by the re-introduction of stricter containment measures, the impact, however, will be less severe than that experienced in 2020. The growth trajectory is projected to improve from the second quarter onwards. Improvement will be driven by the recovery in global demand, turnaround in public and private sector expenditure amid continued support from policy measures including PENJANA, KITA PRIHATIN, 2021 Budget and PERMAI, and higher production from existing and new facilities in the manufacturing and mining sectors. The vaccine rollout from February 2021 onwards is also expected to lift sentiments.

The balance of risks remains tilted to the downside, stemming mainly from ongoing uncertainties surrounding the dynamics of the pandemic and potential challenges that might affect the rollout of vaccines both globally and domestically. The outlook, however, is subject to global oil and commodity price developments.

(Source: Press release "Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2020", Bank Negara Malaysia)

6.2 Outlook of oil and gas industry in Malaysia

The oil market has always been exposed to market volatilities and uncertainties. This is driven not only by geopolitical events but also structural shifts in the oil market, such as the surge in unconventional oil supply from the United States of America which impacted the market in 2016 and the recent unprecedented demand destruction from COVID-19. The impact from COVID-19 was further exacerbated by the fallout between Russia and Saudi Arabia that triggered the oil producers' move to maximise production to capture a bigger market share. The unrestrained production amid weak demand resulted in United States West Texas Intermediate prices falling into negative territory for the first time in history. Brent prices fell to a two-decade low of USD13 per barrel on 21 April 2020.

COVID-19 has resulted in far-reaching consequences for most sectors of businesses, including the energy sector, societies, economies and governments.

The COVID-19 pandemic and the collapse in oil prices have hastened the transition towards a low-carbon economy, spurring policy intervention and global collaboration across industries. Investments in clean energy are estimated to have increased by 5 per cent in the first half of 2020 as opposed to 2019. This is further supported by the rapidly falling costs of renewable energy, which is now half of the cost of coal-fired generation, making it a favourable source of cleaner power.

Countries and companies are embedding the United Nations Sustainable Development Goals as part of their aspirations amid rising calls from stakeholders for actions to address climate change. More and more governments are translating these into national strategy, setting out visions of a carbon-neutral future.

Banks and lenders have included elements of sustainability as part of their financing criteria, contributing to the establishment of an ecosystem that demands accountability in emissions. Without the accountability, companies stand to lose their social license to operate. Automotive manufacturers across the world are now increasingly widening their range of offerings of electric models that would change the shape and size of the global car fleet in the next decade. This is supported by falling cost of battery. Airlines are prioritising investment in more fuel-efficient aircraft and the development of sustainable aviation fuels. The leading players in the shipping industry have pledged to continuously reduce emissions to meet the more stringent regulations by International Maritime Organisation. The sector agreed to halve emissions by 2050.

(Source: Industry Overview, PETRONAS Activity Outlook 2021-2023)

6.3 Future prospect of the Group

The COVID-19 pandemic continues to cause unprecedented impact and uncertainties to the global economic activities. Movement control order ("MCO") has been re-enforced by the authorities in Peninsular Malaysia, Labuan, Sabah and some parts of Sarawak, due to the rise in the number of COVID-19 cases. In Europe, the major economies like Germany, France, United Kingdom, Italy, Spain, have introduced various movement restriction measures, such as lockdowns and curfews, to curb the spread of the COVID-19 virus. Consequent to the movement restriction measures, there may be further delay in some of the works at offshore such as well perforation services, wash and cement services, and well leak repair services. The Group will continue to undertake and implement its business strategies cautiously to sustain its growth. The Group participates actively in tenders for oil and gas wells services called by the oil operators. Additionally, the Group is also constantly evaluating its operational efficiencies to optimise its cost while maintaining its service quality to its clients.

The Group is mindful of the health risk posed by the pandemic hence employees in the MCO areas are encouraged to work from home to minimise their exposure to the COVID-19 virus in order to safeguard their safety.

For the financial year ended 31 December 2020, the Group is expected to report a satisfactory performance. As for the current 2021 financial year, the Group will continue to monitor the impact of the COVID-19 pandemic and to undertake preventive and counter measures from time to time to face the challenges posed by this pandemic in order to deliver satisfactory positive returns for the stakeholders. The Group remains positive on its long-term potential.

(Source: Management of RLEB)

7. APPROVALS REQUIRED AND CONDITIONALITY OF THE PROPOSALS

The Proposals are conditional upon approvals being obtained from the following:

- (i) Bursa Securities for:
 - (a) admission of the Warrants to the Official List of Bursa Securities;
 - (b) listing of and quotation for the new RLEB Shares to be issued arising from the exercise of the Warrants and ESOS Optionson the ACE Market of Bursa Securities, which has been obtained on 3 March 2021;
- (ii) shareholders of RLEB for the Proposals at the forthcoming meeting of members; and
- (iii) any other relevant authorities or parties, if required.

8. HISTORICAL SHARE PRICE PERFORMANCE

The monthly highest and lowest market prices of RLEB Shares as traded on Bursa Securities since its listing on the ACE Market are as follows:

	High RM	Low RM
2020		
July	0.779	0.453
August	0.518	0.404
September	0.429	0.320

	High	Low
	RM	RM
October	0.409	0.296
November	0.542	0.301
December	0.591	0.450
2021		
January	0.490	0.400
February	0.660	0.435
The last transacted market price of RLEB Shares immediately prior to the Announcement		0.470
Last transacted market price on the LPD		0.655

(Source: M&A Securities)

9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors and/or major shareholders and/or chief executive of the Company and/or persons connected with them have any interest, direct and/or indirect, in the Proposed Bonus Issue with Warrants, other than their respective entitlements as shareholders of the Company, the rights of which are also available to all other existing shareholders of the Company as at the Entitlement Date.

All the Directors of the Company are entitled to participate in the Proposed ESOS and are therefore deemed interested in the Proposed ESOS to the extent of their respective allocations under the Proposed ESOS. All Directors have abstained and will continue to abstain from deliberating and voting on the resolutions pertaining to their respective allocations, and allocations to persons connected with them under the Proposed ESOS at the relevant Board meetings.

All Directors will also abstain from voting in respect of their direct and/or indirect shareholdings in RLEB, if any, on resolutions pertaining to their respective allocations and allocations to persons connected with them under the Proposed ESOS to be tabled at the forthcoming meeting of members.

All Directors have undertaken to ensure that persons connected with them, if any, will abstain from voting on the resolutions pertaining to their respective allocations and allocations to persons connected with them under the Proposed ESOS to be tabled at the forthcoming meeting of members.

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

10. DIRECTORS' STATEMENT AND RECOMMENDATION

After having considered all aspects of the Proposals, the Board is of the opinion that the Proposals are in the best interest of the Company, and accordingly recommends that the shareholders of the Company to **VOTE IN FAVOUR** of the resolutions pertaining to the Proposals to be tabled at the forthcoming meeting of members of the Company.

In respect of the Proposed ESOS, all our Directors have abstained from giving any opinion or recommendation on their respective entitlements and the entitlements to the person(s) connected with them, if any. Where the resolutions are not related to their respective allocations or to the person(s) connected with them, our Directors after having considered all aspects of the Proposed ESOS and allocation of Options under the Proposed ESOS, are of the view that the Proposed ESOS and the allocation of the Options under the Proposed ESOS is in the best interests of our Group and recommend that you **VOTE IN FAVOUR** of the resolutions pertaining to the Proposed ESOS and the proposed allocation of Options to be tabled at our forthcoming meeting of members.

11. ESTIMATED TIMEFRAME FOR COMPLETION

The tentative timetable in relation to the Proposed Bonus Issue of Warrants is as follows:

Date	Events
1 April 2021	Meeting of members to approve the Proposed Bonus Issue of Warrants and Proposed ESOS
Early April 2021	Announcement of the Entitlement Date for the Proposed Bonus Issue of Warrants
Early May 2021	<ul style="list-style-type: none"> • Admission of the Warrants to the Official List and the listing of and quotation for the Warrants on the ACE Market of Bursa Securities • Completion of the Proposed Bonus Issue of Warrants • Effective date of the Proposed ESOS

Barring any unforeseen circumstances and subject to receipt of all relevant approvals, the Proposed Bonus Issue of Warrants is expected to be completed by the first quarter of 2021 whilst the Proposed ESOS is expected to be implemented by May 2021.

12. OUTSTANDING CORPORATE EXERCISE ANNOUNCED BUT PENDING IMPLEMENTATION

Save for the Proposals, there are no other corporate exercise announced but pending implementation.

The Proposals are not conditional upon each other and are not conditional on any other proposals undertaken or to be undertaken by the Company.

13. MEETING OF MEMBERS

The meeting of members, the notice of which is enclosed together with this Circular, will be conducted entirely on a fully virtual basis through live streaming and online remote voting from the broadcast venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday, 1 April 2021 at 10.00 a.m., for the purpose of considering and, if thought fit, passing the resolutions so as to give effect to the Proposals.

If you are unable to attend and vote in person at the meeting of members, you may complete and return the relevant Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd at Ground Floor or 11th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the meeting of members or at any adjournment thereof (i.e. Tuesday, 30 March 2021 at 10.00 a.m.). The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting of members should you subsequently wish to do so.

14. FURTHER INFORMATION

You are advised to refer to the appendix set out in 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

BY-LAWS OF RLEB EMPLOYEES' SHARE OPTION SCHEME

1. DEFINITIONS

1.1 Except where the context otherwise requires, the following expressions in these By-Laws shall have the following meanings

"Act"	:	Companies Act 2016, as may be amended from time to time
"Adviser"	:	A corporate finance adviser that may act as a principal adviser under the Securities Commission Malaysia's Principal Adviser Guidelines (as amended from time to time)
"Auditor"	:	An approved company auditor as defined under Section 271 of the Act
"Board"	:	The Board of Directors of RLEB
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
"Bursa Securities LR"	:	ACE Market Listing Requirements of Bursa Securities, as amended from time to time
"By-Laws"	:	The By-Laws governing the Scheme, as amended from time to time
"CDS"	:	Central Depository System
"Central Depositories Act"	:	The Malaysian Securities Industry (Central Depositories) Act, 1991, as may be amended from time to time
"Company" "RLEB"	or :	Reservoir Link Energy Bhd (Registration No. 201401044508 (1120690-K))
"Deposited Security(ies)"	:	A security standing to the credit of a Securities Account and includes a security in a Securities Account and a Securities Account that is in suspense
"Depositor"	:	A holder of a Securities Account
"Director"	:	A natural person who holds directorship in the Company or any company within the RLEB Group, whether in an executive or non-executive capacity and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007
"Duration of the Scheme"	:	The duration of the Scheme as defined in By-Law 18 hereof unless extended in accordance with By-Law 18 hereof or terminated in accordance with By-Law 19 hereof
"Effective Date"	:	Shall have the meaning ascribed thereto in By-Law 18.1

APPENDIX I

"Eligible Employee"	: An employee (being a natural person who is employed by and on the payroll of any company in the RLEB Group) or Director of the RLEB Group who meets the criteria of eligibility for participation in the Scheme as set out in By-Law 4 hereof and "Eligible Employees" shall be construed accordingly
"Entitlement Date"	: The date as at the close of business on which shareholders' name must appear on RLEB's Record of Depositors in order to participate in any dividends, rights, allotments and/ or other distributions
"ESOS"	: Employees' Share Option Scheme
"ESOS Committee"	: The committee to be appointed and authorised by the Board from time to time, in accordance with By-Law 16 to implement and administer the Scheme
"ESOS Period"	: Shall have the meaning ascribed thereto in By-Law 18.2
"Market Day(s)"	: Any day between Mondays and Fridays, both days inclusive, which is not a market holiday or a public holiday in Kuala Lumpur
"Maximum Allowable Allotment"	: The maximum number of new RLEB Shares in respect of which Offers may be made to Eligible Employees, as provided in By-Law 6 hereof
"Offer"	: An offer made in writing by the ESOS Committee to an Eligible Employee in the manner indicated in By-Law 5 hereof
"Offer Date"	: The date on which an Offer is made by the ESOS Committee to an Eligible Employee to participate in the Scheme in accordance with the By-Laws
"Option(s)"	: The rights of a Participant to subscribe for new RLEB Shares pursuant to the contract constituted by acceptance by an Eligible Employee, in the manner as set out in By-Law 8 hereof, of an Offer made to such Eligible Employee pursuant to By-Law 5 hereof and where the context so requires, means any part(s) of the Options as shall remain unexercised
"Option Period"	: A period commencing from the Offer Date and expiring on a date which the ESOS Committee may in its discretion decide provided that no Option Period shall extend beyond the Duration of the Scheme
"Option Price"	: In respect of each Option, the price per share at which a Participant shall be entitled to subscribe for each new RLEB Share by exercising his Option as set out in By-Law 7 hereof
"Participant"	: An Eligible Employee who has accepted an Offer in the manner indicated in By-Law 8 hereof and "Participants" shall be construed accordingly
"Persons Connected"	: Shall have the same meaning as assigned to "persons connected" in Rule 1.01 of the Bursa Securities LR

APPENDIX I

"Record Depositors"	of	:	A record of Depositors established by Bursa Depository pursuant to Chapter 24 of the Rules of Bursa Depository
"RLEB Group" or "Group"	or	:	RLEB and its non-dormant Subsidiaries, collectively
"RLEB Shares" or "Shares"	or	:	Ordinary share(s) in the capital of the Company
"RM" and "sen"		:	Ringgit Malaysia and sen, respectively
"Scheme"		:	The ESOS for Eligible Employees to subscribe for new RLEB Shares on the terms as set out herein
"Securities Account"		:	An account established by Bursa Depository for a Depositor for the recording of Deposited Securities and for dealings in such securities by the Depositor
"Specified Date"		:	Shall have the meaning ascribed thereto in By-Law 11.1(ii)
"Subsidiary(ies)"		:	A subsidiary company of RLEB as defined in Section 4 of the Act

- 1.2 In these By-Laws, unless the context requires otherwise, words denoting the singular shall include the plural and words denoting the masculine gender shall include the feminine and neuter gender.
- 1.3 The headings in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws.
- 1.4 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 next market day.
- 1.5 Any liberty, power or discretion which may be exercised or any decision or determination which may be made hereunder by the ESOS Committee shall be exercised at the ESOS Committee's absolute and unfettered discretion and the ESOS Committee shall not be under any obligation to give any reasons therefore, except as may be required by the relevant authorities.
- 1.6 Any reference to a statute, statutory provision, guidelines, regulations or rules includes a reference to that statute, statutory provision (and all statutory instruments or orders made pursuant to it), guidelines, regulations and rules, as from time to time amended, extended, re-enacted or consolidated.
- 1.7 Any reference to a statutory provision shall include any subordinate legislation made from time to time under the provision and any listing requirements, policies and/or guidelines of Bursa Securities and/or any other relevant regulatory authority (whether or not having the force of law) but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities and/or any other relevant regulatory authority.

2. NAME OF SCHEME

This Scheme will be named "Reservoir Link Energy Bhd Employees' Share Option Scheme".

3. MAXIMUM NUMBER OF SHARES ALLOWABLE UNDER THE SCHEME

- 3.1 Subject to By-Law 3.2, the maximum number of new RLEB Shares which may be allotted and issued pursuant to the exercise of the Options shall not in aggregate exceed thirty per cent (30%) of the total issued shares of the Company (excluding treasury shares, if any) at any one time during the Duration of the Scheme.
- 3.2 Notwithstanding the provision of By-Law 3.1 or any other provisions herein contained, in the event the maximum number of new RLEB Shares comprised in the Options (including shares that have been issued under the Scheme) exceeds the aggregate of thirty per cent (30%) of the total number of issued shares of the Company during the Duration of the Scheme either as a result of the Company purchasing or cancelling its own shares in accordance with the provisions of the Act, and/or if the Company undertakes any other corporate proposal and thereby reducing its total number of issued shares, then such Options granted prior to the adjustment of the total number of issued shares (excluding treasury shares, if any) of the Company shall remain valid and exercisable in accordance with the provisions of this Scheme. However, in such an event, no further Offer shall be made to any Eligible Employee as long as the aggregate Shares comprised in the number of Options offered exceeds thirty per cent (30%) of the issued shares of the Company.
- 3.3 The Company will during the Option Period keep available sufficient unissued shares to satisfy all Options, which may be exercised, in whole or in part during the Option Period.
- 3.4 Each Option shall be exercisable into one (1) new fully paid up RLEB Share in accordance with the provisions of these By-Laws.

4. ELIGIBILITY

- 4.1 Subject to the discretion of the ESOS Committee, only Eligible Employees who fulfil the following criterias will be eligible to participate in the Scheme:
 - (a) full time employee or Director, whom has attained the age of 18 years and is not an undischarged bankrupt not subject to any bankruptcy proceedings;
 - (b) full time employee or Executive Director of RLEB Group (excluding dormant subsidiaries) and his employment has been confirmed;
 - (c) full time employee, if he is employed by a company which is acquired by RLEB Group during the duration of the Scheme and becomes a subsidiary of the RLEB Group upon such acquisition, must have his employment confirmed following the date such company becomes or is deemed to be a subsidiary
 - (d) the fulfilment of any other eligibility criteria and/or falls within such category as may be set by the Board/ESOS Committee at any time and from time to time at its absolute discretion

For avoidance of doubt:

- (i) Directors or employees of companies within the RLEB Group which are dormant; and
 - (ii) Directors or employees of associate companies of RLEB Group (not Subsidiaries),
- are not eligible to participate in the Scheme.

- 4.2 Except for By-Law 4.1 (a), (b) and (c), the ESOS Committee may at its sole discretion, waive any of the conditions of eligibility as set out in By-Law 4.1. The eligibility and number of shares comprised in the Option(s) to be offered to an Eligible Employee under the Scheme shall be at the sole discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.
- 4.3 Eligibility, however, does not confer on an Eligible Employee, a claim or right to participate in the Scheme unless an Offer has been made in writing by the ESOS Committee to the Eligible Employee under By-Law 5 and the Eligible Employee has accepted the Offer in accordance with By-Law 8. Notwithstanding By-Law 4.1, the selection for participation in the Scheme shall be at the discretion of the ESOS Committee whose decision shall be final and binding.
- 4.4 A selected Eligible Employee who is a member of the ESOS Committee shall abstain from deliberations in respect of any Options granted or to be granted to that selected Eligible Employee or held or to be held by him.

5. OFFER

- 5.1 The ESOS Committee may at its discretion at any time and from time to time within the Duration of the Scheme as it shall deem fit make an Offer to any Eligible Employee during the Option Period for new RLEB Shares in accordance with the terms of the Scheme.
- 5.2 Nothing herein shall prevent the ESOS Committee from making, more than one (1) Offer to any Eligible Employee provided always that, the total aggregate number of new RLEB Shares comprised in the Offers shall not be less than one hundred (100) new RLEB Shares but not more than the Maximum Allowable Allotment as set out in By-Law 6 hereof and shall always be in multiples of one hundred (100) RLEB Shares. In any case, any eligible Director's maximum entitlement shall be based on one sitting only irrespective of his sittings on more than one (1) board within the Group.
- 5.3 Each Offer shall be made in writing by the ESOS Committee and shall state the number of Options that are being offered, the number of new RLEB Shares which the Eligible Employee shall be entitled to subscribe for upon the exercise of the Options being offered, the Option Period, the price at which the Eligible Employee is entitled to subscribe for each new RLEB Share, the closing date for acceptance of the Offer and any other information deemed necessary by the ESOS Committee.
- 5.4 No Option shall be granted to any Director, major shareholder or chief executive of the Company or Persons Connected with such Director, major shareholder or chief executive unless specific grant of Options to that Director, major shareholder or chief executive of the Company or and/or Persons Connected to him shall have previously been approved by the shareholders of the Company in a meeting of members.
- 5.5 With the exception to By-Law 10.1, the Offer shall automatically lapse and be null and void in the event of the Eligible Employee ceasing to be employed by the RLEB Group for any reason whatsoever prior to the acceptance of the Offer by the Eligible Employee in the manner set out in By-Law 8 hereof.
- 5.6 In the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 5.3, the following provisions shall apply:
 - (a) Within one (1) month after discovery of the error, the Company shall issue a supplemental letter of Offer, stating the correct particulars referred to in By-Law 5.3;

- (b) In the event that the error relates to particulars other than the Option Price, the Option Price applicable in the supplemental letter of Offer shall remain as the Option Price as per the original letter of Offer; and
 - (c) In the event that the error relates to the Option Price, the Option Price applicable in the supplemental letter of Offer shall be the Option Price applicable as at the date of the original letter of Offer, save and except with respect to any Options which have already been exercised as at the date of issue of the supplemental letter of Offer.
- 5.7 RLEB shall keep and maintain at its expense a register of Participants pursuant to Section 129 of the Act and shall enter in that register the names and addresses of the Participants, the Maximum Allowable Allotment, the number of Option(s) offered, the number of Option(s) exercised, the Offer Date and the Option Price and such other particulars required under Section 129 of the Act in respect of each Participant.

6 MAXIMUM ALLOWABLE ALLOTMENT AND BASIS OF ALLOTMENT

- 6.1 Subject to By-Law 3.2 hereof, the aggregate maximum number of new RLEB Shares under the Options that may be and allotted and issued to an Eligible Employee shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, among other factors, the Eligible Employee's length of service, position, seniority and performance in RLEB Group and such other factors as the committee deems fit subject to the following:
- (a) the Directors and senior management of RLEB Group do not participate in the deliberation or discussion of their own allocation of Options or the allocation to Persons Connected to such Director or senior management of the Option;
 - (b) not more than ten per cent (10%) of the total number of new RLEB Shares available under the Scheme are allocated to any individual Eligible Employee who, either singly or collectively through persons connected with him/her, holds twenty per cent (20%) or more of the total number of issued RLEB Shares (excluding treasury shares, if any); and
 - (c) not more than seventy percent (70%) of the total number of new RLEB Shares available under the Scheme are allocated in aggregate to the Directors and/or senior management of the RLEB Group who are Eligible Employees,
- provided always that such allocation is in accordance with any prevailing guidelines issued by Bursa Securities, the Bursa Securities LR or any other relevant authorities as amended from time to time.
- 6.2 The determination of eligibility and allocation are performed by the ESOS Committee at the point of granting of the Options, after taking into consideration the factors set out in By-Law 6.1. Thereafter, the Participants are free to exercise the Options without further performance targets being achieved, unless stated in the Offer made by the ESOS Committee from time to time.
- 6.3 The Company shall ensure that allocation of Options pursuant to the Scheme is verified by the audit committee of the RLEB Group at the end of each financial year as being in compliance with the criteria for allocation of Options. A statement by the Audit Committee of the RLEB Group verifying such allocations shall be included in the annual report of the Company.

- 6.4 Any Eligible Employee who holds more than one (1) position within the RLEB Group and by holding such positions, the Eligible Employee is in more than one category, shall only be entitled to the Maximum Allowable Allotment of the higher category.
- 6.5 In the event that a Participant is promoted, such promoted Participant may be eligible for consideration for additional Options to be decided by ESOS Committee at its discretion subject to the following:
- (a) that the additional Offer shall be subject to By-Law 3, from the available balance of the maximum number of new RLEB Shares comprised in the Options available under the Scheme; or
 - (b) the ESOS Committee has the discretion not to make further additional Offer in the event that pursuant to By-Law 3, the available balance of the maximum number of new RLEB Shares comprised in the Options is inadequate to make a meaningful additional allotment.
- 6.6 The Participant who is demoted to a lower grade for whatsoever reason shall only be entitled to the allocation of that lower grade unless an Offer has been made and accepted by him before such demotion and where he has accepted an Offer which exceeds his Maximum Allowable Allocation under that lower grade, he shall not be entitled to any further allocation for that lower grade.
- 6.7 The ESOS Committee shall have the discretion in determining whether the granting of Options to the Eligible Employees will be based on staggered granting over the Duration of the Scheme or in one (1) single grant, and whether there is any vesting period for the Options to be granted and if so, the vesting conditions as determined by the ESOS Committee, which may include amongst others the tenure and performance of the Eligible Employees as measured by both qualitative and quantitative performance indicators (as determined by the ESOS Committee) including financial and non-financial performance measures and the discretion to waive any such vesting period and/or vesting conditions as the ESOS Committee shall deem appropriate, during the Duration of the Scheme. The granting of the ESOS Option(s) whether by staggered or single grant shall be as specified in the Offer made by the ESOS Committee to Eligible Employee to participate in the Scheme in accordance with the By-Laws.

7 OPTION PRICE

- 7.1 Subject to any adjustments that may be made in accordance with the By-Laws and pursuant to the Bursa Securities LR, the Option Price shall be based on the five (5)-day weighted average market price ("5D-VWAMP") of RLEB Shares immediately preceding the Offer Date of the Option. The Option Price shall not be at a discount of more than ten per cent (10%) to the 5D-VWAMP of RLEB Shares preceding the Offer Date, or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time during the duration of the Scheme.
- 7.2 The Option Price as determined by the ESOS Committee shall be conclusive and binding.
- 7.3 The Option Price shall be stipulated in each Offer and shall be subject to any amendments and modifications to the Bursa Securities LR and to any adjustments provided under By-Law 14.

8 ACCEPTANCE OF THE OFFER

- 8.1 The Offer to participate in the Scheme shall be valid for acceptance for a period of thirty (30) days from the Offer Date or such longer period as may be determined by the ESOS Committee on a case to case basis at its discretion. The acceptance of an Offer shall be made by way of a written notice from the Eligible Employee to the ESOS Committee in the form prescribed by the ESOS Committee from time to time. In the event that the Eligible Employee fails to accept the Offer within the prescribed period and in the manner aforesaid, the Offer shall automatically lapse and shall then be null and void, PROVIDED ALWAYS the ESOS Committee shall not be precluded from making a new Offer to the Eligible Employee subsequently.
- 8.2 Acceptance of the Offer by an Eligible Employee shall be accompanied by the payment of Ringgit Malaysia One (RM1.00) as non-refundable consideration for the Options.
- 8.3 All Options, unless otherwise provided in these By-Laws, shall be personal to the Participant and cannot be assigned, transferred or otherwise disposed of in any manner whatsoever.
- 8.4 The Options may be cancelled at the discretion of the Participant by notice in writing to the ESOS Committee.
- 8.5 The Options not taken up resulting from the non-acceptance of Offers within the acceptance period of thirty (30) days from the Offer Date or such longer period as may be determined by the ESOS Committee, shall thereafter form part of the balance of Options available under the Scheme for future Offers.

9 EXERCISE OF OPTIONS

- 9.1 Subject to By-Law 9.2 hereof, an Option may be exercised by the Participant by notice in writing to the Company in the prescribed form from time to time whilst he is in the employment of the RLEB Group and within the Option Period in respect of all or any part of the new RLEB Shares comprised in the Option, provided that where an Option is exercised in respect of part therein, the number of new RLEB Shares of which such Options may be exercised shall not be less than one hundred (100) and shall be in multiples of one hundred (100).

In the event the Participant's balance of Options exercisable in accordance with these By-Laws into new RLEB Shares shall be less than one hundred (100) or such other units of RLEB Shares constituting one (1) board lot as may be determined by the ESOS Committee, the said balance Options, if exercised, must be exercised in a single tranche.

- 9.2 Subject to By-Law 14 hereof, the ESOS Committee may, at any time and from time to time, before or after an Option is granted, limit the exercise of the Option to a maximum number of new RLEB Shares comprised in the Option during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the ESOS Committee in its discretion including amending/varying any terms and conditions imposed earlier.

The partial exercise of an Option shall not preclude the Participant from exercising the Option prior to the expiry of the Participant's employment contract or prior to the expiry of the Option Period, whichever shall be the earlier, in respect of the balance of the new RLEB Shares comprised in the Option.

Any new RLEB Shares comprised in an Option not subscribed for in any year following the date on which the Option was granted may be subscribed for in any subsequent year until and including the last year of the Option Period.

- 9.3 Every such written notice referred to in By-Law 9.1 hereof must be in the form prescribed by the ESOS Committee from time to time and accompanied by a remittance 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 (calculated in accordance with the provisions of By-Law 7 hereof) for the full amount of the subscription monies for the new RLEB Shares in respect of which notice is given. Within eight (8) Market Days from the receipt by the Company of the aforesaid notice and remittance from the Participant, the Company shall allot such new RLEB Shares to the Participant accordingly, subject to and in accordance with the provisions of the Constitution of the Company, the Central Depositories Act and the Rules of Bursa Depository.
- 9.4 A Participant who exercises his Option shall provide the ESOS Committee with his CDS account number or the CDS account number of his Authorised Nominee, as the case may be, in the notice referred to in By-Law 9.1. The new RLEB Shares to be issued pursuant to the exercise of an Option will be credited into the CDS account of the Participant or his Authorised Nominee, as the case may be and a notice of allotment stating the number of shares credited into such CDS account will be issued and despatched to the Participant or the Participant's Authorised Nominee with a copy to the Participant, as the case may be, within eight (8) Market Days from the date of receipt by the Company of the written notice of the exercise of the Option together with the requisite remittance. No physical share certificate(s) will be issued.
- 9.5 No Options shall be exercisable after the expiry of the Option Period.
- 9.6 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 Participant, suspend the right of any Participant 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 Participant) to exercise his Options 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 Participant's right to exercise his Options having regard to the nature of the charges made or brought against such Participant, PROVIDED ALWAYS that:
- (a) in the event such Participant is found not guilty of the charges which gave rise to such disciplinary proceedings, the ESOS Committee shall reinstate the right of such Participant to exercise his Options;
 - (b) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such Participant, all unexercised and partially exercised Options of the Participant shall immediately lapse and be null and void and of no further force and effect, without notice to the Participant, upon pronouncement of the dismissal or termination of service of such Participant notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the Participant in any other forum; and
 - (c) in the event the Participant 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 Participant may continue to exercise his Options or any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such exercise rights.

- 9.7 The Board, the ESOS Committee, the Company and/or any officer of the Company shall not under any circumstances be held liable for any costs, losses, expenses and/or damages whatsoever or howsoever arising in any event relating to the delay on the part of the Company in allotting and issuing the new RLEB Shares or in procuring Bursa Securities to list the new RLEB Shares subscribed for by a Participant or any delay in receipt or non-receipt by the Company of the notice to exercise the Options or for any errors in any Offers.
- 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 to exercise or inaccuracy in the CDS account number provided shall result in the notice to exercise being rejected at the discretion of the ESOS Committee. The ESOS Committee shall inform the Participant of the rejection of the notice of exercise within ten (10) Market Days from the date of rejection and the Participant shall not be deemed to have exercised his/her Option.
- 9.9 Every Option shall be subject to the condition that no new RLEB Shares shall be issued to a Participant pursuant to the exercise of an Option if such issue would be contrary to any law, enactment, rules and/or regulations of any legislative or non-legislative body which may be in force during the Option Period or such period as may be extended.

10. TERMINATION OF THE OPTION

- 10.1 In the event of cessation or termination of employment of a Participant by the management of RLEB with the RLEB Group for whatever reason prior to the exercise of his Option or prior to full exercise of his Option, such Option or the balance thereof shall forthwith lapse and cease to be valid immediately on the date of such cessation or termination without any claim whether direct, indirect, special or consequential (including but not limited to loss of profits due to the non-exercise of the Options) whatsoever against the Company PROVIDED ALWAYS THAT subject to the written approval of the ESOS Committee in its absolute discretion where the Participant ceases his employment or appointment by reason of:
- (i) retirement on attaining the retirement age under the RLEB Group's policy;
 - (ii) retirement before attaining the normal retirement age but with the consent of the management of RLEB;
 - (iii) redundancy or any voluntary separation scheme;
 - (iv) ill-health, injury, physical or mental disability; or
 - (v) any other circumstances which are acceptable to the ESOS Committee,
- a Participant may exercise his unexercised Options within the Option Period or such other time period (but before the expiry of the Option Period) and subject to any further conditions prescribed by the ESOS Committee.
- 10.2 If the Participant ceases his employment with the RLEB Group by reason of his resignation or for reasons other than those stated in By-Law 10.1, his remaining unexercised Options shall cease with immediate effect on the date of such cessation. For avoidance of doubt, the date of termination of employment of the Participant or tender by the Participant of his resignation, shall be deemed to be the date on which a Participant ceases his employment or appointment with the RLEB Group unless approval was given by the ESOS Committee to extend the Options for a predefined period of time or before the expiration of the Options whichever is earlier.

- 10.3 An Option shall immediately become void and of no further effect upon the Participant being adjudicated a bankrupt.
- 10.4 In the event of the liquidation of the Company, all unexercised or partially exercised Options shall lapse and cease to be valid and be null and void.
- 10.5 Where a Participant dies before the expiry of the Option Period and at the time of his death held unexercised Options, such Options shall cease immediately on the date of such death without any claim against the Company PROVIDED ALWAYS that subject to the written approval of the ESOS Committee in its absolute discretion, such unexercised Options may be exercised in full by the legal or personal representatives of the Participant after the date of his death within the Option Period and not later than twenty four (24) months after the date of his death.
- 10.6 Any Offer which has been made by the ESOS Committee but has not been accepted in the manner prescribed by By-Law 8 arising from the Eligible Employees' death or the cessation or termination of his employment with the RLEB Group, as the case may be, shall become null and void and be of no further force and effect.

11. TAKEOVER AND MERGERS, SCHEME OF ARRANGEMENT, AMALGAMATIONS AND RECONSTRUCTIONS

- 11.1 Notwithstanding By-Law 9 hereof and subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities:
- (i) in the event a takeover offer being made for the Company by a general offer or otherwise and such offer becoming or being declared unconditional, the Participant shall be entitled within three (3) months from the date of which such offer becomes or is declared unconditional or within such period to be determined by the ESOS Committee, to exercise in full or in part any Option as yet unexercised within the Option Period, after which the Option shall automatically lapse and be null and void; and
 - (ii) If during the said period of three (3) months, the offeror becomes entitled or bound to exercise his rights of compulsory acquisition of the RLEB Shares under the provisions of the Capital Markets Services Act, 2007 and gives notice to the Participant that it intends to exercise such rights on a specific date ("Specified Date"), the Options shall remain exercisable by the Participant until the expiry of the said period of three (3) months or on the Market Day immediately preceding the Specified Date whichever is the earlier. In the foregoing circumstance, if the Participant fails to exercise his Option or elects to exercise only part of his Option by the expiry of the said period of three (3) months or on the Specified Date, whichever is earlier, then the Option, or as the case may be, the Options in relation to the balance thereof shall automatically lapse after the expiry of the said period of three (3) months or on the Specified Date, whichever is the earlier and be null and void.

12. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.

Notwithstanding By-Law 9 hereof and subject to the discretion of the ESOS Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company under Section 366 of the Act or its amalgamation with any other company or companies under Section 370 of the Act or any other provisions of the Act or the Company decide to merge with other company or companies, a Participant may be entitled to exercise all or any part of his Options which remains unexercised at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and

ending on the date upon which it becomes effective PROVIDED ALWAYS THAT no Option shall be exercised after the expiry of the Option Period. Upon the compromise or arrangement becoming effective, all unexercised Options shall automatically lapse and shall become null and void and of no further force and effect.

13. RETENTION PERIOD

- 13.1 The ESOS Committee is entitled to prescribe and impose any conditions to the Offer in relation to any retention period or restriction on transfer as it sees fit. The new RLEB Shares to be allotted and issued to a Participant pursuant to the exercise of any Options may be subject to such retention period or restriction on transfer as may be imposed by the ESOS Committee at its discretion save as otherwise provided in the Constitution of RLEB, the Bursa Securities LR or unless the ESOS Committee stipulates otherwise in the Offer. The Participants are encouraged to hold the RLEB Shares subscribed by them as a long-term investment and not for any speculative purpose and/or realisation or immediate gains.

The expression "retention period" shall mean the period in which the RLEB Shares to be allotted and issued to a Participant pursuant to the exercise of any Options must not be sold, transferred, assigned or otherwise disposed of by the Participant.

- 13.2 An eligible Director (excluding alternate directors, if any) of the RLEB Group who is a non-executive Director, must not sell, transfer or assign any new RLEB Shares obtained through the exercise of Options offered to him within one (1) year from the Offer Date.

14. ALTERATION OF SHARE CAPITAL DURING THE OPTION PERIOD

- 14.1 Subject to By-Law 14.6 hereof, in the event of any alteration in the capital structure of the Company during the Duration of the Scheme, whether by way of a rights issue, bonus issue or other capitalisation issue, subdivision or consolidation of Shares or reduction of capital or otherwise howsoever, the Company shall cause such adjustment to be made to:

- (a) The number of Options granted to each Participant (excluding Options already exercised); and/or
- (b) The Option Price,

as shall be necessary to give Participant, the same proportion of the issued capital of the Company as that to which he/she was entitled prior to the event giving rise to such adjustment (i.e. not taking into account Options already exercised).

Any adjustment (other than an adjustment pursuant to a bonus issue, subdivision or consolidation) must be confirmed in writing by the Auditor or the Adviser of the Company.

- 14.2 The following provisions shall apply in relation to an adjustment which is made pursuant to By-Law 14.1:

- (a) Any adjustment to the Option Price shall be rounded down to the nearest one (1) sen; and
- (b) In determining a Participant's entitlement to subscribe for RLEB Shares, any fractional entitlements will be disregarded.

- 14.3 Subject to By-Law 14.2, the Option Price and the number of Options granted to each Participant so far unexercised shall from time to time be adjusted, calculated and determined by the ESOS Committee in accordance with the following relevant provisions in consultation with the Auditor of the Company:

- (a) If and whenever a RLEB Share by reason of any consolidation or subdivision or conversion shall have a different share value, the Option Price and/or the additional number of Options to be issued shall be adjusted, calculate or determined in the following manner:

$$\text{New Option Price} = \frac{A \times S}{B}$$

$$\text{Number of additional Options} = T \times \left(\frac{B}{A} \right) - T$$

Where

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

B = the aggregate number of issued Shares immediately after such consolidation or subdivision or conversion;

S = existing Option Price; and

T = existing number of Options so far as unexercised.

Such adjustment will be effective from the close of business on the Market Day immediately following the date on which the consolidation or subdivision or conversion becomes effective (being the date when the RLEB Shares are traded on Bursa Securities at the new par value), or such other period as may be prescribed by Bursa Securities.

- (b) If and whenever the Company shall make any issue of new RLEB Shares to shareholders credited as fully paid-up, by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature and including capital redemption reserve fund, if applicable), the Option Price shall be adjusted by multiplying it by the following fraction:

$$\text{New Option Price} = \frac{S \times A}{A+B}$$

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

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

Where:

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

B = the aggregate number of new RLEB Shares to be issued pursuant to any allotment to shareholders credited as fully paid-up by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature and including capital redemption reserve fund, if applicable); and

S = existing Option Price

T = T as in By-Law 14.3(a) above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the 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 RLEB 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 RLEB Shares or securities with rights to acquire or subscribe for new RLEB Shares attached thereto,

then and in respect of each such case, the Option Price shall be adjusted in the following manner:

$$\text{New Option Price} = S \times \frac{(C - D)}{C}$$

Where:

S = Existing Option Price

C = The prevailing market price of each RLEB 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

D = (aa) in the case of an offer or invitation to acquire or subscribe for new RLEB Shares under By-Law 14.3(c)(2) above or for securities convertible into or with rights to acquire or subscribe for new RLEB Shares under By-Law 14.3(c)(3) above, the value of rights attributable to one (1) existing RLEB Share (as defined below); or

(bb) in the case of any other transaction falling within By-Law 14.3(c) hereof, the fair market value as determined (with the concurrence of the Auditor) by the Adviser of that portion of the Capital Distribution attributable to one (1) existing RLEB Share.

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

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

Where:

- C = C as in By-Law 14.3(c) above;
- E = the subscription price for one (1) additional RLEB Share under the terms of offer or invitation or one (1) additional security convertible into RLEB Shares or one (1) additional security with rights to acquire or subscribe for RLEB Shares;
- F = the number of existing RLEB Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional RLEB Shares or security convertible into RLEB Shares or right to acquire or subscribe for RLEB Shares; and

In respect of the case referred to in By-Law 14.3(c)(2) hereof, the number of additional Options to be issued shall be calculated as follows:

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

Where:

- T = T as in By-Law 14.3(a) above;
- C = C as in By-Law 14.3(c) above; and
- D* = The value of rights attributable to one (1) existing RLEB Share (as defined below).

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

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

Where:

- C = C as in By-Law 14.3(c) above;
- E* = the subscription price for one (1) additional RLEB Share under the terms of such offer or invitation to acquire or subscribe for RLEB Shares; and
- F* = the number of existing RLEB Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional RLEB Share.

For the purpose of By-Law 14.3(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 RLEB Shares (not falling under By-Law 14.3(b) hereof) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves of the Company (whether of a capital or income nature and including capital redemption reserve fund, if applicable).

Any dividend charged or provided for in the audited accounts 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 shareholders of the Company as shown in the audited consolidated statement of comprehensive income of the Company.

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

- (d) If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 14.3(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 14.3(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 Option Price shall be adjusted by multiplying it by the following fraction:

$$\text{New Option Price} = \frac{S \times (G \times C) + (H \times I)}{(G + H + B) \times C}$$

and where the Company makes any allotment to its ordinary shareholders as provided in By-Law 14.3(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 14.3(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:

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

Where:

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

C = C as in By-Law 14.3(c) above;

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

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

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

I* = the subscription price of one (1) additional RLEB Share under the offer or invitation to acquire or subscribe for RLEB Shares;

B = B as in By-Law 14.3(b) above;

S = existing Option Price; and

T = T as in By-Law 14.3(a) above.

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

- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for RLEB Shares as provided in By-Law 14.3(c)(2) above together with an offer or invitation to acquire or subscribe for securities convertible into shares or securities with rights to acquire or subscribe for RLEB Shares as provided in By-Law 14.3(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 Option Price shall be adjusted in the following manner:

$$\text{New Option Price} = \frac{S \times [(G \times C) + (H \times I) + (J \times K)]}{(G + H + J) \times C}$$

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

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

Where:

G = G as in By-Law 14.3(d) above;

C = C as in By-Law 14.3(c) above;

H = H as in By-Law 14.3(d) above;

H* = H* as in By-Law 14.3(d) above;

I = I as in By-Law 14.3(d) above;

I* = I* as in By-Law 14.3(d) above;

J = the aggregate number of RLEB Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for RLEB 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 (1) additional RLEB Share; and

S = existing Option Price

T = T as in By-Law 14.3(a) above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the Market Day immediately following the Entitlement Date for the above transactions.

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 14.3(b) above and also makes an offer or invitation to acquire or subscribe for RLEB Shares to its ordinary shareholders as provided in By-Law 14.3(c)(2) above, together with rights to acquire or subscribe for securities convertible into or with rights to acquire or subscribe for RLEB Shares as provided in By-Law 14.3(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 Option Price shall be adjusted in the following manner:

$$\text{New Option Price} = \frac{S \times [(G \times C) + (H \times I) + (J \times K)]}{(G + H + J + B) \times C}$$

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

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

Where:

G = G as in By-Law 14.3(d) above;

C = C as in By-Law 14.3(c) above;

H = H as in By-Law 14.3(d) above;

H* = H* as in By-Law 14.3(d) above

I = I as in By-Law 14.3(d) above;

I* = I* as in By-Law 14.3(d) above

J = J as in By-Law 14.3(e) above;

K = K as in By-Law 14.3(e) above; and

B = B as in By-Law 14.3(b) above.

S = existing Option Price

T = T as in By-Law 14.3(a) above;

Such adjustment will be effective (if appropriate retroactively) from the commencement of the Market Day immediately following the Entitlement Date for the above transactions.

- (g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under By-Laws 14.3(c)(2), (c)(3), (d), (e) or (f) above), the Company shall issue either any RLEB Shares or any security convertible into RLEB Shares or with rights to acquire or subscribe for RLEB Shares, and in any such case, the Total Effective Consideration per RLEB Share (as defined below) is less than ninety percent (90%) of the Average Price for one (1) Share (as defined below) or, as the case may be, the price at which the RLEB Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Option Price shall be adjusted in the following manner:

$$\frac{\text{New Option Price}}{L + N} = \frac{S \times (L + M)}{L + N}$$

Where:

- L = the number of RLEB Shares in issue at the close of business on the Bursa Securities on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
- M = the number of RLEB Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price for one (1) RLEB Share (as defined below) (exclusive of expenses); and
- N = the aggregate number of RLEB Shares so issued or, in the case of securities convertible into RLEB Shares or securities with rights to acquire or subscribe for RLEB Shares, the maximum number (assuming no adjustments of such rights) of RLEB Shares issuable upon full conversion of such securities or the exercise in full of such rights.
- S = existing Option Price

For the purpose of By-Law 14.3(g), "Total Effective Consideration" shall be determined by the Board with the concurrence of the Auditor and/or Adviser and shall be:

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

For the purpose of By-Law 14.3(g), "Average Price of one (1) Share" shall be the average market price of one (1) RLEB Share as derived from the last traded price for one or more board lots of RLEB 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 RLEB Shares is determined.

Such adjustment will be calculated (if appropriate retroactively) from the close of business on Bursa Securities on the 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 offering price of such RLEB Shares. Such adjustment will be effective (if appropriate retroactively) from the commencement of the Market Day immediately following the completion of the above transaction.

- (h) For the purpose of By-Law 14.3(c), (d), (e) and (f), the current market price in relation to one (1) existing RLEB Share for any relevant day shall be the weighted average of the last traded prices for the five (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.

Such adjustments must be confirmed in writing by the Auditor of the Company for the time being (acting as experts and not as arbitrators), upon reference to them by the ESOS Committee, to be in their opinion, fair and reasonable, PROVIDED ALWAYS THAT:

- (a) upon any adjustment being made pursuant to this By-Law, the ESOS Committee shall, within thirty (30) days of the effective date of the alteration in the capital structure of the Company, notify the Participant (or his legal or personal representatives where applicable) in writing informing him of the adjusted Option Price thereafter in effect and/or the revised number of additional Options to be issued; and
- (b) any adjustments made must be in compliance with the provisions for adjustment as provided in these By-Laws .

Notwithstanding the foregoing, any adjustments to the Option Price and/or the number of additional Options to be issued arising from bonus issues, need not be confirmed in writing by the Auditor of the Company.

- 14.4 The adjustment pursuant to this By-Law shall be made on the day immediately following the books closure date for the event giving rise to the adjustment.
- 14.5 Save as expressly provided for herein, the Auditor must confirm in writing that the adjustments are in their opinion fair and reasonable. The opinion of the Auditor shall be final, binding and conclusive.
- 14.6 The provisions of this By-Law 14 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:
 - (a) An issue of RLEB Shares pursuant to the exercise of Options under the Scheme; or
 - (b) An issue of securities as consideration for an acquisition; or
 - (c) An issue of securities as a private placement; or
 - (d) An issue of securities as a special issue approved by the relevant governmental authorities; or
 - (e) A restricted issue of securities; or
 - (f) An issue of further Options to Eligible Employees under these By-Laws; or

- (g) An issue of warrants, convertible loan stocks or other instruments by the Company which give a right of conversion into RLEB Shares arising from the conversion of such securities with a right of conversion into RLEB Shares including warrants and convertible loan stocks; or
 - (h) A purchase by the Company of its own Shares pursuant to Section 127 of the Act.
- 14.7 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Subdivision 2 of Division 7 of Part II of the Act, By-Law 14.1 shall be applicable in respect of such part of the Scheme which involves any alteration in the capital structure of the Company to which By-Law 14.1 is applicable, but By-Law 14.1 shall not be applicable in respect of such part of the Scheme which involves any alteration in the capital structure of the Company to which By-Law 14.6 is applicable.
- 14.8 An adjustment pursuant to By-Law 14.1 shall be made according to the following terms:
- (a) In the case of a rights issue, bonus issue or other capitalisation issue, on the 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 Market Day immediately following the date of allotment of new shares of the Company in respect of such consolidation, subdivision or reduction becomes effective, or such period as may be prescribed by Bursa Securities.
- Upon any adjustment being made, the ESOS Committee shall within ten (10) Market Days from the adjustment date give notice in writing to the Participant or his legal or personal representatives where the Participant is deceased, of the adjustment and the event giving rise thereto.
- 14.9 Notwithstanding the provisions referred to in this By-Law, the ESOS Committee may exercise its sole discretion to determine whether any adjustments to the Option Price and/or the number of Options be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the Option Price and/or the number of Options notwithstanding that no such adjustment formula has been explicitly set out in this By-Law.

15. RIGHTS ATTACHING TO NEW RLEB SHARES

- 15.1 The new RLEB Shares to be issued arising from the exercise of the Options granted shall, upon allotment and issue, rank equally in all respects with the existing RLEB Shares, except that they will not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid prior to the date of allotment and issuance of the new RLEB Shares.
- 15.2 The new RLEB Shares will be subject to the provisions of the Constitution of the Company.
- 15.3 The Participants will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in the Company until and unless such Participants exercise their Options into new RLEB Shares.

16. ADMINISTRATION

- 16.1 The Scheme shall be administered by the ESOS Committee consisting of such persons appointed by the Board. The ESOS Committee shall administer the Scheme in such manner as it shall in its discretion deem fit and within such powers and duties as are conferred upon it by the Board. For the purpose of administering the Scheme, the ESOS

Committee may 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 Scheme, as the ESOS Committee may in its discretion deem fit, necessary and/or expedient for the implementation of the Scheme.

- 16.2 The Board shall have the discretion as it deems fit to approve, rescind and/or revoke the appointment of any person in the ESOS Committee.
- 16.3 The Board shall have the power to determine all matters pertaining to the ESOS Committee, including without limitation setting the terms of reference for the ESOS Committee, composition rules, duties, powers and limitations. The Board is entitled at any time and from time to time to change the terms of reference of the ESOS Committee.

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

- 17.1 Subject to the compliance with the Bursa Securities LR and any other relevant authorities, the ESOS Committee may at any time and from time to time recommend to the Board any additions, amendments and/or modifications to and/or deletions of these By-Laws as it shall in its discretion, think fit and the Board shall have the power at any time and from time to time by resolution to add to, amend, modify and/or delete all or any of these By-Laws upon such recommendation PROVIDED THAT no additions, modifications or amendments to or deletions of these By-Laws shall be made which will:
- (a) Prejudice any rights then accrued to any Participant without the prior consent or sanction of that Participant; or
 - (b) Prejudice any rights of the shareholders of the Company without the prior approval of the Company's shareholders in a meeting of members; or
 - (c) Alter to the advantage to the Participant, the provisions of the By-Laws of the Scheme without the prior approval of the Company's shareholders in meeting of members, unless otherwise allowed by the provisions of the Bursa Securities LR;
- 17.2 Any amendments/modifications to the By-Laws shall not contravene any of the provisions of the guidelines on employee share option schemes as stipulated under the Bursa Securities LR and/or any other relevant regulatory authority in relation to ESOS.
- 17.3 Upon amending and for modifying all or any of the provisions of the By-Laws, the Company shall submit to Bursa Securities, the amended By-Laws and a confirmation letter that the said amendment and/or modification complies with the provisions of the guidelines on employee share scheme stipulated under the Bursa Securities LR no later than five (5) Market Days from the effective date of the amendments.
- 17.4 The Participants shall be given written notices prescribed by the ESOS Committee from time to time of any conditions, amendments to and/or modifications of these By-Laws within fourteen (14) Market Days of any of the foregoing taking effect.

18. DURATION OF THE SCHEME

- 18.1 The Scheme shall take effect and commence from the date the Adviser for the Scheme confirms in writing to Bursa Securities that the Company has complied with the following ("Effective Date"):
- (i) Obtained the approval or approval-in-principle from Bursa Securities for the listing of and quotation for the new RLEB Shares to be issued under the Scheme;

- (ii) Obtained the approval of the shareholders of RLEB in a meeting of members for the Scheme ;
- (iii) Submitted the final copy of the By-Laws of the Scheme to Bursa Securities;
- (iv) Obtained other approvals of the relevant regulatory authorities whose approval is necessary in respect of the Scheme;
- (v) Fulfilled all the conditions attached to the above approvals (if any).

The Adviser shall submit a confirmation letter to Bursa Securities of full compliance with the relevant requirements of Bursa Securities stating the date of commencement of implementation of the Scheme together with a certified true copy of the relevant resolution passed by the shareholders of the Company in the meeting of members. The confirmation letter shall be submitted to Bursa Securities no later than five (5) Market Days after the date of the commencement of implementation of the Scheme.

- 18.2 The Scheme shall be in force for a period of five (5) years from the Effective Date ("ESOS Period"). On or before the expiry of the ESOS Period the ESOS Committee shall have the absolute discretion to extend in writing the ESOS Period (as the ESOS Committee may deem fit) for up to a maximum of five (5) years immediately from the expiry of the original five (5) year period. provided always that the total duration of the Scheme shall not in aggregate exceed ten (10) years from the Effective Date. Such extension, if any shall not be subject to the approval of the shareholders
- 18.3 No further Options will be granted upon the expiry of the ESOS Period unless the Company extends the Scheme pursuant to By-Law 18.2 hereof. Such extended Scheme shall be implemented in accordance with the terms of the By-Laws set out herein, save for any amendments and/or changes to the relevant statutes, guidelines and/or regulations currently in force and shall be valid and binding without further obtaining the approvals of the shareholders of the Company and/or any other relevant authorities or the Participants provided that the Company shall serve appropriate notices on each Participant and/or make the necessary announcements to any and/or all the aforementioned parties within thirty (30) days prior to the expiry of the Scheme and that Bursa Securities shall be informed of such extended Scheme.
- 18.4 Notwithstanding anything to the contrary, all unexercised Options shall lapse on at 5.00pm on the last day of the Duration of the Scheme.

19. TERMINATION OF THE SCHEME

- 19.1 Subject to compliance with the requirements of Bursa Securities or any other relevant authorities, the Scheme may be terminated by the Company at any time during the Duration of the Scheme or any extension or renewal period, as the case may be, 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 or shares vested; and
 - (c) the reasons for termination.
- 19.2 In the event of termination as stipulated in By-Law 19.1 above, the following shall apply:
- (a) No further Offer shall be made by the ESOS Committee from the Termination Date;

- (b) All Offer which have yet to be vested and/or accepted by Eligible Employees (whether fully or partially) shall automatically lapse on the Termination Date; and
 - (c) All outstanding Options which have yet to be exercised by the Participants shall be automatically terminated and be null and void on the Termination Date.
- 19.3 Approval or consent of the shareholders of the Company by way of resolution in a meeting of members and written consent of the Participants who have yet to exercise their Options are not required to effect the termination of the Scheme.

20. DISPUTES

- 20.1 In the event of any dispute or difference between the ESOS Committee and an Eligible Employee or Participant as to any matter or thing of any nature arising hereunder, the ESOS Committee shall determine such dispute or difference by a written decision (without any obligation to give any reasons therefore) given to the Eligible Employee or Participant, 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. In the event the Eligible Employee or Participant, as the case may be, shall dispute the decision by written notice to the ESOS Committee within fourteen (14) days of the receipt of the written decision, in which case such dispute or difference shall be referred to the decision of 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 his stated to be final and binding under these By-Laws. 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.
- 20.2 Notwithstanding the foregoing By-Law 20.1, matters concerning adjustments made pursuant to By-Law 14 shall be referred to an Auditor or the Adviser of the Company who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.

21. COMPENSATION

- 21.1 An Eligible Employee or Participant who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office.
- 21.2 No Eligible Employee or Participant or legal or personal representatives shall bring any claim, action or proceeding against the Company or the ESOS Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his Option or his Option ceasing to be valid pursuant to the provisions of these By-Laws.
- 21.3 Notwithstanding any provisions of these By-Laws, this Scheme shall not form part of any contract of employment between the RLEB Group and any employee or Director of the RLEB Group or afford such Participant any additional rights to compensation or damages in consequence of the termination of office or employment for any reason and the rights of any Participant under the terms of his office and employment with the RLEB Group shall not be affected by his participation in the Scheme.

22. TRANSFERS FROM OTHER COMPANIES TO THE GROUP

In the event that:

- (i) an employee who was employed in a corporation or a Director of a corporation which is related to the Company pursuant to Section 7 of the Act (but excluding any subsidiaries of the Company) and is subsequently transferred to become a member of the RLEB Group; or
- (ii) an employee or a Director of a corporation referred to in By-Law 22(i) above which subsequently becomes a member of the Group as a result of a restructuring or divestment exercise or otherwise involving the Company and/or any company within the Group with any of the first mentioned corporation stated in By-Law 22(i) above;

(the corporation in By-Laws 22(i) and 22(ii) above are hereinafter referred to as the "Previous Company"), such an employee or a Director of the Previous Company (the "Affected Employee") will, if the Affected Employee satisfies all the conditions of these By-Laws, be eligible to participate in the Scheme PROVIDED THAT the Affected Employee:

- (a) may be entitled to exercise all such unexercised or partially exercised options which were granted to him under the employees' share option scheme (if any) which he was participating (hereinafter referred to as "Previous Company ESOS") whilst the Affected Employee was in the employment of the Previous Company, if the same is provided for under the By-Laws of such Previous Company ESOS but he shall not, upon such transfer or restructuring or other exercise as the case may be, be eligible to participate for further options of such Previous Company ESOS; and
 - (b) will only be eligible to participate in the Scheme for the remaining Duration of the Scheme; and
 - (c) if the Affected Employee has participated in the Previous Company ESOS, the number of such new RLEB Shares to be offered to such Affected Employee under the Scheme shall be subject to the discretion of the ESOS Committee.
- (iii) a person who was in the employment or under a contract service of a company which subsequently becomes a Subsidiary as a result of a restructuring or acquisition or otherwise involving RLEB and/or any company within the Group, such person will, if the said person satisfies all the relevant conditions of these By-Laws, be eligible to be considered for an Offer for the remaining Duration of the Scheme at the discretion of the ESOS Committee.

23. DIVESTMENT FROM THE GROUP

If a Participant who was in the employment with a company in the Group which was subsequently divested wholly or in part from the Group which resulted in a subsequent holding of fifty percent (50%) or less by the Group, then such Participant:

- (i) will notwithstanding such divestment and subject to the provisions of By-Laws 9 and 10.2 be entitled to continue to exercise all such unexercised Options which were granted to him under the Scheme within a period of three (3) months from the date of such divestment and within the Option Period, whichever shall be the earlier, failing which the right of such Eligible Employee to subscribe to for the number of new Shares or any part thereof granted under such unexercised Options shall automatically lapse upon the expiration of the aforesaid three (3) month period or Option Period (as the case may be) and be null and void and of no further force and effect; and

(ii) shall not be eligible to participate for further Options under the Scheme.

24. COSTS AND EXPENSES

All costs and expenses incurred in relation to the Scheme including but not limited to the costs and expenses relating to the allotment and issue of the new RLEB Shares arising from the exercise of any Option shall be borne by the Company. Notwithstanding this, the Participant shall bear any fees, costs, expenses and taxes (including income tax) and stamp duty, if any, arising from his acceptance and exercise of the any Options under the Scheme.

25. NOT A TERM OF EMPLOYMENT

This Scheme does not form part nor shall it in any way be construed as part of the terms and conditions of employment of any employee.

26. CONSTITUTION OF THE COMPANY

Notwithstanding the terms and conditions contained in this Scheme, if a situation of conflict should arise between this Scheme and the Constitution of the Company, the provisions of the Constitution of the Company shall at all times prevail.

27. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

All Participants are entitled to inspect the latest audited financial statements during normal office hours from 9.30 a.m to 4.30 p.m, Mondays to Fridays (except all public holidays declared in Malaysia) or as otherwise specified by the ESOS Committee, at the registered office of the Company.

28. TAXES

All taxes (including income tax), if any, arising from the exercise of any Option under the Scheme shall be borne by the Participant.

29. NOTICES

29.1 Any notice which under the Scheme is required to be given or served upon the ESOS Committee by an Eligible Employee, Affected Employee or Participant or any communication from an Eligible Employee, Affected Employee or Participant to the ESOS Committee, shall be in writing and shall be delivered by hand (with acknowledgement of receipt) or sent to the registered office of the Company by registered mail.

29.2 Any notice which under the Scheme is required to be given to or served upon the Eligible Employee, Affected Employee or Participant shall be in writing and shall be deemed to be sufficiently given if delivered by hand or sent by registered mail to the Eligible Employee, Affected Employee or Participant at his place of employment or at his last address known to the Company. Any notice 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 or if by registered letter would in the ordinary course of post be delivered

29.3 Notwithstanding By-Law 29.2, where any notice is required to be given by the Company or the ESOS Committee under these By-Laws in relation to matters which may affect all the Eligible Employee, Affected Employee or Participant as the case may be, the Company or ESOS Committee may give notice 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 notice to be made under By-Law 29.2 shall be deemed to be sufficiently given, served or made to all affected Eligible Employee, Affected Employee or Participant, as the case may be.

30. SEVERABILITY

Any term, condition, stipulation or provision in these By-Laws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

31. LISTING AND QUOTATION OF SHARES

An application will be made by the Company to Bursa Securities for the listing of and quotation for such new Shares to be issued arising from the exercise of the Options on the ACE Market of Bursa Securities.

32. DECISION OF THE ESOS COMMITTEE

Any decision and/or determination made by the ESOS Committee under these By-Laws shall, in the absence of any manifest of error, be final and binding.

33. GOVERNING LAW AND JURISDICTION

33.1 These By-Laws shall be governed and construed in accordance with the laws of Malaysia and the Eligible Employee and/or Participant shall 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.

33.2 Any proceeding or action shall be instituted or taken in Malaysia and the Eligible Employee and/or Participant irrevocably and unconditionally waives any objection on the ground of venue or forum non- convenience or any other grounds.

34. SUBSEQUENT EMPLOYEE'S SHARE ISSUANCE OPTION SCHEME

34.1 Subject to the approval of the relevant authorities and compliance with the requirements of the relevant authorities, the Company may establish a new employees' shares option scheme after the expiry date of this Scheme or upon termination of this Scheme.

34.2 The Company may establish more than one (1) share issuance scheme provided always that the aggregate number of Shares available under all the schemes implemented by the Company does not breach the maximum limit prescribed in the prevailing rules, guidelines or regulations issued by Bursa Securities, the Bursa Securities LR or any other relevant authorities from time to time.

35. DISCLOSURES IN ANNUAL REPORT

The Company will make such disclosures in its annual report for as long as the Scheme continues in operation as from time to time required by the Bursa Securities LR including (where applicable) a statement by the audit committee (as appointed by the Board from time to time) of the Company verifying that the allocation of Options pursuant to the Scheme is in compliance with the criteria for allocation disclosed by the Company to the Eligible Employees.

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular 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. CONSENT AND DECLARATION

Consent

M&A Securities has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereon in the form and context in which they appear in this Circular.

Conflict of interest

M&A Securities is not aware of any conflict of interest that exists or is likely to exist in its capacity as the Adviser to RLEB in relation to the Proposals.

3. MATERIAL LITIGATION

As at the LPD, save as disclosed below, neither RLEB nor its subsidiary is engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and to the best of the Board's knowledge and belief, the Board is not aware of any proceeding, pending or threatened against the RLEB Group or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the RLEB Group.

(i) Shah Alam Sessions Court, Civil Suit No. BA-B52NCvC-100-05/2020 between RLSB (as plaintiff) and Uzma Engineering Sdn Bhd ("Uzma") (as defendant)

On 15 May 2020, RLSB filed a writ and statement of claim against Uzma for recovery of a debt totalling RM741,602 due for the services rendered by RLSB to Uzma.

Both parties had recorded a consent judgment on 18 August 2020, whereby Uzma shall settle the debt in 5 monthly instalments from August 2020 until December 2020. Full settlement of the debt has been made by Uzma by 31 December 2020.

(ii) Shah Alam Sessions Court, Civil Suit No. BA-A52NCvC-190-08/2020 between RLSB (as plaintiff) and Uzma (as defendant)

On 14 August 2020, RLSB filed a writ and statement of claim against Uzma for recovery of a debt totalling RM917,847.00 due for the services rendered by RLSB to Uzma.

Both parties had recorded a consent judgment on 17 December 2020, whereby Uzma shall settle the debt in 6 monthly instalments from October 2020 until March 2021. Full settlement of the debt has been made by Uzma by 31 December 2020.

4. MATERIAL COMMITMENTS

Material commitments of the Group as at the LPD is as follows:

	RM'000
Approved and contracted for:	
Purchase of well testing equipment	5,305
Approved but not contracted for:	
Purchase of well testing equipment	3,236

Save as disclosed, there are no other material commitments incurred or known to be incurred by the Group.

5. CONTINGENT LIABILITIES

As at the LPD, save as disclosed below, the Board is not aware of any contingent liabilities, incurred or known to be incurred by the Group, which upon becoming enforceable, may have a material impact on the ability of the Group to meet its obligations as and when they fall due.

	RM'000
Bank guarantee for performance	7,267
Bank guarantee for tenancy agreement	86
	<u>7,353</u>

The bank guarantees are given to two subsidiaries of RLEB, Reservoir Link Sdn Bhd and Reservoir Link Solutions Sdn Bhd.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 2nd Floor, Lot 144, Jalan Petanak, 93100 Kuching, Sarawak during normal business hours (except public holidays) from the date of this Circular up to and including the date of the meeting of members:

- (i) Constitution of the Company;
- (ii) Audited consolidated financial statements of RLEB for the past 2 FYEs 31 December 2018 and 31 December 2019 as well as the latest unaudited quarterly report on consolidated results for the 9-month financial period ended 30 September 2020;
- (iii) Letter of consent and declaration of conflict of interest as referred to in Section 2 of this Appendix;
- (iv) Cause papers in respect of the material litigation disclosed in Section 3 of Appendix II;
- (v) Draft Deed Poll; and
- (vi) Draft By-Laws.



RESERVOIR LINK ENERGY BHD

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

NOTICE OF MEETING OF MEMBERS

NOTICE IS HEREBY GIVEN that the meeting of members of Reservoir Link Energy Bhd ("**RLEB**" or "**the Company**") will be conducted entirely on a fully virtual basis through live streaming and online remote voting from the broadcast venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday, 1 April 2021 at 10.00 a.m., for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED BONUS ISSUE OF UP TO 71,250,000 FREE WARRANTS ("WARRANTS") ON THE BASIS OF 1 WARRANT FOR EVERY 4 EXISTING RLEB SHARES HELD ON THE ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED BONUS ISSUE OF WARRANTS")

"THAT subject to the approvals of all relevant regulatory authorities being obtained, the Board of Directors of the Company ("**Board**") be and is hereby authorised to issue and allot of up to 71,250,000 Warrants on the basis of 1 Warrant for every 4 existing ordinary shares in RLEB ("**RLEB Shares**") held by the shareholders whose names appear on the Record of Depositors of the Company as at the close of business on the entitlement date to be determined and announced later;

THAT fractional entitlements arising from the Proposed Bonus Issue of Warrants, if any, will be disregarded and the aggregate of such fractions shall be dealt with in such manner as the Board shall in its absolute discretion deem fit or expedient and in the best interest of the Company;

THAT up to 71,250,000 Warrants be allotted and issued in registered form and constituted by a deed poll to be executed by the Company constituting the Warrants ("**Deed Poll**");

THAT the Board be and is hereby authorised to allot and issue such additional Warrants as may be required or permitted to be issued as consequences of any adjustments in accordance with the provisions in the Deed Poll ("**Additional Warrants**");

THAT the Board be and is hereby authorised to allot and issue such appropriate number of new RLEB Shares arising from the exercise of the Warrants by the holders of the Warrant of their rights in accordance with the provisions of the Deed Poll, including such appropriate number of new RLEB Shares arising from the exercise of subscription rights represented by the Additional Warrants;

THAT the Board be and is hereby authorised to enter into and execute the Deed Poll on behalf of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities or deemed necessary by the Board, and subject to all provisions and adjustments contained in the Deed Poll, to assent to any modifications and/or amendments to the exercise price, exercise period and/or number of Warrants as may be required or permitted to be revised as consequence of any adjustments under the provisions of the Deed Poll with full power to implement and give effects to the terms and conditions of the Deed Poll, and to take all steps as the Board deems fit and/or expedient in order to implement, finalise and give full effect to the Deed Poll;

THAT the new RLEB Shares to be issued and allotted arising from the exercise of the Warrants and/or the Additional Warrants shall, upon allotment and issuance, rank equally in all respects with the existing RLEB Shares, save and except that the new RLEB Shares to be issued and allotted arising from the exercise of the Warrants and/or the Additional Warrants will not be entitled to participate in any rights, allotments, dividends, and/or other distributions that may be declared, made or paid to the shareholders of the Company, where the entitlement date is before the date of allotment and issuance of such new RLEB Shares;

THAT the proceeds raised from the exercise of the Warrants, if any, be utilised for the purposes set out in the Circular to shareholders of the Company dated 17 March 2021 ("**Circular**") and the Board be authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject (when required) to the approval of the relevant authorities;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Bonus Issue of Warrants with full power to assent to any condition, modification, variation and/or amendment in any manner as may be required or permitted by the relevant authorities or at the Board may deem necessary in the interest of the Company and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue of Warrants."

ORDINARY RESOLUTION 2

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 30% OF THE TOTAL NUMBER OF ISSUED SHARES OF RLEB (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT IN TIME DURING THE DURATION OF THE ESOS FOR THE ELIGIBLE EMPLOYEES AND DIRECTORS OF RLEB AND ITS SUBSIDIARIES (EXCLUDING DORMANT SUBSIDIARIES) ("PROPOSED ESOS")

"THAT, subject to and conditional upon the approvals of all relevant authorities and persons (if any), the Board be and is hereby authorised and empowered to:

- (a) establish, implement and administer the employees' share option scheme to be known as the "RLEB Employees' Share Option Scheme" of up to 30% of the total issued share capital of RLEB for the benefit of all eligible employees and directors (both executive and non-executive) ("**Director(s)**") of RLEB and all its subsidiaries ("**RLEB Group**") (excluding dormant subsidiaries) who meet the criteria of eligibility for participation in the Proposed ESOS ("**Eligible Employees**"), under which options will be offered to the Eligible Employees to subscribe for new RLEB Shares at a predetermined price ("**Options**") in accordance with the provisions of the by-laws of the Proposed ESOS as set out in **Appendix I ("By-Laws")** of the Circular.

Any new RLEB Shares to be allotted and issued upon any exercise of the Options granted under the Proposed ESOS will, upon such allotment, issuance and full payment, rank equally in all respects with the then existing issued RLEB Shares except that the new RLEB Shares so allotted and issued will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid, the entitlement date is before the date of allotment and issuance of such new RLEB Shares and will be subject to all the provisions of the Constitution of RLEB relating to transfer, transmission and otherwise of RLEB Shares;

- (b) add, amend, delete and/or modify all or any part of the terms and conditions as set out in the By-Laws governing the Proposed ESOS from time to time as may be required/permitted by the authorities or deemed necessary by the authorities or the Board or any committee of the Proposed ESOS established or appointed by it provided that such modifications and/or amendments are effected and permitted in accordance with the provisions of the By-Laws relating to the modifications and/or amendments and to do all such acts, deeds and things and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to such modifications and/or amendments;
- (c) allot and issue and/or procure from time to time such a number of new RLEB Shares as may be required to be issued pursuant to the exercise of the Options under the Proposed ESOS provided that the aggregate number of new RLEB Shares to be offered pursuant to the Proposed ESOS and any other schemes involving new issuance of RLEB Shares to be implemented by RLEB shall not at any point in time in aggregate exceed 30% of the total issued share capital of the Company (excluding treasury shares) that may be permitted by Bursa Malaysia Securities Berhad ("**Bursa Securities**") or any other relevant regulatory authorities from time to time during the duration of the Proposed ESOS;

- (d) do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds and undertakings and to make such rules or regulations or impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed ESOS and terms of the By-Laws;
- (e) extend the duration of the Proposed ESOS, if the directors of the Company deem fit, for up to a maximum period of an additional five (5) years; and
- (f) do all things necessary and make the necessary applications to Bursa Securities for permission to deal in and for the listing of and quotation of the new ordinary shares in RLEB that may, hereafter or from time to time, be allotted and issued pursuant to the Proposed ESOS

AND THAT the Board be and is hereby authorised and empowered to give effect to the Proposed ESOS with full power to assent to any conditions, modifications, variations and/or amendments in any manner as it may deem fit and/or as may be required or imposed by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things as they may consider necessary and/or expedient to implement, finalise and give full effect to the Proposed ESOS

AND FURTHER THAT the proposed By-Laws of the Proposed ESOS, as set out in **Appendix I** of the Circular, be and is hereby approved and adopted."

ORDINARY RESOLUTION 3

PROPOSED GRANTING OF ESOS OPTIONS TO DATUK TAI HEE

"THAT, contingent upon the passing of Ordinary Resolution 2 above and the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board to authorise the committee to be appointed and authorised by the Board from time to time in accordance with the By-Laws to administer the Proposed ESOS ("**ESOS Committee**") to offer and to grant to at any time and from time to time throughout the duration of the Proposed ESOS, Datuk Tai Hee, being the Non-Independent Non-Executive Chairman of the Company, Options to subscribe for such number of new ordinary shares of RLEB under the Proposed ESOS **PROVIDED THAT:-**

- (a) not more than 10% of the new ordinary shares of RLEB under the Proposed ESOS shall be allocated to any individual eligible participant, who, either singly or collectively through persons connected with him/her, holds 20% or more of the issued share capital of RLEB;
- (b) not more than 70% of the new ordinary shares of RLEB under the Proposed ESOS shall be allocated in aggregate to the Directors (executive and non-executive) and/or senior management of the RLEB Group (excluding dormant subsidiaries within the RLEB Group),

AND subject always to such terms and conditions of the By-Laws and/or adjustments which may be made in accordance with the provisions of the By-Laws and ACE Market Listing Requirements of Bursa Securities ("**Listing Requirements**"), or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time;

AND THAT approval be and is hereby given to the Board to allot and issue such number of new RLEB Shares to Datuk Tai Hee pursuant to the exercise of such Options under the Proposed ESOS."

ORDINARY RESOLUTION 4

PROPOSED GRANTING OF ESOS OPTIONS TO DATO' WAN HASSAN BIN MOHD JAMIL

"THAT, contingent upon the passing of Ordinary Resolution 2 above and the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee to administer the Proposed ESOS to offer and to grant to at any time and from time to time throughout the duration of the Proposed ESOS, Dato' Wan Hassan Bin Mohd Jamil, being the Managing Director of the Company, Options to subscribe for such number of ordinary shares of RLEB under the Proposed ESOS **PROVIDED THAT:-**

- (a) not more than 10% of the new ordinary shares of RLEB under the Proposed ESOS shall be allocated to any individual eligible participant, who, either singly or collectively through persons connected with him/her, holds 20% or more of the issued share capital of RLEB;
- (b) not more than 70% of the new ordinary shares of RLEB under the Proposed ESOS shall be allocated in aggregate to the Directors (executive and non-executive) and/or senior management of the RLEB Group (excluding dormant subsidiaries within the RLEB Group),

AND subject always to such terms and conditions of the By-Laws and/or adjustments which may be made in accordance with the provisions of the By-Laws and Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time;
AND THAT approval be and is hereby given to the Board to allot and issue such number of new RLEB Shares to Dato' Wan Hassan Bin Mohd Jamil pursuant to the exercise of such Options under the Proposed ESOS."

ORDINARY RESOLUTION 5

PROPOSED GRANTING OF ESOS OPTIONS TO THIEN CHIET CHAI

"THAT, contingent upon the passing of Ordinary Resolution 2 above and the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee to administer the Proposed ESOS to offer and to grant to at any time and from time to time throughout the duration of the Proposed ESOS, Thien Chiet Chai, being the Executive Director of the Company, Options to subscribe for such number of ordinary shares of RLEB under the Proposed ESOS **PROVIDED THAT:-**

- (a) not more than 10% of the new ordinary shares of RLEB under the Proposed ESOS shall be allocated to any individual eligible participant, who, either singly or collectively through persons connected with him/her, holds 20% or more of the issued share capital of RLEB;
- (b) not more than 70% of the new ordinary shares of RLEB under the Proposed ESOS shall be allocated in aggregate to the Directors (executive and non-executive) and/or senior management of the RLEB Group (excluding dormant subsidiaries within the RLEB Group),

AND subject always to such terms and conditions of the By-Laws and/or adjustments which may be made in accordance with the provisions of the By-Laws and Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time;

AND THAT approval be and is hereby given to the Board to allot and issue such number of new RLEB Shares to Thien Chiet Chai pursuant to the exercise of such Options under the Proposed ESOS."

ORDINARY RESOLUTION 6

PROPOSED GRANTING OF ESOS OPTIONS TO ERIC LIM SWEE KHOON

"THAT, contingent upon the passing of Ordinary Resolution 2 above and the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee to administer the Proposed ESOS to offer and to grant to at any time and from time to time throughout the duration of the Proposed ESOS, Eric Lim Swee Khoon, being the Independent Non-Executive Director of the Company, Options to subscribe for such number of ordinary shares of RLEB under the Proposed ESOS **PROVIDED THAT:-**

- (a) not more than 10% of the new ordinary shares of RLEB under the Proposed ESOS shall be allocated to any individual eligible participant, who, either singly or collectively through persons connected with him/her, holds 20% or more of the issued share capital of RLEB;
- (b) not more than 70% of the new ordinary shares of RLEB under the Proposed ESOS shall be allocated in aggregate to the Directors (executive and non-executive) and/or senior management of the RLEB Group (excluding dormant subsidiaries within the RLEB Group),

AND subject always to such terms and conditions of the By-Laws and/or adjustments which may be made in accordance with the provisions of the By-Laws and Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time;

AND THAT approval be and is hereby given to the Board to allot and issue such number of new RLEB Shares to Eric Lim Swee Khoon pursuant to the exercise of such Options under the Proposed ESOS."

ORDINARY RESOLUTION 7

PROPOSED GRANTING OF ESOS OPTIONS TO SITI ZURINA BINTI SABARUDIN

"THAT, contingent upon the passing of Ordinary Resolution 2 above and the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee to administer the Proposed ESOS to offer and to grant to at any time and from time to time throughout the duration of the Proposed ESOS, Siti Zurina binti Sabarudin, being the Independent Non-Executive Director of the Company, Options to subscribe for such number of ordinary shares of RLEB under the Proposed ESOS **PROVIDED THAT:-**

- (a) not more than 10% of the new ordinary shares of RLEB under the Proposed ESOS shall be allocated to any individual eligible participant, who, either singly or collectively through persons connected with him/her, holds 20% or more of the issued share capital of RLEB;
- (b) not more than 70% of the new ordinary shares of RLEB under the Proposed ESOS shall be allocated in aggregate to the Directors (executive and non-executive) and/or senior management of the RLEB Group (excluding dormant subsidiaries within the RLEB Group),

AND subject always to such terms and conditions of the By-Laws and/or adjustments which may be made in accordance with the provisions of the By-Laws and Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time;

AND THAT approval be and is hereby given to the Board to allot and issue such number of new RLEB Shares to Siti Zurina binti Sabarudin pursuant to the exercise of such Options under the Proposed ESOS."

ORDINARY RESOLUTION 8

PROPOSED GRANTING OF ESOS OPTIONS TO ELAIN BINTI LOCKMAN

"THAT, contingent upon the passing of Ordinary Resolution 2 above and the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee to administer the Proposed ESOS to offer and to grant to at any time and from time to time throughout the duration of the Proposed ESOS, Elain Binti Lockman, being the Independent Non-Executive Director of the Company, Options to subscribe for such number of ordinary shares of RLEB under the Proposed ESOS **PROVIDED THAT:-**

- (a) not more than 10% of the new ordinary shares of RLEB under the Proposed ESOS shall be allocated to any individual eligible participant, who, either singly or collectively through persons connected with him/her, holds 20% or more of the issued share capital of RLEB;
- (b) not more than 70% of the new ordinary shares of RLEB under the Proposed ESOS shall be allocated in aggregate to the Directors (executive and non-executive) and/or senior management of the RLEB Group (excluding dormant subsidiaries within the RLEB Group),

AND subject always to such terms and conditions of the By-Laws and/or adjustments which may be made in accordance with the provisions of the By-Laws and Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time;

AND THAT approval be and is hereby given to the Board to allot and issue such number of new RLEB Shares to Elain Binti Lockman pursuant to the exercise of such Options under the Proposed ESOS."

BY ORDER OF THE BOARD

PAULINE KON SUK KHIM (SSM Practicing Certificate No. 202008001607) (MAICSA Member No.: 7014905)

HO KHEE JEEM (SSM Practicing Certificate No. 201908002110) (MIA Member No.: 12422)
Company Secretaries

Kuala Lumpur
17 March 2021

Notes:

- (i) As part of the safety measures to curb the spread of the Coronavirus outbreak, the Company will conduct the meeting of members entirely on a fully virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting ("RPEV") facilities. **Please read these Notes carefully and follow the Procedures in the Administrative Guide for the Meeting of Members in order to participate remotely.***
- (ii) The broadcast venue is 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 representative from the public should be physically present at the broadcast venue on the day of Meeting of Members. Therefore, members are strongly advised to participate and vote remotely at this Meeting of Members through the RPEV facilities provided.*
- (iii) In respect of deposited securities, only members whose names appear on the Record of Depositors on 25 March 2021 (meeting of members Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and/or vote on his (her) behalf.*
- (iv) A member [other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991] entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote on his (her) behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the meeting of the Company shall have the same rights as the members to speak at the meeting.*
- (v) Where a member appoints two (2) proxies, the appointment shall be invalid unless he (she) specifies the proportions of his (her) shareholdings to be represented by each proxy.*
- (vi) Where a member of the Company is an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
- (vii) Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it is entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an Authorised Nominee appoints two (2) proxies to attend and vote at the meeting of members, the proportion of shareholdings to be represented by each proxy must be specified in the proxy form, failing which, the appointment shall be invalid.*
- (viii) The proxy form shall be in writing, executed by or on behalf of the appointer or his (her) attorney duly authorised in writing or, if the appointer is a corporation, either be executed under its common seal or by its duly authorised attorney or officer.*
- (ix) The proxy form and the power of attorney or other authority, if any, under which it is signed or a duly notarised copy of that power or authority must be deposited to the Company's Share Registrar office at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof. Any notice of termination of person's authority to act as a proxy must be forwarded to the Company prior to the commencement of the meeting of members or adjourned meeting of members.*
- (x) Pursuant to Rule 8.29A(1) of the ACE Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of the meeting of members will be put to vote by poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.*

Personal Data Privacy:

*By submitting proxy form(s) appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the meeting of members 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 meeting of members (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the meeting of members (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.*

**RESERVOIR LINK ENERGY BHD**

(Registration No. 201401044508 (1120690-K))

(Incorporated in Malaysia)

FORM OF PROXY

No. of shares held	CDS Account no.
Telephone no.	Email address

*I/We _____ NRIC/Passport no./Registration no. _____
of _____
being a *member/members of RESERVOIR LINK ENERGY BHD, hereby appoint:

(1) Name of proxy : _____ NRIC/Passport no. : _____
Address : _____
Email address : _____ Telephone no. : _____

(2) Name of proxy : _____ NRIC/Passport no. : _____
Address : _____
Email address : _____ Telephone no. : _____

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the meeting of members of the Company will be conducted entirely through live streaming from the broadcast venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday, 1 April 2021 at 10.00 a.m. and at any adjournment thereof in respect of my/our shareholding in the manner indicated below:

Please indicate with a "x" in the spaces provided whether you wish your votes to be cast for or against the resolution. In the absence of specific instructions, your proxy will vote or abstain as he/she thinks fit.

No.	Ordinary Resolution	For	Against
1.	Proposed Bonus Issue of Warrants		
2.	Proposed ESOS		
3.	Proposed Granting of ESOS Options to Datuk Tai Hee		
4.	Proposed Granting of ESOS Options to Dato' Wan Hassan Bin Mohd Jamil		
5.	Proposed Granting of ESOS Options to Thien Chiet Chai		
6.	Proposed Granting of ESOS Options to Eric Lim Swee Khoon		
7.	Proposed Granting of ESOS Options to Siti Zurina binti Sabarudin		
8.	Proposed Granting of ESOS Options to Elain Lockman		



Dated this ____ day of _____ 2021

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of shares	Percentage (%)
Proxy 1		
Proxy 2		
Total		100

Signature/Seal

** Strike out whichever is not applicable*

Notes:

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- (iii) *In respect of deposited securities, only members whose names appear on the Record of Depositors on 25 March 2021 (meeting of members Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and/or vote on his (her) behalf.*
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- (vii) *Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it is entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an Authorised Nominee appoints two (2) proxies to attend and vote at the meeting of members, the proportion of shareholdings to be represented by each proxy must be specified in the proxy form, failing which, the appointment shall be invalid.*
- (viii) *The proxy form shall be in writing, executed by or on behalf of the appointer or his (her) attorney duly authorised in writing or, if the appointer is a corporation, either be executed under its common seal or by its duly authorised attorney or officer.*
- (ix) *The proxy form and the power of attorney or other authority, if any, under which it is signed or a duly notarised copy of that power or authority must be deposited to the Company's Share Registrar office at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof. Any notice of termination of person's authority to act as a proxy must be forwarded to the Company prior to the commencement of the meeting of members or adjourned meeting of members.*
- (x) *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of the meeting of members will be put to vote by poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.*

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Fold this flap for sealing

Then fold here

BOARDROOM SHARE REGISTRARS SDN BHD
THE SHARE REGISTRAR OF

RESERVOIR LINK ENERGY BHD
(Registration No. 201401044508 (1120690-K))
(Incorporated in Malaysia)

Ground Floor or 11th Floor, Menara Symphony
No.5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

AFFIX
STAMP

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