

**THIS CIRCULAR TO SHAREHOLDERS OF KIM LOONG RESOURCES BERHAD IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

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**KIM LOONG**  
RESOURCES BERHAD

錦隆資源有限公司  
197501000991 (22703-K)

**KIM LOONG RESOURCES BERHAD**  
(Registration No. 197501000991 (22703-K))  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE FOLLOWING:-**

- (I) **PROPOSED ESTABLISHMENT OF AN EXECUTIVES' SHARE OPTION SCHEME ("ESOS") INVOLVING UP TO 10% OF THE TOTAL NUMBER OF ISSUED KIM LOONG RESOURCES BERHAD ("KLR") SHARES (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT IN TIME DURING THE DURATION OF THE ESOS TO BE GRANTED TO THE ELIGIBLE EXECUTIVE DIRECTORS AND EXECUTIVES OF KLR AND ITS SUBSIDIARIES (EXCLUDING DORMANT SUBSIDIARIES, IF ANY) ("PROPOSED ESOS"); AND**
- (II) **PROPOSED ALLOCATION OF OPTIONS TO THE ELIGIBLE EXECUTIVE DIRECTORS AND ELIGIBLE EXECUTIVES WHO ARE PERSONS CONNECTED TO THE ELIGIBLE EXECUTIVE DIRECTORS PURSUANT TO THE PROPOSED ESOS,**

**(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

Principal Adviser

**UOBKayHian**

**UOB KAY HIAN SECURITIES (M) SDN BHD**

Registration No. 199001003423 (194990-K)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The resolutions in respect of the Proposals will be tabled at the extraordinary general meeting of the Company ("**EGM**") which will be held at the Junior Ballroom, Level 11, DoubleTree by Hilton, No. 12, Jalan Ngee Heng, 80000 Johor Bahru, Johor Darul Takzim on Friday, 6 September 2024 at 11.00 a.m. or at any adjournment thereof. The Notice of EGM together with the Form of Proxy are enclosed in this Circular. This Circular together with the Administrative Guide are also available at the Company's website at [www.kimloong.com.my](http://www.kimloong.com.my).

You are requested to complete, sign and return the enclosed Form of Proxy and deposit it at Unit No. 203, 2nd Floor, Block C, Damansara Intan, No. 1, Jalan SS 20/27, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 24 hours before the time and date appointed for holding the EGM or at any adjournment thereof. The completion and lodging of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

Last day, date and time for lodging : Thursday, 5 September 2024 at 11.00 a.m. or at any adjournment thereof  
the Form of Proxy

Day, date and time of the EGM : Friday, 6 September 2024 at 11.00 a.m. or at any adjournment thereof

This Circular is dated 20 August 2024

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## DEFINITIONS

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

“Act”	:	Companies Act 2016
“Board”	:	The board of Directors of KLR
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
“Bye-Laws”	:	The terms and conditions governing the Proposed ESOS as may be amended, modified and supplemented from time to time, the draft of which is set out in <b>Appendix I</b> of this Circular
“Circular”	:	This circular dated 20 August 2024, issued to the shareholders of the Company in relation to the Proposals
“Deed Poll”	:	The deed poll dated 22 March 2018 constituting the Warrants
“Director(s)”	:	Director(s) of KLR and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007, Section 2(1) of the Act and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of KLR or any other company which is a subsidiary or holding company of KLR
“EGM”	:	Extraordinary general meeting of the Company
“Eligible Executive(s)”	:	Executive Directors and executives of KLR Group (which are not dormant) who meet the criteria of eligibility for participation in the Proposed ESOS in the manner as indicated in the Bye-Laws
“EPS”	:	Earnings per Share
“ESOS”	:	Executives’ share option scheme being the scheme for the granting of Options to the Eligible Executive(s) to subscribe for new Shares upon the terms and conditions in the manner as indicated in the Bye-Laws
“ESOS Committee”	:	The committee comprising such persons as may be appointed and authorised by the Board to administer the Proposed ESOS in accordance with the provisions of the Bye-Laws
“FYE”	:	Financial year ended/ending, as the case may be
“Grantee(s)”	:	The relevant grantee of the Options
“Interested Executive Directors”	:	The executive Directors who are deemed interested in the Proposed Allocation by virtue of their eligibility for the Options in their capacity as the executive Directors and in respect of their allocations as well as the allocations to Eligible Executives who are persons connected with them (if any)
“KLR” or the “Company”	:	Kim Loong Resources Berhad (Registration No. 197501000991 (22703-K))
“KLR Group” or the “Group”	:	Collectively, KLR and its subsidiaries
“KLR Share(s) or “Share(s)”	:	Ordinary share(s) in KLR
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities

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## DEFINITIONS (CONT'D)

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“LPD”	:	26 July 2024, being the latest practicable date prior to the date of this Circular
“MFRS”	:	Malaysian Financial Reporting Standards
“NA”	:	Net assets
“Option(s)”	:	The right of a Grantee to subscribe for new Shares in accordance to the Bye-Laws under the Proposed ESOS
“Proposals”	:	Collectively, the Proposed ESOS and the Proposed Allocation
“Proposed Allocation”	:	Proposed allocation of Options to the eligible executive Directors and Eligible Executives who are persons connected to the eligible executive Directors pursuant to the Proposed ESOS
“Proposed ESOS”	:	Proposed establishment of an ESOS of up 10% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the duration of the ESOS to be granted to the Eligible Executives
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“UOBKH” or the “Principal Adviser”	:	UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))
“VWAP”	:	Volume weighted average market price
“Warrant(s)”	:	The outstanding warrants 2018/2025 issued by the Company pursuant to the Deed Poll dated 22 March 2018 and expiring on 10 April 2025

All references to “we”, “us”, “our” and “ourselves” are to KLR. All references to “you” in this Circular are to the shareholders of KLR.

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include a corporation, unless otherwise specified.

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

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

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

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## EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposals. You are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposals before voting at the forthcoming EGM.

Key information	Description	Reference to Circular
<p><b>Summary of the Proposals</b></p>	<p>Our Company proposed to undertake the following proposals:-</p> <p>(i) <b><u>Proposed ESOS</u></b></p> <p>The Proposed ESOS will involve granting of Options to the Eligible Executives who meet the criteria of eligibility for participation in the manner as indicated in the Bye-Laws. The Proposed ESOS will be administered by the ESOS Committee and shall be governed by the Bye-Laws.</p> <p>The maximum number of new KLR Shares to be allotted and issued pursuant to the exercise of the Options that may be granted under the Proposed ESOS shall not in aggregate exceed 10% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the duration of the Proposed ESOS as provided in the Bye-Laws.</p> <p>The Exercise Price payable for the KLR Shares upon the exercise of any Options granted pursuant to the Proposed ESOS shall be determined by the ESOS Committee provided that the Exercise Price shall not be at a discount of more than 10% from the 5-day VWAP of the KLR Shares transacted on the Bursa Securities preceding the Offer Date.</p> <p>(ii) <b><u>Proposed Allocation</u></b></p> <p>The Proposed Allocation involves the allocation of the Options granted under the Proposed ESOS to the Interested Executive Directors and Eligible Executives who are persons connected with the Interested Executive Directors pursuant to the Proposed ESOS.</p>	<p><b>Sections 2.1 and 2.2</b></p>
<p><b>Rationale and justifications</b></p>	<p>The main objective of the Proposed ESOS is to align the interests of the Eligible Executives with the corporate goals of our Group. The Proposed ESOS will provide the Eligible Executives with an opportunity to have equity participation in our Company and thereby achieve the following:-</p> <p>(i) to recognise the contribution of the Eligible Executives whose services are valued and considered vital to the operations and continued growth of our Group;</p> <p>(ii) to reward the Eligible Executives by allowing them to participate in our Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of KLR Shares, upon exercising of the Options;</p> <p>(iii) to increase the level of commitment, dedication and loyalty of the Eligible Executives by rewarding them with an equity stake in our Company; and</p> <p>(iv) to provide incentive for the Eligible Executives to participate more actively in the operations of our Group and encourage them to contribute to the future growth of our Group.</p>	<p><b>Section 3</b></p>

## EXECUTIVE SUMMARY (CONT'D)

Key information	Description	Reference to Circular
<b>Approvals required/obtained</b>	<p>The Proposed ESOS is conditional upon the following approvals being obtained:-</p> <p>(i) Bursa Securities, for the listing of and quotation for such number of new KLR Shares, representing up to 10% of the total number of issued Shares (excluding treasury shares, if any), to be issued pursuant to the Proposed ESOS, subject to terms and conditions set out in <b>Section 7</b> of this Circular, the approval of which has been obtained vide its letter dated 1 August 2024; and</p> <p>(ii) the shareholders of KLR at the forthcoming EGM.</p>	<b>Section 7</b>
<b>Conditionality of the Proposals</b>	<p>The Proposed Allocation is conditional on the Proposed ESOS but not vice versa.</p> <p>The Proposals are not conditional upon any other corporate exercises undertaken or to be undertaken by our Company.</p>	<b>Section 8</b>
<b>Interest of Directors, major shareholders and/or persons connected with them</b>	<p>All our executive Directors of KLR are eligible to participate in the Proposed ESOS and are therefore deemed interested in the Proposed ESOS to the extent of their respective allocations under the Proposed ESOS. Notwithstanding this, our Directors have deliberated on the Proposed ESOS, and have agreed to present the Proposed ESOS to our shareholders for their consideration and approval.</p> <p>In respect of any specific allocation of Options to our executive Directors under the Proposed ESOS, the respective executive Directors shall accordingly abstain from all Board deliberation and voting. In addition, the respective executive Directors shall also abstain from voting in respect of their direct and/or indirect shareholdings, if any, at the forthcoming EGM in respect of the resolutions to be tabled for their respective proposed allocation, if any, as well as the specific allocations to any Eligible Executives who are persons connected with them under the Proposed ESOS.</p> <p>Further, all our executive Directors have undertaken that they will ensure that all persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in KLR, if any, on the relevant resolutions pertaining to the allocations of the respective executive Directors and the Eligible Executives who are persons connected with them under the Proposed ESOS to be tabled at the forthcoming EGM.</p>	<b>Section 9</b>
<b>Directors' statement</b>	<p>Our Board, having considered all aspects of the Proposals, including the rationale and effects (save for the executive Directors who have abstained from deliberations to the extent of their respective allocations and to any Eligible Executives who are persons connected with them) is of the opinion that the Proposals are in the best interest of our Company.</p> <p>Our executive Directors have abstained from giving any opinion or recommendation on their respective allocations of Options or the allocations of Options to Eligible Executives who are persons connected with them, if any.</p> <p>Accordingly, our Board recommends that you vote in favour for the resolutions pertaining to the Proposals at the forthcoming EGM.</p>	<b>Section 10</b>



KIM LOONG  
RESOURCES BERHAD

錦隆資源有限公司  
197501000991 (22703-K)

**KIM LOONG RESOURCES BERHAD**

Registration No. 197501000991 (22703-K)  
(Incorporated in Malaysia)

**Registered office**  
Unit No. 203,  
2<sup>nd</sup> Floor, Block C,  
Damansara Intan,  
No. 1, Jalan SS 20/27,  
47400 Petaling Jaya,  
Selangor Darul Ehsan

20 August 2024

**Board of Directors**

Gooi Seong Lim	<i>(Executive Chairman)</i>
Gooi Seong Heen	<i>(Managing Director)</i>
Gooi Seong Chneh	<i>(Executive Director)</i>
Gooi Seong Gum	<i>(Executive Director)</i>
Yong Chung Sin	<i>(Senior Independent Non-Executive Director)</i>
Dr. Chee Yau Kuan @ Chia Yan Kuan	<i>(Independent Non-Executive Director)</i>
Soh Ban Ting	<i>(Independent Non-Executive Director)</i>
Gooi Tsih Ern	<i>(Alternate Director to Gooi Seong Lim)</i>
Gooi Chuen Kang	<i>(Alternate Director to Gooi Seong Heen)</i>

**To: Our shareholders**

Dear Sir/Madam,

**(I) PROPOSED ESOS; AND**

**(II) PROPOSED ALLOCATION**

**(COLLECTIVELY REFERRED AS THE "PROPOSALS")**

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**1. INTRODUCTION**

On 22 July 2024, UOBKH had, on behalf of our Board, announced that the Company proposed to undertake the proposed establishment of an ESOS involving up to 10% of the total number of issued shares of KLR (excluding treasury shares, if any) at any point in time during the duration of the ESOS to be granted to the Eligible Executives.

On 1 August 2024, UOBKH had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated on even date, approved the listing of and quotation for such number of new KLR Shares, representing up to 10% of the total number of issued KLR Shares, to be issued pursuant to the Proposed ESOS, subject to the terms and conditions set out **Section 7** of this Circular.

Further details of the Proposals are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE OUR SHAREHOLDERS WITH THE RELEVANT INFORMATION ON THE PROPOSALS AS WELL AS TO SEEK THE APPROVAL FROM OUR SHAREHOLDERS FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

## 2. DETAILS OF THE PROPOSALS

### 2.1 Proposed ESOS

As at the LPD, KLR has a total number of issued shares of 976,385,587 KLR Shares (including 1,248,000 treasury shares assuming that none of the treasury shares are sold or cancelled). Additionally, the Company has a total of 5,705,355 outstanding Warrants with an exercise price of RM1.40 per Warrant as at the LPD.

The Proposed ESOS involves the granting of Options to all the Eligible Executives who meet the criteria of eligibility for participation in the manner as indicated in the Bye-Laws. The Proposed ESOS will be administered by the ESOS Committee and shall be governed by the Bye-Laws.

The salient features of the Proposed ESOS are set out below:-

#### 2.1.1 Maximum number of new KLR Shares available under the Proposed ESOS

The maximum number of new KLR Shares to be allotted and issued pursuant to the exercise of the Options that may be granted under the Proposed ESOS shall not in aggregate exceed 10% of the total number of issued Shares of our Company (excluding treasury shares, if any) ("**Maximum Scheme Shares**") at any point in time during the duration of the Proposed ESOS as provided in the Bye-Laws.

#### 2.1.2 Basis of allocation and maximum entitlement

Subject to any adjustments which may be made under the Bye-Laws, the aggregate number of new KLR Shares to be allotted and issued to an Eligible Executive pursuant to the Options shall be at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst other factors, the position, ranking, performance, seniority, the number of years of service, contribution and potential contribution to the continued success of KLR Group of the said Eligible Executive and/or such other matters that the ESOS Committee may in its sole and absolute discretion deem fit and shall be subject to the following:-

- (i) the Eligible Executive who is also a member of the ESOS Committee, do not participate in the deliberation or discussion of their respective allocation of Options and the allocation of Options to any persons connected with them, if any;
- (ii) the allocation to an Eligible Executive who, either singly or collectively through persons connected to the Eligible Executive, holds 20% or more of the total number of issued KLR Shares (excluding treasury shares, if any), must not exceed 10% of the Maximum Scheme Shares; and

- (iii) not more than 70% of the Maximum Scheme Shares shall be allocated, in aggregate, to the executive Directors and senior management of our Group (excluding dormant subsidiaries) on the basis that they are crucial to the performance of our Group as determined by the ESOS Committee at their sole and absolute discretion.

### 2.1.3 Eligibility to participate in the Proposed ESOS

Subject to the discretion of the ESOS Committee, only Eligible Executives who meet the following conditions as at the date on which an offer is made by the ESOS Committee ("**Offer Date**") shall be eligible to participate in the Proposed ESOS:-

- (i) shall have attained the age of 18 years and is neither an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (ii) employed on a full time basis and has neither served a notice to resign nor received a notice of termination as an:-
  - (a) executive Director of KLR;
  - (b) executive Director of KLR's subsidiaries or an executive within KLR Group (excluding dormant subsidiaries):-
    - (aa) who is on the payroll of a company within KLR Group for a continuous period of at least 12 months (excluding probation period) after the confirmation of employment; and
    - (bb) whose employment is on fixed term employment or service contract will further subject to the following conditions:-
      - (A) for those who have reached retirement age and are re-employed by KLR Group on contract basis, the contract term must be of at least 2 years; or
      - (B) for those who do not fall within paragraph (A) above, the contract term must be of at least 3 years;
  - (c) executive Director or executive of any newly acquired subsidiary of the Group and the said executive Director or executive has completed at least 12 months of continuous service following the date such company is deemed to be a subsidiary of the Group; or
  - (d) of such other eligibility criteria as may be determined by the ESOS Committee at its sole and absolute discretion from time to time,

provided always that the selection of any executive Director or executive for participation in the Proposed ESOS shall be at the discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding. In determining the eligibility of an Eligible Executive to participate in the ESOS, the ESOS Committee may take into account amongst other factors, the position, ranking, performance, seniority, the number of years of service, contribution and potential contribution to the continued success of KLR Group and any other factors deemed appropriate by the ESOS Committee including waiving any conditions of eligibility as set out in the Bye-Laws.

For the avoidance of doubt, the Proposed ESOS will not be extended to the non-executive Directors of KLR Group.

The executive Directors, major shareholders or the chief executive of our Company (as defined under the Listing Requirements) (“**Interested Person(s)**”) or its holding company (if any) or any persons connected to any of them shall not be eligible to participate in the Proposed ESOS unless their allocations under the Proposed ESOS have been approved by the shareholders of our Company at a general meeting prior to the specific allocation of the Options by the ESOS Committee to any of them and they shall not participate in the deliberation and discussion of their own participation and/or allocation.

#### **2.1.4 Duration of the Proposed ESOS**

Subject to the Bye-Laws, the Proposed ESOS shall be in force for a period of 5 years from the date of the Proposed ESOS (“**Effective Date**”) (“**Scheme Period**”), which shall be the date of KLR’s full compliance with all relevant requirements of the Listing Requirements, including the following:-

- (i) submission of the final copy of the Bye-Laws to Bursa Securities together with a letter of compliance pursuant to Paragraph 2.12 and to Paragraph 6.42 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;
- (ii) receipt of approval-in-principle from Bursa Securities for the listing of and quotation for the new KLR Shares to be issued pursuant to the exercise of Options granted under the Proposed ESOS;
- (iii) procurement of KLR shareholders’ approval for the Proposed ESOS at the forthcoming EGM; and
- (iv) fulfilment of all conditions attached to the above approvals, if any.

The Proposed ESOS may be extended for a further period up to 5 years, at the sole and absolute discretion of the Board upon the recommendation of the ESOS Committee and without having to obtain approval from the shareholders of KLR in a general meeting, provided always that the initial Scheme Period stipulated above and such extension of the Proposed ESOS made pursuant to the Bye-Laws shall not in aggregate exceed a duration of 10 years from the Effective Date.

In the event that the ESOS is extended in accordance with the terms and conditions herein, the ESOS Committee shall inform the extended duration of the ESOS to the relevant grantee of the Options (“**Grantee(s)**”) prior to the expiry of the Scheme Period.

#### **2.1.5 Exercise Price**

The price payable for the KLR Shares upon the exercise of any Options granted pursuant to the Proposed ESOS (“**Exercise Price**”) shall be determined by the ESOS Committee provided that the Exercise Price shall not be at a discount of more than 10% from the 5-day VWAP of the KLR Shares transacted on the Bursa Securities preceding the Offer Date.

#### **2.1.6 Ranking of the new KLR Shares arising from the Proposed ESOS and rights of a Grantee**

The new KLR Shares to be issued arising from the exercise of the Options will, upon allotment and issuance, rank equally in all respects with the existing KLR Shares save and except that the new KLR Shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid where the entitlement date precedes the date of allotment of the new KLR Shares.

The Grantees shall not be entitled to any voting rights or right to participate in any form of distribution until and unless such Grantees exercise their Options into KLR Shares.

#### **2.1.7 Listing of and quotation for the new KLR Shares arising from the exercise of Options**

Bursa Securities has, vide its letter dated 1 August 2024, approved the listing of and quotation for such number of new KLR Shares, representing up to 10% of the total number of issued KLR Shares (excluding treasury shares, if any) to be issued pursuant to the exercise of the Options, subject to the conditions as stated under **Section 7** of this Circular.

#### **2.1.8 Retention period**

Upon the exercise of an Option under the Proposed ESOS, the Shares received by the Eligible Executives may be subject to such retention period as may be determined by the ESOS Committee at its absolute discretion.

#### **2.1.9 Vesting conditions**

The ESOS Committee has the discretion in determining whether the Options granted will be on staggered basis over the duration of the Proposed ESOS or in 1 single grant and/or whether the Options are subject to any vesting period and if so the vesting conditions, if any, of which such determination will be carried out at a later date after the establishment of the Proposed ESOS.

#### **2.1.10 Amendment and/or modification to the Proposed ESOS**

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 Bye-Laws as it shall in its sole and absolute discretion think fit and the Board shall at any time and from time to time have the power by resolution to add to, amend, modify and/or delete all or any part of the Bye-Laws upon such recommendation. Provided that any matters which are required to be contained in the Bye-Laws by virtue of paragraphs (1) to (8) of the Appendix 6E of the Listing Requirements cannot be altered to the advantage of any Eligible Executive and/or Grantee without the prior approval of the Company's shareholders in a general meeting.

The decision of the Board as to the amendment or modification of the provisions of the ESOS and the Bye-Laws is final, conclusive and binding.

## 2.2 Proposed Allocation

Paragraph 6.06(1) of the Listing Requirements states that the Company must not issue any shares to its Directors, major shareholders or chief executive or persons connected with them who is an Eligible Executive unless its shareholders have approved the specific allotment to be made to them in a general meeting. Accordingly, our Company wishes to seek the approval of our shareholders at the forthcoming EGM for the Proposed Allocation for the following executive Directors and Eligible Executives who are persons connected with them:-

No.	Name	Designation	Proposed Allocation
1.	Gooi Seong Lim	Executive Chairman	Not more than 10% of the total Options awarded
2.	Gooi Seong Heen	Managing Director	Not more than 10% of the total Options awarded
3.	Gooi Seong Chneh	Executive Director	Not more than 10% of the total Options awarded
4.	Gooi Seong Gum	Executive Director	Not more than 10% of the total Options awarded
5.	Gooi Chuen Kang <sup>(1)</sup>	Plantation Director	Not more than 10% of the total Options awarded
6.	Gooi Chuen Howe <sup>(1)</sup>	Marketing & Mill Director	Not more than 10% of the total Options awarded
7.	Gooi Khai Chien <sup>(2)</sup>	Investment and Development Director	Not more than 10% of the total Options awarded

**Note:-**

(1) He is son of Gooi Seong Heen.

(2) He is son of Gooi Seong Lim.

## 3. RATIONALE AND JUSTIFICATIONS

The main objective of the Proposed ESOS is to align the interests of the Eligible Executives with the corporate goals of our Group. The Proposed ESOS will provide the Eligible Executives with an opportunity to have equity participation in our Company and thereby achieve the following:-

- (i) to recognise the contribution of the Eligible Executives whose services are valued and considered vital to the operations and continued growth of our Group;
- (ii) to reward the Eligible Executives by allowing them to participate in our Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of KLR Shares, upon exercising of the Options;
- (iii) to increase the level of commitment, dedication and loyalty of the Eligible Executives by rewarding them with an equity stake in our Company; and
- (iv) to provide incentive for the Eligible Executives to participate more actively in the operations of our Group and encourage them to contribute to the future growth of our Group.

#### 4. UTILISATION OF PROCEEDS

The actual amount of proceeds to be raised from the Proposed ESOS will depend on the number of Options granted and exercised at the relevant point in time and the Exercise Price.

The proceeds arising from the exercise of the Options will be utilised for the working capital requirements of the KLR Group, as and when received, within the tenure of the Proposed ESOS. As such, the exact timeframe for utilisation of the proceeds cannot be determined at this juncture.

The working capital requirement of the Group includes, amongst others, payment to trade creditors, staff-related expenses, utilities, as well as general and administrative expenses. The proceeds to be utilised for each component of working capital are subject to the operating requirements of the Group at the time and therefore, have not been determined at this juncture.

Pending the utilisation of proceeds raised as and when the Options are exercised, such proceeds will be placed in deposits with financial institutions or short-term money market instruments as the Board may deem fit. The interest derived from the deposits with the financial institutions or any gain arising from the short-term money market instruments will also be used as working capital of the Group as set out above.

#### 5. EFFECTS OF THE PROPOSALS

The pro forma effects of the Proposals on our Group's issued share capital, NA, NA per Share, gearing, substantial shareholders' shareholdings, earnings and EPS are set out below based on the following scenarios:-

**Minimum Scenario** : Assuming none of the 1,248,000 treasury shares are resold to the open market and none of the 5,705,355 outstanding Warrants are exercised prior to the implementation of the Proposed ESOS.

**Maximum Scenario** : Assuming all of the 1,248,000 treasury shares are resold to the open market and all of the 5,705,355 outstanding Warrants are exercised prior to the implementation of the Proposed ESOS.

##### 5.1 Issued share capital

The pro forma effects of the Proposed ESOS on the issued share capital of our Company are as follows:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD (Less): treasury shares, at cost	976,385,587 (1,248,000)	375,794,415 (1,123,513)	976,385,587 -	375,794,415 -
Assuming all outstanding Warrants are exercised prior to the implementation of the Proposed ESOS	<b>975,137,587</b> -	<b>374,670,902</b> -	<b>976,385,587</b> 5,705,355	<b>375,794,415</b> ( <sup>1</sup> )7,987,497
New Shares to be issued assuming full exercise of the Options	<b>975,137,587</b> ( <sup>2</sup> )97,513,758	<b>374,670,902</b> ( <sup>3</sup> )196,977,791	<b>982,090,942</b> ( <sup>2</sup> )98,209,094	<b>383,781,912</b> ( <sup>3</sup> )198,382,369
<b>Enlarged issued share capital</b>	<b>1,072,651,345</b>	<b>571,648,693</b>	<b>1,080,300,036</b>	<b>582,164,281</b>

**Notes:-**

- (1) *Based on the exercise price of RM1.40 per Warrant.*
- (2) *For the avoidance of doubt, the maximum number of new KLR Shares, which may be allotted and issued pursuant to the Proposed ESOS shall not in aggregate exceed 10% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the Scheme Period.*
- (3) *Assuming full exercise of the Options of up to 10% of the enlarged total number of issued shares in KLR at an illustrative Exercise Price of RM2.02 per Option, which represents a discount of 9.56% to the 5-day VWAP of KLR Shares up to and including the LPD of RM2.2336 per KLR Share.*

**5.2 NA, NA per share and gearing**

Save for the potential impact of MFRS 2 “Share-Based Payment” issued by the Malaysian Accounting Standards Board, details as set out in **Section 5.4** of this Circular, the Proposed ESOS is not expected to have an immediate effect on our Group’s NA, NA per Share and gearing until such time that the Options are exercised. The effect on our Group’s NA would depend on the number of Options granted and the fair value of the Options after taking into account, inter-alia, the Exercise Price as well as any vesting conditions. Whilst the granting of the Options under the Proposed ESOS is expected to result in recognition of a charge in the income statements of our Group pursuant to MFRS 2, the recognition of such MFRS 2 charge would not have any material impact on the NA of our Group as the corresponding amount will be classified as an equity reserve which forms part of the shareholders’ equity.

In the event that none of the Options are exercised within the duration of the Proposed ESOS, the outstanding amount in the said equity reserve would be transferred into our Company’s retained earnings. On the other hand, if the Options are exercised, the outstanding amount in the said equity reserve would be transferred into our Company’s share capital.

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### 5.3

#### Substantial shareholders' shareholdings

The Proposed ESOS is not expected to have any immediate effect on the shareholdings of the shareholders of our Company until such time when the Options to be granted are exercised. Any potential effect on the shareholdings of the shareholders would depend on the number of new KLR Shares to be issued and/or transferred via treasury shares pursuant to the exercise of the Options granted under the Proposed ESOS at the relevant point in time.

For illustrative purposes only, the pro forma effects of the Proposals on our Company's substantial shareholders' shareholdings are set out below:-

#### Minimum Scenario

	As at the LPD				Pro forma I Assuming the maximum number of Options are granted, vested and exercised into new KLR Shares <sup>(6)</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of shares	( <sup>(1)</sup> )(%)	No. of shares	( <sup>(1)</sup> )(%)	No. of shares	( <sup>(2)</sup> )(%)	No. of shares	( <sup>(2)</sup> )(%)
Sharikat Kim Loong Sendirian Berhad ("SKL")	624,452,616	64.04	-	-	624,452,616	58.22	-	-
Gooi Seong Lim	6,102,532	0.63	( <sup>(3)</sup> )632,435,972	64.86	15,853,907	1.48	( <sup>(3)</sup> )632,435,972	58.96
Gooi Seong Heen	5,568,922	0.57	( <sup>(4)</sup> )628,227,576	64.42	15,320,297	1.43	( <sup>(4)</sup> )628,227,576	58.57
Gooi Seong Chneh	5,127,922	0.53	( <sup>(5)</sup> )628,227,576	64.42	14,879,297	1.39	( <sup>(5)</sup> )628,227,576	58.57
Gooi Seong Gum	417,690	0.04	( <sup>(6)</sup> )628,403,976	64.44	10,169,065	0.95	( <sup>(6)</sup> )628,403,976	58.58
Wilgain Prosperity Sdn Bhd ("WPSB")	-	-	( <sup>(7)</sup> )624,452,616	64.04	-	-	( <sup>(7)</sup> )624,452,616	58.22
Eternal Profits Worldwide Sdn Bhd ("EPW")	-	-	( <sup>(7)</sup> )624,452,616	64.04	-	-	( <sup>(7)</sup> )624,452,616	58.22
Ascendant Capital Sdn Bhd ("ACSB")	-	-	( <sup>(7)</sup> )624,452,616	64.04	-	-	( <sup>(7)</sup> )624,452,616	58.22
SG Gooi Holdings Sdn Bhd ("SGH")	-	-	( <sup>(7)</sup> )624,452,616	64.04	-	-	( <sup>(7)</sup> )624,452,616	58.22

**Notes:-**

- (1) Based on the existing issued share capital comprising 975,137,587 Shares (excluding 1,248,000 treasury shares held by our Company) as at the LPD.
- (2) Based on the enlarged issued share capital comprising 1,072,651,345 Shares after the Proposed ESOS.
- (3) Deemed interest by virtue of his interest in WPSB which in turn has an interest in SKL which holds 624,452,616 shares (equivalent to 64.04% as at the LPD and 58.22% after the Proposed ESOS), Heng Yuen Sdn. Bhd. ("HY") which holds 3,422,160 shares (equivalent to 0.35% as at the LPD and 0.32% after the Proposed ESOS), 3,149,996 shares held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. for Wigan Holdings Pte. Ltd. (equivalent to 0.32% as at the LPD and 0.29% after the Proposed ESOS) of which Gooi Seong Lim is a director and major shareholder and his spouse, Lim Phaik Ean, who holds 1,411,200 shares (equivalent to 0.15% as at the LPD and 0.13% after the Proposed ESOS).
- (4) Deemed interest by virtue of his interest in EPW which in turn has an interest in SKL which holds 624,452,616 shares (equivalent to 64.04% as at the LPD and 58.22% after the Proposed ESOS), HY which holds 3,422,160 shares (equivalent to 0.35% as at the LPD and 0.32% after the Proposed ESOS) and his spouse, Looi Kok Yean, who holds 352,800 shares (equivalent to 0.03% as at the LPD and after the Proposed ESOS).
- (5) Deemed interest by virtue of his interest in ACSB which in turn has an interest in SKL which holds 624,452,616 shares (equivalent to 64.04% as at the LPD and 58.22% after the Proposed ESOS), HY which holds 3,422,160 shares (equivalent to 0.35% as at the LPD and 0.32% after the Proposed ESOS) and his spouse, Lee Tian Cear, who holds 352,800 shares (equivalent to 0.03% as at the LPD and after the Proposed ESOS).
- (6) Deemed interest by virtue of his interest in SGH which in turn has an interest in SKL which holds 624,452,616 shares (equivalent to 64.04% as at the LPD and 58.22% after the Proposed ESOS), HY which holds 3,422,160 shares (equivalent to 0.35% as at the LPD and 0.32% after the Proposed ESOS) and his spouse, Teo Ai Mei, who holds 529,200 shares (equivalent to 0.05% as at the LPD and after the Proposed ESOS).
- (7) Deemed interest by virtue of their interest in SKL which holds 624,452,616 shares (equivalent to 64.04% as at the LPD and 58.22% after the Proposed ESOS).
- (8) Assuming Gooi Seong Lim, Gooi Seong Heen, Gooi Seong Chneh and Gooi Seong Gum are awarded the maximum allocation of 9,751,375 Options each, representing 10% of the Maximum Scheme Shares (in view that the individuals hold more than 20% of the total number of issued Shares respectively) and assuming they fully exercise such number of Options.

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**Maximum Scenario**

	As at the LPD				Pro forma I Assuming all the treasury shares are resold in the open market			
	Direct		Indirect		Direct		Indirect	
	No. of shares	( <sup>(1)</sup> )(%)	No. of shares	( <sup>(1)</sup> )(%)	No. of shares	( <sup>(2)</sup> )(%)	No. of shares	( <sup>(2)</sup> )(%)
SKL	624,452,616	64.04	-	-	624,452,616	63.96	-	-
Gooi Seong Lim	6,102,532	0.63	( <sup>(3)</sup> )632,435,972	64.86	6,102,532	0.63	( <sup>(3)</sup> )632,435,972	64.77
Gooi Seong Heen	5,568,922	0.57	( <sup>(4)</sup> )628,227,576	64.42	5,568,922	0.57	( <sup>(4)</sup> )628,227,576	64.34
Gooi Seong Chneh	5,127,922	0.53	( <sup>(5)</sup> )628,227,576	64.42	5,127,922	0.53	( <sup>(5)</sup> )628,227,576	64.34
Gooi Seong Gum	417,690	0.04	( <sup>(6)</sup> )628,403,976	64.44	417,690	0.04	( <sup>(6)</sup> )628,403,976	64.36
WPSB	-	-	( <sup>(7)</sup> )624,452,616	64.04	-	-	( <sup>(7)</sup> )624,452,616	63.96
EPW	-	-	( <sup>(7)</sup> )624,452,616	64.04	-	-	( <sup>(7)</sup> )624,452,616	63.96
ACSB	-	-	( <sup>(7)</sup> )624,452,616	64.04	-	-	( <sup>(7)</sup> )624,452,616	63.96
SGH	-	-	( <sup>(7)</sup> )624,452,616	64.04	-	-	( <sup>(7)</sup> )624,452,616	63.96

	Pro forma II Assuming all outstanding warrants are exercised prior to the implementation of the Proposed ESOS				Pro forma III Assuming the maximum number of Options are granted, vested and exercised into new KLR Shares <sup>(9)</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of shares	( <sup>(8)</sup> )(%)	No. of shares	( <sup>(8)</sup> )(%)	No. of shares	( <sup>(10)</sup> )(%)	No. of shares	( <sup>(10)</sup> )(%)
SKL	624,452,616	63.58	-	-	624,452,616	57.80	-	-
Gooi Seong Lim	6,102,532	0.62	( <sup>(3)</sup> )632,435,972	64.40	15,923,441	1.47	( <sup>(3)</sup> )632,435,972	58.54
Gooi Seong Heen	5,568,922	0.57	( <sup>(4)</sup> )628,227,576	63.97	15,389,831	1.42	( <sup>(4)</sup> )628,227,576	58.15
Gooi Seong Chneh	5,127,922	0.52	( <sup>(5)</sup> )628,227,576	63.97	14,948,831	1.38	( <sup>(5)</sup> )628,227,576	58.15
Gooi Seong Gum	417,690	0.04	( <sup>(6)</sup> )628,403,976	63.99	10,238,599	0.95	( <sup>(6)</sup> )628,403,976	58.17
WPSB	-	-	( <sup>(7)</sup> )624,452,616	63.58	-	-	( <sup>(7)</sup> )624,452,616	57.80
EPW	-	-	( <sup>(7)</sup> )624,452,616	63.58	-	-	( <sup>(7)</sup> )624,452,616	57.80
ACSB	-	-	( <sup>(7)</sup> )624,452,616	63.58	-	-	( <sup>(7)</sup> )624,452,616	57.80
SGH	-	-	( <sup>(7)</sup> )624,452,616	63.58	-	-	( <sup>(7)</sup> )624,452,616	57.80

**Notes:-**

- (1) *Based on the existing issued share capital comprising 975,137,587 Shares (excluding 1,248,000 treasury shares held by the Company) as at the LPD.*
- (2) *Based on the enlarged issued share capital comprising 976,385,587 Shares assuming all 1,248,000 treasury shares held by the Company are resold to the open market prior to the implementation of the Proposed ESOS.*
- (3) *Deemed interest by virtue of his interest in WPSB which in turn has an interest in SKL which holds 624,452,616 shares (equivalent to 64.04% as at the LPD and 57.80% after the Proposed ESOS), HY which holds 3,422,160 shares (equivalent to 0.35% as at the LPD and 0.32% after the Proposed ESOS), 3,149,996 shares held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. for Wilgain Holdings Pte. Ltd. (equivalent 0.32% as at the LPD and 0.29% after the Proposed ESOS) of which Gooi Seong Lim is a director and major shareholder and his spouse, Lim Phaik Ean, who holds 1,411,200 shares (equivalent to 0.15% as at the LPD and 0.13% after the Proposed ESOS).*
- (4) *Deemed interest by virtue of his interest in EPW which in turn has an interest in SKL which holds 624,452,616 shares (equivalent to 64.04% as at the LPD and 57.80% after the Proposed ESOS), HY which holds 3,422,160 shares (equivalent to 0.35% as at the LPD and 0.32% after the Proposed ESOS) and his spouse, Looi Kok Yean, who holds 352,800 shares (equivalent to 0.03% as at the LPD and after the Proposed ESOS).*
- (5) *Deemed interest by virtue of his interest in ACSB which in turn has an interest in SKL which holds 624,452,616 shares (equivalent to 64.04% as at the LPD and 57.80% after the Proposed ESOS), HY which holds 3,422,160 shares (equivalent to 0.35% as at the LPD and 0.32% after the Proposed ESOS) and his spouse, Lee Tian C'ean, who holds 352,800 shares (equivalent to 0.03% as at the LPD and after the Proposed ESOS).*
- (6) *Deemed interest by virtue of his interest in SGH which in turn has an interest in SKL which holds 624,452,616 shares (equivalent to 64.04% as at the LPD and 57.80% after the Proposed ESOS), HY which holds 3,422,160 shares (equivalent to 0.35% as at the LPD and 0.32% after the Proposed ESOS) and his spouse, Teo Ai Mei, who holds 529,200 shares (equivalent to 0.05% as at the LPD and after the Proposed ESOS).*
- (7) *Deemed interest by virtue of their interest in SKL which holds 624,452,616 shares (equivalent to 64.04% as at the LPD and 57.80% after the Proposed ESOS).*
- (8) *Based on the enlarged issued share capital comprising 982,090,942 Shares assuming all of the 5,705,355 outstanding Warrants are exercised and converted into 5,705,355 new Shares prior to the implementation of the Proposed ESOS.*
- (9) *Assuming Gooi Seong Lim, Gooi Seong Heen, Gooi Seong Chneh and Gooi Seong Gum are awarded the maximum allocation of 9,820,909 Options each, representing 10% of the Maximum Scheme Shares (in view that the individuals hold more than 20% of the total number of issued Shares respectively) and assuming they fully exercise such number of Options.*
- (10) *Based on the enlarged issued share capital comprising 1,080,300,036 Shares assuming the Maximum Share Schemes are granted, vested and exercised into new KLR Shares.*

## **5.4 Earnings and EPS**

The Proposed ESOS is not expected to have any immediate effect on the EPS of our Group. Nevertheless, EPS of our Group may be diluted as a result of the increase in the number of Shares in issue as and when the Options are exercised into new KLR Shares. Any potential effect on the consolidated earnings and EPS in the future will depend on factors such as the number of Options granted and exercised at any point in time, during the duration of the Proposed ESOS, as the case maybe.

Under MFRS 2, the cost arising from the issuance of the Options is measured by the fair value of the Options, which is expected to vest at the grant date, and is recognised as an expense in the income statement over the vesting period of the Options, thereby reducing the earnings of our Group. However, it should be noted that the estimated cost does not represent a cash outflow as it is merely an accounting treatment. The extent of such impact cannot be determined at this juncture as it is dependent on several factors primarily affecting the fair value of the Options, including but not limited to the Exercise Price of the Options to be granted, the market price of the KLR Shares, the historical trading volatility of the KLR Shares, vesting conditions ascribed to the Options as well as duration and timing of the exercise period.

## 5.5 Convertible securities

Save for the 5,705,355 outstanding Warrants, KLR does not have any convertible securities as at the LPD.

The Proposed ESOS will not result in any adjustments to the exercise price and/or the number of the outstanding Warrants pursuant to the Deed Poll.

## 6. HISTORICAL SHARE PRICES

The monthly highest and lowest transacted market prices of KLR Shares as traded on Bursa Securities for the past 12 months preceding the date of this Circular from August 2023 to July 2024 are as follows:-

	High (RM)	Low (RM)
<b>2023</b>		
August	1.747	1.692
September	1.757	1.682
October	1.833	1.757
November	1.910	1.814
December	1.958	1.881
<b>2024</b>		
January	2.084	1.910
February	2.152	1.996
March	2.172	2.074
April	2.290	2.113
May	2.270	2.170
June	2.210	2.110
July	2.460	2.180
Last transacted market price of KLR Shares as at 19 July 2024, being the last trading date prior to the announcement of the Proposed ESOS (RM)		2.230
Last transacted market price of KLR Shares as at the LPD (RM)		2.250

(Source: Bloomberg)

## 7. APPROVALS REQUIRED/OBTAINED

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

- (i) Bursa Securities, for the listing of and quotation for such number of new Shares, representing up to 10% of the total number of issued Shares (excluding treasury shares, if any), to be issued pursuant to the Proposed ESOS, the approval of which has been obtained vide its letter dated 1 August 2024.

The approval of Bursa Securities is subject to the following conditions:-

No.	Conditions	Status of compliance
(i)	UOBKH is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in a general meeting approving the Proposed ESOS; and	To be complied
(ii)	KLR is required to furnish Bursa Securities on a quarterly basis a summary of the total number of KLR Shares listed pursuant to the Proposed ESOS as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

(ii) the shareholders of KLR at the forthcoming EGM.

#### 8. **CONDITIONALITY OF THE PROPOSALS AND OUTSTANDING CORPORATE PROPOSALS**

Save for the Proposals, there are no other outstanding corporate proposals that have been announced by our Group which are yet to be completed.

The Proposed Allocation is conditional on the Proposed ESOS but not vice versa. The Proposals are not conditional upon any other corporate exercises undertaken or to be undertaken by our Company.

#### 9. **INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

All our executive Directors of KLR are eligible to participate in the Proposed ESOS and are therefore deemed interested in the Proposed ESOS to the extent of their respective allocations under the Proposed ESOS. Notwithstanding this, our Directors have deliberated on the Proposed ESOS, and have agreed to present the Proposed ESOS to our shareholders for their consideration and approval.

In respect of any specific allocation of Options to our executive Directors under the Proposed ESOS, the respective executive Directors shall accordingly abstain from all Board deliberation and voting. In addition, the respective executive Directors shall also abstain from voting in respect of their direct and/or indirect shareholdings, if any, at the forthcoming EGM in respect of the resolutions to be tabled for their respective proposed allocation, if any, as well as the specific allocations to any Eligible Executives who are persons connected with them under the Proposed ESOS.

Further, all our executive Directors have undertaken that they will ensure that all persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in KLR, if any, on the relevant resolutions pertaining to the allocations of the respective executive Directors and the Eligible Executives who are persons connected with them under the Proposed ESOS to be tabled at the forthcoming EGM.

The details of the shareholdings of our executive Directors and Eligible Executives who are persons connected with them as at the LPD are set out as follows:-

Name	As at the LPD			
	Direct		Indirect	
	No. of shares	<sup>(1)</sup> (%)	No. of shares	<sup>(1)</sup> (%)
<b><u>Interested Executive Directors</u></b>				
Gooi Seong Lim	6,102,532	0.63	<sup>(2)</sup> 632,435,972	64.86
Gooi Seong Heen	5,568,922	0.57	<sup>(3)</sup> 628,227,576	64.42
Gooi Seong Chneh	5,127,922	0.53	<sup>(4)</sup> 628,227,576	64.42
Gooi Seong Gum	417,690	0.04	<sup>(5)</sup> 628,403,976	64.44
<b><u>Persons connected with the Interested Executive Directors</u></b>				
Gooi Chuen Kang	-	-	-	-
Gooi Chuen Howe	-	-	-	-
Gooi Khai Chien	-	-	<sup>(6)</sup> 3,149,996	0.32

**Note:-**

- (1) Based on the existing issued share capital comprising 975,137,587 Shares (excluding 1,248,000 treasury shares held by the Company) as at the LPD.
- (2) Deemed interest by virtue of his interest in WPSB which in turn has an interest in SKL which holds 624,452,616 shares (equivalent to 64.04% as at the LPD), HY which holds 3,422,160 shares (equivalent to 0.35% as at the LPD), 3,149,996 shares held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. for Wilgain Holdings Pte. Ltd. (equivalent 0.32% as at the LPD) of which Gooi Seong Lim is a director and major shareholder and his spouse, Lim Phaik Ean, who holds 1,411,200 shares (equivalent to 0.15% as at the LPD).
- (3) Deemed interest by virtue of his interest in EPW which in turn has an interest in SKL which holds 624,452,616 shares (equivalent to 64.04% as at the LPD), HY which holds 3,422,160 shares (equivalent to 0.35% as at the LPD) and his spouse, Looi Kok Yean, who holds 352,800 shares (equivalent to 0.03% as at the LPD).
- (4) Deemed interest by virtue of his interest in ACSB which in turn has an interest in SKL which holds 624,452,616 shares (equivalent to 64.04% as at the LPD), HY which holds 3,422,160 shares (equivalent to 0.35% as at the LPD) and his spouse, Lee T'ian C'eian, who holds 352,800 shares (equivalent to 0.03% as at the LPD).
- (5) Deemed interest by virtue of his interest in SGH which in turn has an interest in SKL which holds 624,452,616 shares (equivalent to 64.04% as at the LPD), HY which holds 3,422,160 shares (equivalent to 0.35% as at the LPD) and his spouse, Teo Ai Mei, who holds 529,200 shares (equivalent to 0.05% as at the LPD).
- (6) Deemed interest by virtue of his interest in 3,149,996 shares held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. for Wilgain Holdings Pte. Ltd. (equivalent 0.32% as at the LPD) of which Gooi Khai Chien is a director and major shareholder.

## 10. DIRECTORS' STATEMENT

Our Board, having considered all aspects of the Proposals, including the rationale and effects (save for the executive Directors who have abstained from deliberations to the extent of their respective allocations and to any Eligible Executives who are persons connected with them) is of the opinion that the Proposals are in the best interest of our Company.

Our executive Directors have abstained from giving any opinion or recommendation on their respective allocations of Options or the allocations of Options to Eligible Executives who are persons connected with them, if any.

Accordingly, our Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

## 11. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposals are expected to be completed by the second half of 2024.

The tentative timetable for the implementation of the Proposals is set out below:-

Date	Event(s)
6 September 2024	<ul style="list-style-type: none"><li>• EGM</li></ul>
Fourth quarter of 2024	<ul style="list-style-type: none"><li>• Implementation of the Proposed ESOS</li></ul>

## 12. EGM

The resolutions in respect of the Proposals will be tabled at the EGM which will be held at the Junior Ballroom, Level 11, DoubleTree by Hilton, No. 12, Jalan Ngee Heng, 80000 Johor Bahru, Johor Darul Takzim on Friday, 6 September 2024 at 11.00 a.m. or any adjournment thereof. The Notice of EGM together with the Form of Proxy are enclosed in this Circular. This Circular together with the Administrative Guide are also available at our Company's website at [www.kimloong.com.my](http://www.kimloong.com.my).

If you are unable to participate and vote at the EGM, you are requested to complete, sign and return the enclosed Form of Proxy and deposit it at Unit No. 203, 2nd Floor, Block C, Damansara Intan, No. 1, Jalan SS 20/27, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 24 hours before the time and date appointed for holding the EGM or at any adjournment thereof. The completion and lodging of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

## 13. FURTHER INFORMATION

Shareholders are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,  
For and on behalf of the Board of  
**KIM LOONG RESOURCES BERHAD**

**GOOI SEONG LIM**  
Executive Chairman

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS**


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**KIM LOONG RESOURCES BERHAD (197501000991 (22703-K))**
**BYE-LAWS OF THE EXECUTIVES' SHARE OPTION SCHEME ("ESOS") FOR ELIGIBLE DIRECTORS AND EXECUTIVES OF KIM LOONG RESOURCES BERHAD**


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**1. DEFINITIONS**

1.1 In this Bye-Laws, unless otherwise specified, the following expressions have the following meanings:

"Act"	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
"Board"	:	Board of directors of the Company
"Board Lot"	:	A parcel of Shares comprising 100 units or any other number of shares permitted to be traded by Bursa Securities as a board lot
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"Bye-Laws"	:	These Bye-Laws of ESOS, as amended from time to time
"Constitution"	:	Constitution of the Company, as amended from time to time
"CDS Account"	:	Central Depository System Account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities
"Date of Offer"	:	The date on which an Offer is made by the ESOS Committee in writing to an Eligible Executive
"Director"	:	Has the same meaning as given in Section 2(1) of the Capital Markets and Services Act 2007 and being a natural person that: <ul style="list-style-type: none"> <li>(i) occupies or acts in the position of director;</li> <li>(ii) is in accordance with whose directors or instructions the directors of a corporation are accustomed to act; or</li> <li>(iii) is an alternate or substitute director,</li> </ul> in any Member of the Group
"Disciplinary Proceeding"	:	Proceedings instituted by the employer of an Option Holder against an Option Holder for any alleged misbehaviour, misconduct or any other acts of an Option Holder or deemed to be unacceptable by that employer whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Option Holder

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**


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“Effective Date”	:	Has the meaning set out in Bye-Law 21.1
“Eligible Executive”	:	Any person who is eligible to participate in the ESOS pursuant to Bye-Law 4.1
“ESOS” or “Scheme”	:	The executive share option scheme established by these Bye-Laws, as may be modified or altered from time to time
“ESOS Committee”	:	The committee comprising the Director(s) and/or senior management of the Group to be approved by the Board pursuant to Bye-Law 2 to implement and administer the Scheme in accordance with these Bye-Laws
“Exercise Price”	:	The exercise price for Shares set out in an Option Certificate as determined by the ESOS Committee under Bye-Law 11
“KLR” or “Company”	:	Kim Loong Resources Berhad (197501000991 (22703-K)) and where the context admits, includes its successors in title
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time
“Market Day”	:	Any day which Bursa Securities is open for trading of securities
“Maximum Aggregate”	:	Has the meaning ascribed to that term in Bye-Law 3.6
“Member of the Group”	:	KLR or any of its subsidiaries, which are not dormant
“Offer(s)”	:	An offer made in writing by the ESOS Committee to an Eligible Executive to participate in the ESOS in the manner provided in these Bye-Laws
“Option(s)”	:	An option contract, by whatever name called, between the Company and the relevant Option Holder, the exercise of which may be conditional or unconditional as determined by the ESOS Committee, constituted by the issuance of an Option Certificate after the acceptance of an Offer
“Option Certificate”	:	A certificate or letter for an Option issued by the Company in relation to an accepted Offer
“Option Exercise Period”	:	The period within the Scheme Period during which an Option may be exercised as determined by the ESOS Committee and specified in an Option Certificate
“Option Holder”	:	An Eligible Executive who is the holder of a valid Option Certificate

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**


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“Principal 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)
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“Scheme Period”	:	The period of the Scheme as set out in Bye-Law 21.1
“Shares” or “KLR Shares”	:	Fully paid ordinary shares in the issued share capital of KLR

- 1.2 In these Bye-Laws, unless the context requires otherwise, words denoting the singular number include the plural number and words denoting one gender include the other gender.
- 1.3 The headings in these Bye-Laws are for convenience only and not to be taken into account in the interpretation of these Bye-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 first Market Day after that day.

## **2. ADMINISTRATION**

- 2.1 The ESOS will be implemented and administered by the ESOS Committee consisting of such persons from the Board and/or senior management of the Group, appointed by the Board from time to time.
- 2.2 The ESOS Committee will administer the Scheme in such manner as it deems fit at its absolute discretion. For the purpose of administering the Scheme, the ESOS Committee may do all such acts and things and enter into 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 expedient for the implementation and administration of, and to give full effect to the Scheme.
- 2.3 The Board has the power at any time and from time to time to:
- (a) approve, rescind and/or revoke the appointment of any member of the ESOS Committee and appoint replacement members to the ESOS Committee; and
  - (b) assume and/or exercise or execute any of the powers and authorities conferred upon the ESOS Committee pursuant to these Bye-Laws.

## **3. BASIS OF ALLOCATION AND QUANTUM OF SHARES AVAILABLE UNDER THE ESOS**

- 3.1 The allocation of Shares to be made available for Offers under the ESOS will be determined by the ESOS Committee at any point in time during the Scheme Period.
- 3.2 The ESOS Committee will determine whether Shares available under the ESOS are to be offered to the Eligible Executive.

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**

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- 3.3 The ESOS Committee may at its sole and absolute discretion decide that the ESOS Options be satisfied by any of the following methods:
- (a) issuance of new Shares;
  - (b) acquisition of existing Shares from the open market;
  - (c) transfer of treasury Shares;
  - (d) payment by cash in lieu of (a), (b) or (c); or
  - (e) any combination of the above.
- 3.4 In considering the settlement of the ESOS Options, the ESOS Committee will take into consideration, among others, factors such as the prevailing market price of the Shares, funding considerations and dilutive effects on the Company's capital base.
- 3.5 (a) Should the ESOS Committee decide to satisfy the Options via payment by cash, the amount to be paid to the Option Holders for each Option exercised will be the excess of the 5-day volume weighted average market price of the Shares up to the date of exercise of the Options over the Exercise Price, if any.
- (b) In cases whether the Options are satisfied by issuance of new Shares, the new Shares to be allotted will not be listed or quoted on the Bursa Securities until an application is made to Bursa Securities for such listing of and quotation for the new Shares in accordance with Bye-Law 7.
- 3.6 At any point of time during the Scheme Period, the aggregate number of Shares comprised in:
- (a) exercised Options;
  - (b) unexercised Options;
  - (c) unexpired Offers pending acceptances by the Eligible Executives; and
  - (d) exercised options, unexercised options and unexpired offers pending acceptances, under any other executive share schemes established by the Company which are still subsisting,
- (the "**Aggregate**") must not exceed an amount equivalent to 10% of the issued and paid-up ordinary shares (excluding treasury shares, if any) of the Company at any point in time during the Scheme Period (the "**Maximum Aggregate**").
- 3.7 Notwithstanding the provision of Bye-Law 3.6 and any other provision herein contained, if the Company purchases or cancels its own Shares in accordance with the provisions of Section 127 of the Act or undertakes any other corporate exercise resulting in the reduction of the Company's issued and paid-up Shares (excluding treasury shares, if any), the following provisions will apply in respect of future Offers but all the Options granted prior to such purchase and/or reduction/ adjustment of the issued share capital of the Company will remain valid or exercisable in accordance with the provisions of the Bye-Laws as if the reduction/ adjustment had not occurred:
- (a) if, after such purchase, cancellation and/or reduction, the aggregate number of Options granted (whether or not exercise) by the Company as at the date of purchase, cancellation and/or reduction of Shares is greater than the Maximum Aggregate, no further Offers will be offered until the Aggregate falls below the Maximum Aggregate; and

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**

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- (b) if, after such purchase, cancellation and/or reduction, the aggregate number of Options granted (whether or not exercised) by the Company as at the date of purchase, cancellation and/or reduction of Shares is less than the Maximum Aggregate, the ESOS Committee may make further Offers but only until such Aggregate is equivalent to the Maximum Aggregate after such purchase, cancellation and/or reduction.

**4. ELIGIBILITY**

4.1 To be eligible for participation in the ESOS, a person must satisfy the following conditions as at the Date of Offer (the “**Eligible Executives**”):

- (a) be at least 18 years of age and is neither an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (b) employed on a full time basis and has neither served a notice to resign nor received a notice of termination as an:
  - (i) executive Director of KLR; or
  - (ii) executive Director of a Member of the Group (other than KLR) or an executive within the Member of the Group (excluding dormant subsidiaries):
    - (A) who is on the payroll of a Member of the Group for a continuous period of at least 12 months (excluding any probation period) after the confirmation of employment; and
    - (B) whose employment is on fixed term employment or service contract will further subject to the following conditions:
      - (aa) for those who have reached the retirement age and are re-employed by any Member of the Group on contract basis, the contract term must be of at least 2 years; or
      - (bb) for those who do not fall within paragraph (aa) above, the contract term must be of at least 3 years;
  - (iii) executive Director or an executive of any newly acquired Member of the Group and the said executive Director or executive has completed at least 12 months of continuous service following the date such company is deemed to be a Member of the Group; or
  - (iv) of such other eligibility criteria as may be determined by the ESOS Committee at its sole and absolute discretion from time to time.

For the avoidance of doubt,

- (a) the ESOS shall not be extended to the non-Executive Directors of the Group; and
- (b) if an Eligible Executive holds more than 1 position in any Member of the Group, he will only be entitled to Options allocation for any one of his positions only, which is to be determined at the absolute discretion of the ESOS Committee.

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**

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- 4.2 The ESOS Committee may from time to time at its absolute discretion select and identify suitable Eligible Executives to be offered Options, after taking into consideration various factors pertaining to the Eligible Executive such as position, ranking, performance, seniority, the number of years of service, contribution and potential contribution to the continued success of the Group and any other factors deemed appropriate by the ESOS Committee including waiving any conditions of eligibility as set out in Bye-Law 4.1 above.
- 4.3 Eligibility under the ESOS does not confer an Eligible Executive a claim or right to participate in or any rights whatsoever under the ESOS and an Eligible Executive does not acquire or has any rights over or in connection with Offers comprised in the ESOS unless an Option Certificate has been issued by the Company to the Eligible Executive.
- 4.4 No Offers, allocation of Options under the Scheme and the related allotment of Shares shall be made to the following persons unless the shareholders of KLR in a general meeting shall have approved the specific allocation and allotment to such persons:
- (a) any person who is a director, major shareholder or chief executive of KLR or holding company of KLR ("**Interested Director**", "**Interested Major Shareholder**" and "**Interested Chief Executive**"); or
  - (b) a person connected with an Interested Director, Interested Major Shareholder or Interested Chief Executive ("**Interested Person Connected with a Director, Major shareholder or Chief Executive**").

In a general meeting to obtain shareholder approval in respect of the above allocation and allotment:

- (a) the Interested Director, Interested Major Shareholder, Interested Chief Executive or Interested Person Connected with a Director, Major Shareholder or Chief Executive; and
- (b) where the allocation and allotment is in favour of an Interested Person Connected with a Director, Major Shareholder or Chief Executive, such Interested Director, Interested Major Shareholder or Interested Chief Executive,

must not vote on the resolution approving the said allocation and allotment. An Interested Director, Interested Major Shareholder or Interested Chief Executive must ensure that such persons connected with him/her abstain from voting on the resolution approving the said allocation and allotment.

## 5. MAXIMUM ALLOWABLE ALLOCATION

- 5.1 Subject to the prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authority as may be amended from time to time, the allocation to an Eligible Executive (excluding treasury Shares) of the Company must not exceed 10% of the Maximum Aggregate and:

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**

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- (a) a selected Eligible Executive 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 Executive and the allocation of Options to any persons connected with them, if any;
  - (b) no allocation of more than 70% of the total Options will be made in aggregate to the executive Directors and/or senior management of the Group on the basis that they are crucial to the performance of the Group as determined by the ESOS Committee at their sole and absolute discretion; and
  - (c) no allocation of more than 10% of the total Options will be made to any Eligible Executives who, either singly or collectively through persons connected with them, holds 20% or more of the total number of issued shares (excluding treasury shares, if any) of the Company.
- 5.2 In the circumstances where the maximum allowable allocation as provided in the Listing Requirements on employees share scheme is amended by Bursa Securities (or any relevant authority) from time to time, the ESOS Committee has the discretion to make the necessary adjustments so that the number of Shares comprised in the Options that may be offered to any Eligible Executive will be in accordance with the provisions of the Listing Requirements on employees share scheme.

**6. RIGHTS ATTACHING TO THE SHARES**

- 6.1 If any new Shares are to be allotted and issued upon the exercise of an Option, such new Shares will, upon issuance and allotment, rank *pari passu* in all respects with the existing Shares of the Company, except that the new Shares will not be entitled to any dividends, rights, entitlements or distributions which may be declared, made or paid to shareholders of the Company, for which the entitlement date precedes the allotment date of the new Shares and will be subject to all the provisions of the Constitution relating to transfer, transmission and otherwise.
- 6.2 The Options shall not carry rights to vote at any general meeting of the Company until and unless such Option Holder exercises their Options into Shares.
- 6.3 If any treasury Shares are to be transferred upon the exercise of an Option, the treasury Shares will be transferred together with all dividends, rights, entitlements and distributions, in respect of which the entitlement date is on or after the transfer date.
- 6.4 For the purpose hereof, the expression "entitlement date" means the date as at the close of business on which shareholders must be registered as members of the Company in order to participate in any dividends, rights, entitlements or distributions.

**7. LISTING OF AND QUOTATION FOR NEW SHARES**

The Company will apply to Bursa Securities for listing of and quotation for any new Shares to be issued under the ESOS and will use its best endeavours to obtain permission for such listing and quotation.

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**

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**8. OPTION OFFERS**

- 8.1 The ESOS Committee may at its absolute discretion at any time and from time to time as it deems fit make one or more Offers to an Eligible Executive under or pursuant to the ESOS. An Offer may be made upon such terms and conditions as the ESOS Committee may, at its absolute discretion, decide from time to time, and shall be in such form and substance as determined by the ESOS Committee.
- 8.2 Subject to any adjustment which may be made under Bye-Law 16, the ESOS Committee may, from time to time, at its absolute discretion determine the number of Shares and the terms and conditions to be comprised in an Offer made to an Eligible Executive under the ESOS.
- 8.3 The ESOS Committee has the discretion in determining whether the Options granted will be on staggered basis over the duration of the Scheme or in 1 single grant.
- 8.4 The ESOS Committee may also at its absolute discretion whether the Options are subject to any vesting period and if so, the vesting conditions, which may include among others, the achievement of relevant service objectives and specific performance targets of the Eligible Executives and/or the Group as measured by both qualitative and quantitative key performance indicators including financial and non-financial performance measures as determined by the ESOS Committee during the duration of the ESOS.

**9. ACCEPTANCE OF OFFERS**

- 9.1 Unless otherwise specified in an Offer, an Offer must be accepted by the Eligible Executive within 30 days from the Date of Offer (or such longer period of time as may be permitted by the ESOS Committee at its absolute discretion) by way of a written notice of acceptance and in such manner as may be prescribed by the ESOS Committee, and accompanied by a non-refundable sum of RM1.00 only payable to the Company. The date of receipt by the Company of such written notice and payment constitute the date of acceptance.
- 9.2 The Company must within 30 days from the date of acceptance issue to the Option Holder an Option Certificate in such form as may be determined by the ESOS Committee.
- 9.3 If an Offer is not accepted in the manner aforesaid, such Offer will upon the expiry of the period referred to in Bye-Law 9.1 automatically lapse and be null and void and of no further effect.
- 9.4 The Offer is personal to the Option Holder and cannot be assigned, transferred, encumbered or otherwise disposed of in any other manner whatsoever, without the prior consent of the ESOS Committee. An Offer or any part thereof which has not been accepted will automatically lapse and be null and void.

**10. RETENTION PERIOD**

Upon the exercise of an Option under the ESOS, the Shares received by the Option Holder may be subject to such retention period as may be determined by the ESOS Committee at its absolute discretion.

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**

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**11. EXERCISE PRICE**

The ESOS Committee may at its absolute discretion determine the Exercise Price provided that the Exercise Price so fixed must not be at a discount of more than 10% from the 5-day weighted average market price of the Shares transacted on the Bursa Securities preceding the Date of Offer.

**12. EXERCISE OF OPTIONS**

12.1 Except where it is otherwise specifically allowed under these Bye-Laws, the Option offered to an Option Holder under the ESOS is exercisable by that Option Holder only during his employment or directorship with the Group, within the Option Exercise Period and subject to any other terms and conditions as may be contained in the Option Certificate. The minimum period which an Option must be held before it can be exercised, if any, may be determined by the ESOS Committee at its absolute discretion.

12.2 Subject to Bye-Law 12.3, an Option offered under the ESOS is only capable of being exercised on a Market Day within the Option Exercise Period.

12.3 An Option Holder may, in a particular period, exercise his Option up to such maximum number of Shares as determined by the ESOS Committee and specified in the Option Certificate.

12.4 All Options must be exercised by the end of the Scheme Period, failing which all remaining unexercised Options will automatically lapse and be null and void and of no further effect.

12.5 An Option Holder must notify the Company in writing of his intention to exercise his Option in such form as may be prescribed by the ESOS Committee. The Option or the balance thereof may be exercised in full (subject to any prescribed limit) or in respect of such lesser number of Shares as the Option Holder may decide to exercise provided that such lesser number must be in multiples of and not less than a Board Lot.

12.6 Every notice of exercise of an Option must be accompanied by the relevant Option Certificate, and remittance for the full amount payable in relation to the number of Shares in respect of which the Option is being exercised and the Option Holder must provide the relevant Company with his CDS Account number. An Option is deemed to be exercised upon the receipt by the Company of the said notice duly completed, the Option Certificate and the full amount of the exercise price in the manner as specified by the ESOS Committee for the exercise of the Option.

12.7 Subject to any approval of any competent authority as may be necessary, the Bye-Laws and provisions of the Constitution, the Company must:

- (a) within 8 Market Days (or such other period as may be prescribed in the Listing Requirements) of receiving such notice, issue and allot or procure the issuance and allotment of the relevant number of Shares and despatch the notice of allotment to the Option Holder; and/or

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**

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- (b) as soon as practicable upon receiving such notice, transfer or procure the transfer of the relevant number of treasury Shares or other existing Shares and despatch the notice of transfer to the Option Holder.

No physical share certificate will be issued.

12.8 Where an Option is exercised only in part, the Option Certificate will be endorsed by the ESOS Committee stating, *inter-alia*, the number of Shares comprised in the Option which remain capable of exercise.

12.9 Notwithstanding anything to the contrary contained in these Bye-Laws, the ESOS Committee has the absolute discretion, by notice in writing to an Option Holder who is being subjected to any Disciplinary Proceeding to suspend his rights to exercise his Option pending the outcome of such Disciplinary Proceeding. In addition to this right of suspension, the ESOS Committee may impose such terms and conditions as it deems appropriate, in its absolute discretion, on the right of exercise of the Option having regard to the nature of the charges made or brought against such Option Holder, provided always that:

- (a) in the event such Option Holder is found not guilty of the charges which gave rise to such Disciplinary Proceeding at the end of its proceedings, the ESOS Committee will reinstate the rights of such Option Holder to exercise his Option as if such Disciplinary Proceeding had not been instituted in the first place;
- (b) in the event the Disciplinary Proceeding resulted in a recommendation for the dismissal or termination of service of such Option Holder, the Option will immediately lapse and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of service of such Option Holder notwithstanding that such recommendation may be subsequently challenged by the Option Holder in any other forum; and
- (c) in the event such Option Holder is found guilty but no dismissal or termination of service is recommended, the ESOS Committee has the right to determine at its absolute discretion whether or not the Option Holder may continue to exercise his Option and if so, to impose such limits, terms and conditions as the ESOS Committee deems appropriate, on such exercise.

### 13. TAKE-OVER

13.1 Notwithstanding Bye-Law 12, in the event of a takeover offer being made for the Company by a general offer or otherwise and resulting in a change of control or in the event of a general offer being made for the Company and leading to or resulting in the shares of the Company no longer being listed or quoted on the Bursa Securities (which will be notified by the Company or the ESOS Committee) and upon such offer becoming or being declared unconditional, the ESOS Committee may at its absolute discretion allow any Option Holder, within such period as may be determined by the ESOS Committee, to exercise in whole or in part the Option remaining unexercised and any Options remaining unexercised will, unless the ESOS Committee in its absolute discretion otherwise determines, lapse and be null and void.

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**

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- 13.2 In addition, if any person becomes entitled or bound to exercise rights of compulsory acquisition of the Shares of the Company under the provisions of the Act or the Capital Markets and Services Act 2007 and gives notice to an Option Holder that it intends to exercise such rights on a specific date, the ESOS Committee may at its absolute discretion allow any Option Holder to exercise in whole or in part the Option remaining unexercised until the expiry of such specified date and any Options remaining unexercised will, unless the ESOS Committee in its absolute discretion otherwise determines, lapse and be null and void.
- 13.3 Notwithstanding Bye-Laws 13.1 and 13.2, the exercise of Options must nevertheless be within the Option Exercise Period.

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

Notwithstanding Bye-Law 12, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed 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 pursuant to any other applicable laws, the ESOS Committee may at its absolute discretion allow any Option Holder to exercise all or any part of his Option remaining 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, in the opinion of the ESOS Committee, it has been fully implemented, or on any other date specified by the ESOS Committee within the Option Exercise Period, failing which any unexercised Options and any Options remaining unexercised will, unless the ESOS Committee in its absolute discretion otherwise determine, lapse and be null and void.

**15. TERMINATION OF OPTIONS**

- 15.1 Upon the cessation of employment of an Option Holder with any Member of the Group for any reason whatsoever prior to the exercise of his Option or any part thereof, any outstanding Option will forthwith cease and become incapable of exercise as if the same had never been granted in the first place unless the ESOS Committee decides otherwise.
- 15.2 Where the Option Holder ceases his employment with any Member of the Group by reason of:
- (a) ill-health, injury or disability;
  - (b) other reasons or circumstances which are acceptable to the ESOS Committee,

the ESOS Committee may at its absolute discretion allow the Option Holder to exercise in whole or in part the Option remaining unexercised within such period as the ESOS Committee may allow and upon the expiry of such period as determined by the ESOS Committee, any Options remaining unexercised will lapse and be null and void.

- 15.3 Where an Option Holder retires and is immediately re-employed by any Member of the Group, upon his re-employment, the ESOS Committee may at its absolute discretion allow the Option Holder to either:
- (a) exercise in whole or in part his unexercised Option within such period as the ESOS Committee may allow; or
  - (b) continue with the Option, subject to these Bye-Laws as if that Option Holder has never ceased employment.

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- 15.4 With effect from the date of adjudication of bankruptcy of an Option Holder, any and all unexercised portion of the Option will immediately become null and void and of no further effect as if the same had never been granted in the first place.
- 15.5 In the event that an Option Holder dies before exercising the Option in full, such Option will automatically lapse and become null and void at the date of his death, unless otherwise decided by the ESOS Committee. If the ESOS Committee, at its absolute discretion so permits, the Option may be exercised by the duly appointed personal representative of the Option Holder to its full extent within such period as may be determined by the ESOS Committee.
- 15.6 If an Option lapses in accordance with the terms of its Option Certificate, any and all unexercised portion of that Option will immediately become null and void and of no further effect as if the same had never been granted in the first place.
- 15.7 The number of Shares comprised in unexercised Options which becomes null and void under this Bye-Law 15 will not form part of the Maximum Aggregate and continue to be available under the ESOS.

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

- 16.1 In the event of any alteration in the capital structure of the Company during the Scheme Period, whether by way of rights issue, bonus issue or other capitalisation issues, subdivision or consolidation of Shares or reduction of capital or any other variation of capital being effected, the ESOS Committee may determine whether a material dilution or enlargement of the rights of the Option Holder would result from such alteration in the capital structure of the Company during the Scheme Period and if it so determines (i.e. that a material dilution or enlargement of the rights of the Option Holder would result from such alteration in the capital structure of Company), adjustments in:-

- (a) the Exercise Price; and/or
- (b) the number of Shares comprised in the Offer;

may be made in order to prevent dilution or enlargement provided that no adjustments will be made in the event of any alteration in the capital structure of the Company in respect of which rights/benefits arising therefrom are accrued to the Shares pursuant to Bye-Law 6.

- 16.2 If the ESOS Committee decides that no material dilution or enlargement of the rights of the Option Holder would result from an alteration in the capital structure of the Company and no adjustments will be made, the ESOS Committee must inform the Option Holder of this decision through an announcement to all the Eligible Executives to be made in such manner deemed appropriate by the ESOS Committee.
- 16.3 Subject to Bye-Law 16.4, any adjustment in the Exercise Price and/or number of Shares comprised in Offers must comply with the requirements of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities (including the Listing Requirements) and must, where appropriate and to the extent possible, endeavour to give each Option Holder the same proportion of the issued ordinary shares of the Company as that to which he was previously entitled.
- 16.4 Any adjustment pursuant to this Bye-Law 16 must be made in accordance with the formula as set out below on the Market Day immediately following the book closure date for the event giving rise to the adjustment:

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- (a) If and whenever a consolidation or subdivision or conversion of Shares occurs, then the Exercise Price will be adjusted and the additional number of Shares comprised in the Offer will be calculated in accordance with the following formula:

$$\begin{aligned} \text{New Exercise Price} &= S \times \left[ \frac{U}{V} \right] \\ \text{Additional number of Shares} &= T \times \left[ \frac{V}{U} \right] - T \end{aligned}$$

where

- S = existing Exercise Price; and  
T = existing number of Shares comprised in the Offer that remains unexercised.  
U = aggregate number of Shares (excluding Shares held as treasury shares, if any) in the share capital of the Company immediately preceding such consolidation, subdivision or conversion; and  
V = aggregate number of Shares (excluding Shares held as treasury shares, if any) in the share capital of Company after such consolidation, subdivision or conversion.

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

- (b) If and whenever Company makes any issue of Shares to its ordinary shareholders of Company credited as fully paid, by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Exercise Price will be adjusted by multiplying it by the following formula:

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

and the additional number of Shares comprised in the Offer will be calculated as follows:

$$\text{Additional number of Shares} = T \times \left[ \frac{A+B}{A} \right] - T$$

where

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

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**


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B = the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of Company credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund); and

T = as T above.

Each such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for such issue.

- (c) If and whenever Company makes:
- (i) a Capital Distribution (as defined below) to its ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
  - (ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for Shares by way of rights; or
  - (iii) any offer or invitation to its ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into Shares or securities with rights to acquire or subscribe for Shares,

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

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

and in respect of the case referred to in Bye-Laws 16.4(c)(ii) and (c)(iii) hereof, the additional number of Shares comprised in the Offer will be calculated as follows:

$$\text{Additional number of Shares} = T \times \left[ \frac{C}{C - D^*} \right] - T$$

where

C = the Current Market Price (as defined in Bye-Law 16.4(h) below) of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation;

D = (aa) in the case of an offer or invitation to acquire or subscribe for Company Shares by way of rights under Bye-Law 16.4(c)(ii) above or for securities convertible into Shares or securities with rights to acquire or subscribe for Shares under Bye-Law 16.4(c)(iii) above, the value of rights attributable to 1 Share (as defined below); or

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**


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- (bb) in the case of any other transaction falling within Bye-Law 16.4(c) hereof, the fair market value, as determined by an auditor of Company, of that portion of the Capital Distribution attributable to 1 Share.

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

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

where

- C = as C above;
- E = the subscription price for 1 additional Share under the terms of such offer or invitation or subscription price for 1 additional Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for 1 Share under the offer or invitation;
- F = the number of Shares necessary for a shareholder of the Company to hold in order to be offered or invited to acquire or subscribe for 1 additional Share or security convertible into rights to acquire or subscribe for 1 additional Share; and
- D\* = the value of rights attributable to 1 Share (as defined below); and

For the purpose of definition D\* above, the “value of rights attributable to 1 Share” will be calculated in accordance with the formula:

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

where

- C = as C above;
- E\* = the subscription price for 1 additional Share under the terms of such offer or invitation to acquire or subscribe for Shares; and
- F\* = the number of Shares necessary for a shareholder of the Company to hold in order to be offered or invited to acquire or subscribe for 1 additional Share.

For the purpose of Bye-Law 16.4(c) hereof, “Capital Distribution” (without prejudice to the generality of that expression) includes distributions in cash or specie or by way of issue of Shares (not falling under Bye-Law 16.4(b) hereof) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account or capital redemption reserve fund).

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**


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Any dividend charged or provided for in the accounts of any period will (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders of Company as shown in the audited consolidated profit and loss account of Company.

Such adjustments will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for the above transactions.

- (d) If and whenever Company makes an allotment to its ordinary shareholders as provided in Bye-Law 16.4(b) above and also makes an offer or invitation to its ordinary shareholders as provided in Bye-Law 16.4(c)(ii) or (c)(iii) above and the record date for the purpose of the allotment is also book closure date for the purpose of the offer or invitation, the Exercise Price will be adjusted by multiplying it by the following formula:

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

and where Company makes an allotment to its ordinary shareholders as provided in Bye-Law 16.4(b) above and also makes an offer or invitation to its ordinary shareholders as provided in Bye-Law 16.4(c)(ii) above and the record date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the additional number of Shares comprised in the Offer will be calculated as follows:

Additional number of Shares:

$$= T \times \left[ \frac{(G + H^* + B) \times C - T}{(G \times C) + (H^* \times I^*)} \right]$$

where

B = as B above;

C = as C above;

G = the aggregate number of issued and fully paid-up Shares on the book closure date;

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

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

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

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**


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I\* = the subscription price of 1 additional Share under the offer or invitation to acquire or subscribe for Shares; and

T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for such issue.

- (e) If and whenever Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in Bye-Law 16.4(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares as provided in Bye-Law 16.4(c)(iii) above, the Exercise Price will be adjusted by multiplying it by the following formula:

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

and the additional number of Shares comprised in the Offer will be calculated as follows:

Additional number of Shares

$$= T \times \left[ \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

where

C = as C above;

G = as G above;

H = as H above;

H\* = as H\* above;

I = as I above;

I\* = as I\* above;

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

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for 1 additional Share; and

T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for the above transactions.

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**


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- (f) If and whenever Company makes an allotment to its ordinary shareholders as provided in Bye-Law 16.4(b) above and also makes an offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in Bye-Law 16.4(c)(ii) above, together with rights to acquire or subscribe for securities convertible into Shares or with rights to acquire or subscribe for Shares as provided in Bye-Law 16.4(c)(iii) above, and the entitlement date for the purpose of allotment is also the book closure for the purpose of the offer or invitation, the Exercise Price will be adjusted by multiplying it by the following formula:

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

and the additional number of Shares comprised in the Offer will be calculated as follows:

Additional number of Shares

$$= T \times \left[ \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

where

B	=	as B above;
C	=	as C above;
G	=	as G above;
H	=	as H above;
H*	=	as H* above;
I	=	as I above;
I*	=	as I* above;
J	=	as J above;
K	=	as K above; and
T	=	as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for the above transactions.

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**


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- (g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders of Company and requiring an adjustment under Bye-Laws 16.4(c)(ii), (c)(iii), (d), (e) or (f) above) Company issues either any Shares or any securities convertible into Shares or any rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than 90% of the Average Price for 1 Share (as defined below) or, as the case may be, the price at which the Shares will be issued and/or transferred upon conversion of such securities or exercise of such rights is determined, the Exercise Price will be adjusted by multiplying it by the following formula:

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

where

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

For the purpose of Bye-Law 16.4(g), the “Total Effective Consideration” will be determined by the Board with the concurrence of an auditor or relevant expert in the following manner:

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

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

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**

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For the purpose of Bye-Law 16.4(g), the Average Price of a Share will be the average price of 1 Share as derived from the last transacted share prices for one or more Board Lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

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

- (h) For the purpose of Bye-Law 16.4(c), (d), (e) and (f), the “Current Market Price” in relation to 1 Share for any relevant day shall be the volume weighted average market price for the 5 consecutive Market Days before such date.
- 16.5 In the event that a fraction of a Share arises from the adjustments referred to in this Bye-Law 16, the number of Shares comprised in the Options or Offers will automatically be rounded down to the nearest whole number.
- 16.6 If an event occurs that is not set out in Bye-Law 16.4 or if the application of any of the formula stipulated in Bye-Law 16.4 results in a manifest error or in the opinion of the ESOS Committee is not appropriate, the ESOS Committee may agree to an adjustment subject to the provision of Bye-Law 16.3.
- 16.7 The ESOS Committee must in writing and within thirty 30 Market Days of any adjustment as determined by the ESOS Committee pursuant to Bye-Law 16, notify the Option Holders and holders of Offers (or his legal or personal representatives where applicable) of the adjustments.
- 16.8 No adjustments as provided in Bye-Law 16 or otherwise will apply where the alteration in the capital structure of the Company arises from:
- (a) an issue of securities in consideration or part consideration for an acquisition;
  - (b) a special issue of securities to Bumiputera investors nominated by the Ministry of Investment, Trade and Industry, Malaysia and/or any other government authority to comply with Government policy on Bumiputera capital participation;
  - (c) an issue of securities as a private placement;
  - (d) a restricted issue of securities;
  - (e) implementation of a share buy-back arrangement by the Company under Section 127 of the Act;
  - (f) any issue of warrants, convertible loan stocks or other instruments by the Company that gives a right of conversion into Shares (other than pursuant to a bonus issue), and any issue of new Shares arising from the exercise of any conversion rights attached to such convertible securities;
  - (g) any issue of new Shares upon the exercise of Options;
  - (h) any issue of new Shares under any other executive share scheme established by the Company; or
  - (i) an issue of new Shares arising from a dividend reinvestment scheme which allows shareholders of the Company an option to elect to reinvest their cash dividend entitlements into new Shares.

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**

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**17. TRANSFER TO OTHER COMPANIES NOT WITHIN THE GROUP**

Notwithstanding Bye-Law 12, where an Option Holder who was employed in a Member of the Group and is subsequently transferred from any Member of the Group to an associate company of KLR, any unexercised Options must be exercised by the Option Holder within 6 months from the date of the transfer, failing which the unexercised Option will automatically lapse and be null and void and of no further effect upon the expiry of the 6 months' period.

**18. AMENDMENT, MODIFICATION AND/OR VARIATION TO THE ESOS**

18.1 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 Bye-Laws as it shall in its sole and absolute discretion think fit and the Board shall at any time and from time to time have the power by resolution to add to, amend, modify and/or delete all or any part of these Bye-Laws upon such recommendation.

18.2 The approval of the shareholders of the Company in a general meeting shall not be required in respect of additions, amendments and/or modifications to or deletion of these Bye-Laws save and except if such additions, amendments, modifications and/or deletions would:

- (a) prejudice any rights then accrued to any Option Holder(s) without the prior consent or sanction of that Option Holder(s) (as the case may be);
- (b) increase the number of KLR Shares available under the ESOS beyond the Maximum Aggregate as set out in Bye-Law 3 above;
- (c) prejudice any rights of the shareholders of the Company without the prior approval of the Company's shareholders in a general meeting; or
- (d) alter to the advantage of any Eligible Executive and/or Option Holder in respect of any matters which are required to be contained in the Bye-Laws by virtue of paragraphs (1) to (8) of the Appendix 6E of the Listing Requirements, without the prior approval of the Company's shareholders in a general meeting unless allowed otherwise by the provisions of the Listing Requirements.

18.3 Any amendments/modifications to the Bye-Laws shall not contravene any of the provisions stipulated under the Listing Requirements and/or any other relevant regulatory authority in relation to share issuance schemes and/or share grant schemes.

18.4 Upon amending and/or modifying all or any of the provisions of the ESOS, the Company shall within 5 Market Days after the effective date of the amendments caused to be submitted to Bursa Securities the amended Bye-Laws and a confirmation letter in the form required under the Listing Requirements that the said amendments and/or modifications complies and does not contravene any of the provisions of the Listing Requirements on share issuance schemes and/or share grant schemes (as the case may be) and the Rules of Bursa Depository.

18.5 The ESOS Committee shall within 5 Market Days of any amendments and/or modifications made pursuant to these Bye-Laws notify the Option Holder in writing of any amendments and/or modifications made pursuant to these Bye-Laws.

18.6 The decision of the Board as to the amendments or modifications of the provisions of the ESOS and these Bye-Laws is final, conclusive and binding.

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**

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**19. DIVESTMENT FROM THE GROUP**

19.1 If an Option Holder was in the employment of a Member of the Group which was subsequently divested, then:

(a) notwithstanding such divestment or any of the provisions of any Bye-Law herein, the ESOS Committee may at its absolute discretion allow the Option Holder to continue to exercise in whole or in part the Option remaining unexercised within such period as the ESOS Committee may determine, failing which the right of such Option Holder to exercise his Option will automatically lapse and be null and void and of no further force and effect; and

(b) such Option Holder shall not be eligible to participate further under the ESOS.

19.2 For the purpose of Bye-Law 19.1, a corporation shall be deemed to be divested from the Group in the event that such corporation would no longer be a subsidiary of the Group pursuant to Section 4 of the Act.

**20. LIQUIDATION OF THE COMPANY**

20.1 Upon the commencement of winding-up of the Company, all unaccepted Offers, all Options for which Shares have not yet been transferred, will lapse and be null and void and be of no further force and effect.

20.2 The winding-up of any Member of the Group other than the Company will have no effect on ESOS or the provisions herein.

**21. DURATION AND TERMINATION OF THE ESOS**

21.1 Subject to Bye-Laws 21.3 and 21.4, the ESOS will be in force for a period of 5 years from the date ("**Effective Date**") after the date of full compliance with all the relevant requirements of the Listing Requirements (the "**Scheme Period**"), including the following:

(a) submission of the final copy of the Bye-Laws to Bursa Securities together with a letter of compliance pursuant to Paragraph 2.12 and to Paragraph 6.42 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;

(b) the receipt of approval-in-principle for the listing of and quotation for the Shares to be issued under the ESOS from Bursa Securities;

(c) procurement of approval of shareholders of the Company for the ESOS at a general meeting to be convened; and

(d) fulfillment of all conditions attached to the aforesaid approvals, if any.

21.2 Within 5 Market Days from the Effective Date, the Company must through the Principal Adviser submit a confirmation to Bursa Securities of full compliance with approvals and/or conditions set out in Bye-Law 21.1 stating the Effective Date, together with a certified true copy of the relevant resolution passed by the shareholders of the Company in a general meeting approving the Scheme.

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**

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- 21.3 On or before the expiry of the Scheme Period, the Scheme may be extended at the sole and absolute discretion of the Board upon recommendation of the ESOS Committee, without having to obtain approval from the shareholders of the Company in a general meeting, for a further period of up to 5 years immediately from the expiry of the Scheme Period, but will not in aggregate exceed 10 years from the Effective Date. In the event that the Scheme is extended, the Company shall serve appropriate notices on each Option Holder within 30 days prior to the expiry of the Scheme Period.
- 21.4 The Scheme may be terminated by the Board at its sole and absolute discretion upon recommendation by the ESOS Committee at any time during the Scheme Period by written notice to the affected Option Holders, without obtaining the approvals from the Option Holder or the approval from the shareholders of the Company in a general meeting for the termination of the Scheme, provided the ESOS Committee may in its sole and absolute discretion, continue to fulfill its contractual obligation to all Option Holders. Upon termination of the Scheme:
- (a) no further Offers can be made by the Company;
  - (b) all Offers which have yet to be accepted by the Eligible Executives will automatically lapse and be null and void; and
  - (c) all unexercised Options will be automatically terminated and be null and void.

**22. TAXES**

All taxes (including income tax), if any, arising from the exercise of any Option under the ESOS are to be borne by the Option Holders.

**23. COSTS AND EXPENSES**

- 23.1 The Option Holders will be responsible for all charges of Bursa Depository relating to or in connection with the allotment and issuance or transfer of any Shares in Bursa Depository's name and the crediting of the Shares to the Option Holders' CDS Accounts.
- 23.2 Save for the taxes referred to in Bye-Law 22 and the fees referred to in Bye-Law 23.1, all fees, costs and expenses in relation to the ESOS including but not limited to the fees, costs and expenses relating to the allotment and issuance or transfer of the Shares by or on behalf of the Company pursuant to the exercise of any Option will be borne by the Company. However, the Company can require the relevant Member of the Group to reimburse the Company for any fees, costs and expenses borne by the Company (whether directly or indirectly), or to pay for such fees, costs and expenses directly.

**24. DELAY OF PERFORMANCE AND DISCLAIMER OF LIABILITY**

The performance of any obligations provided herein may be delayed, prohibited or become impossible by reason of events beyond the control of the Company, the Board or the ESOS Committee.

Notwithstanding any provisions contained herein and subject to the Act, the Board, the ESOS Committee, the Company and any Member of the Group will not under any circumstances be held liable for any cost, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's or the relevant Member of the Group's delay in transferring or causing to be transferred, any Shares to the Option Holders, or allotting and issuing the new Shares or in applying for or procuring the listing of and quotation for the new Shares on Bursa Securities.

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**

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**25. DISPUTES**

Any dispute or difference of any nature arising under these Bye-Laws will be referred to the decision of the Board, whose decision will be final and binding in all respects on the Option Holders.

**26. NO RIGHT TO COMPENSATION / NOT TERM OF EMPLOYMENT**

26.1 The ESOS does not afford an Option Holder the right to compensation or damages in the event of the cessation of his employment or appointment for any reason whatsoever.

26.2 The ESOS does not form part, and will not in any way be construed as part, of the terms and conditions of employment of any Eligible Executives. Participation in this ESOS by an Option Holder is a matter entirely separate from his terms or conditions of employment and participation in this ESOS will in no respects whatever affect in any way his terms and conditions of employment or form part of such terms and conditions. In particular (but without limiting the generality of the foregoing words) any Holder who leaves employment will not be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under this ESOS 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 or otherwise howsoever.

**27. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS**

All Option Holders are entitled to inspect a copy of the latest audited financial statements of the Company which will be made available at the registered office of the Company during normal office hours on any working day of the Company.

**28. NOTICE**

28.1 Any notice/communication which under the Scheme is required to be given to or served upon the Company, the ESOS Committee or the relevant Member of the Group by an Eligible Executive or Option Holder must be given or served in writing and either delivered by hand or sent to the registered office of the Company by facsimile or ordinary mail. Such notice/communication is deemed to have been duly given or served on the Company, the ESOS Committee or the relevant Member of the Group:

- (a) if sent by hand, upon delivery at the registered address of the Company;
- (b) if sent by mail, upon actual receipt; and
- (c) if sent by facsimile, upon receiving a transmission receipt.

28.2 Any notice/communication which under the Scheme is required to be given to or served upon an Eligible Executive or Option Holder by the Company, the ESOS Committee or relevant Member of the Group will be deemed to be sufficiently given or served if the notice/communication is in writing and either delivered by hand or sent to the Eligible Executive or Option Holder by facsimile or ordinary mail addressed to them at their place of employment or at the last address known to the relevant Member of the Group as being their address. Any notice/communication served by post as aforesaid will be deemed to have been received on the third day after the day the letter is posted, including that day.

28.3 Any notice/communication served after the Company's official working hours will be deemed to have been served on the next working day.

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**DRAFT BYE-LAWS OF THE PROPOSED ESOS (CONT'D)**

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**29. CONSTITUTION**

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

**30. INTERPRETATION**

The ESOS Committee has the authority to interpret these Bye-Laws, to define the terms therein and to give effect to the terms and conditions of the ESOS. The interpretation by and the decision of the ESOS Committee is final and binding.

**31. TRUSTEES AND FINANCIAL ASSISTANCE**

31.1 The Company may make any arrangements it deems fit to acquire and hold Shares for the purpose of the ESOS, including appointing a trustee or trust company upon such terms and conditions as the Company may deem fit to enable the trustee to acquire or hold existing Shares (treasury Shares or otherwise) or to subscribe for new Shares for the purpose of the ESOS.

31.2 The Company and any subsidiary or any third party may provide financial or other permissible assistance under the Act and the Listing Requirements to enable the trustee or trust company appointed from time to time to acquire or hold existing Shares (treasury Shares or otherwise), or to subscribe for new Shares, to be held for the purposes of the ESOS.

31.3 The Company shall have power from time to time to appoint, rescind or terminate the appointment of any trustee as it deems fit in accordance with the provisions of the trust deed to be executed at any time during the Scheme Period. The ESOS Committee shall not be under any obligation to give any reasons for such appointment, rescission or termination. The ESOS Committee shall have the power from time to time, at any time, to negotiate with the trustee to amend the provisions of the trust deed.

**32. SEVERABILITY**

If at any time any provision of these Bye-Laws is or becomes illegal, void or unenforceable in any respect, the same will be ineffective to the extent of such illegality, voidness or unenforceability without in validating the remainder hereof, and any such illegality, voidness or unenforceability will not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision contained in these Bye-Laws.

**33. GOVERNING LAW**

The Scheme is governed by and construed in accordance with the laws of Malaysia. The Eligible Executive, by accepting the Offer in accordance with the Bye-Laws, the terms of the ESOS and the Constitution of the Company, irrevocably submit to the exclusive jurisdiction of the courts of Malaysia.

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**FURTHER INFORMATION**

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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

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

**2. CONSENT**

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

**3. DECLARATION OF CONFLICT OF INTERESTS**

UOBKH has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser to KLR for the Proposals.

**4. MATERIAL LITIGATION**

As at the LPD, neither KLR nor its subsidiary are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and does not have any knowledge of any legal proceedings pending or threatened against our Company and/or our subsidiary or of any fact likely to give rise to any proceedings, which may materially or adversely affect the financial position and/or business of our Group.

**5. MATERIAL COMMITMENTS**

As at the LPD, our Board is not aware of any material commitments incurred or known to be incurred by our Group that has not been provided for which, upon becoming enforceable, may have a material impact on the profits or net asset position of our Group.

**6. CONTINGENT LIABILITIES**

As at the LPD, there are no contingent liabilities incurred or known to be incurred which upon becoming enforceable, may have a material impact on the profits or net asset position of our Group.

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**FURTHER INFORMATION (CONT'D)**

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**7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of our Company at Unit No. 203, 2<sup>nd</sup> Floor, Block C, Damansara Intan, No. 1, Jalan SS 20/27, 47400 Petaling Jaya, Selangor Darul Ehsan during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:-

- (i) the constitution of our Company;
- (ii) the draft Bye-Laws as set out in **Appendix I** of this Circular;
- (iii) the letters of consent and declaration of conflict of interest referred to in **Sections 2 and 3** of this **Appendix II**;
- (iv) the audited consolidated financial statements of our Group for the past 2 FYEs 31 January 2023 and 31 January 2024; and
- (v) the latest unaudited quarterly results of our Group for the 3-month financial period ended 30 April 2024.

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**KIM LOONG**  
RESOURCES BERHAD

錦隆資源有限公司  
197501000991 (22703-K)

**KIM LOONG RESOURCES BERHAD**

(Registration No. 197501000991 (22703-K))  
(Incorporated in Malaysia)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Extraordinary General Meeting (“EGM”) of Kim Loong Resources Berhad (“KLR” or the “Company”) will be held at the Junior Ballroom, Level 11, DoubleTree by Hilton, No. 12, Jalan Ngee Heng, 80000 Johor Bahru, Johor Darul Takzim on Friday, 6 September 2024 at 11.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:-

**ORDINARY RESOLUTION 1**

**PROPOSED ESTABLISHMENT OF AN EXECUTIVES’ SHARE OPTION SCHEME (“ESOS”) OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (“KLR SHARE(S)” OR “SHARE(S)”) (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT IN TIME DURING THE DURATION OF THE ESOS TO BE GRANTED TO THE ELIGIBLE EXECUTIVE DIRECTORS AND EXECUTIVES (“ELIGIBLE EXECUTIVE(S)”) OF KLR AND ITS SUBSIDIARIES (EXCLUDING DORMANT SUBSIDIARIES) (“KLR GROUP” OR THE “GROUP”) (“PROPOSED ESOS”)**

**“THAT** subject to the approvals of all relevant regulatory authorities for the listing of and quotation for the new KLR Shares to be issued arising from the exercise of the options granted under the Proposed ESOS (“**Option(s)**”) on the Main Market of Bursa Securities, the Board is hereby authorised (i) to establish, implement and administer an ESOS for the benefit of the Eligible Executives, and to grant the Options in accordance with the terms set out in the Bye-Laws of the Proposed ESOS (“**Bye-Laws**”) a draft of which is set out in **Appendix I** of the Circular, for a period of 5 years from the effective date of the Proposed ESOS, which may be extended or renewed (as the case may be) for a further period of 5 years or such shorter period, at the sole and absolute discretion of the Board, **PROVIDED ALWAYS** that the total period of the ESOS shall not exceed a duration of 10 years, (ii) to modify and/or amend the Proposed ESOS from time to time as may be required, permitted or deemed necessary by the authorities and/or the Board provided that such modifications and/or amendments are effected and permitted in accordance with the provisions of the Bye-Laws relating to modifications and/or amendments, deeds or undertakings and (iii) 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;

**THAT** the Board shall, from time to time, allot and issue and/or transfer such number of new KLR Shares as may be required to be issued pursuant to the exercise of the Options provided that the total number of new KLR Shares to be issued under the Proposed ESOS shall not in aggregate exceed 10% of the prevailing number of issued shares of KLR (excluding treasury shares, if any) at any point in time during the duration of the Proposed ESOS;

**THAT** the new KLR Shares to be issued arising from the exercise of the Options will, upon allotment and issuance, rank equally in all respects with the existing KLR Shares, save and except that the new KLR Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distributions that may be declared, made or paid where the entitlement date precedes the date of allotment of the new KLR Shares;

**THAT** the Bye-Laws be approved and the Board is hereby authorised to give full effect to the Proposed ESOS and to sign and execute the Bye-Laws and all other documents to give effect to the Proposed ESOS with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the terms and conditions of the Bye-Laws;

**THAT** the Board is hereby authorised to appoint and authorise a committee (“**ESOS Committee**”) by which the Proposed ESOS will be implemented and administered in accordance with the Bye-Laws by the said ESOS Committee. The members of the ESOS Committee shall comprise such persons as shall be appointed from time to time by the Board;

**AND THAT** in connection with the above, pursuant to Section 85 of the Companies Act 2016 (the “**Act**”), to be read together with Clause 50 of the Constitution of the Company, the shareholders of the Company do hereby waive their statutory pre-emptive rights to be first offered Options and/or any new shares ranking equally to the existing issued shares of the Company pursuant to the Proposed ESOS.”

## **ORDINARY RESOLUTIONS 2 TO 8**

### **PROPOSED ALLOCATION OF OPTIONS TO THE ELIGIBLE EXECUTIVE DIRECTORS AND ELIGIBLE EXECUTIVES WHO ARE PERSONS CONNECTED TO THE ELIGIBLE EXECUTIVE DIRECTORS PURSUANT TO THE PROPOSED ESOS (“PROPOSED ALLOCATION”)**

“**THAT** subject to the passing of Ordinary Resolution 1 as well as the approvals of all relevant authorities, and for so long as this approval remains in force, approval be and is hereby given to the Board to authorise the ESOS Committee, to offer and grant Options at any time and from time to time during the duration of the Proposed ESOS as provided in the Bye-Laws, to each of the Directors of KLR and the Eligible Executives who are persons connected with them as named therein below:-

<b>No.</b>	<b>Name</b>	<b>No. of Options to be awarded</b>	<b>Ordinary Resolution</b>
(i)	Gooi Seong Lim (Executive Chairman)	Up to 9,820,909	<b>Ordinary Resolution 2</b>
(ii)	Gooi Seong Heen (Managing Director)	Up to 9,820,909	<b>Ordinary Resolution 3</b>
(iii)	Gooi Seong Chneh (Executive Director)	Up to 9,820,909	<b>Ordinary Resolution 4</b>
(iv)	Gooi Seong Gum (Executive Director)	Up to 9,820,909	<b>Ordinary Resolution 5</b>
(v)	Gooi Chuen Kang (Eligible Executive who is a person connected with Gooi Seong Heen)	Up to 9,820,909	<b>Ordinary Resolution 6</b>
(vi)	Gooi Chuen Howe (Eligible Executive who is a person connected with Gooi Seong Heen)	Up to 9,820,909	<b>Ordinary Resolution 7</b>
(vii)	Gooi Khai Chien (Eligible Executive who is a person connected with Gooi Seong Lim)	Up to 9,820,909	<b>Ordinary Resolution 8</b>

provided always that:-

- (a) the abovementioned persons must not participate in the deliberation or discussion of their own allocation of Options and the allocation of Options to any Eligible Executives who are persons connected with them, if any;
- (b) the allocation to any of the abovementioned persons who, either singly or collectively through persons connected to him/her, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any), must not exceed 10% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the Proposed ESOS as provided in the Bye-Laws; and
- (c) not more than 70% of the Options available under the Proposed ESOS shall be allocated, in aggregate, to the executive Directors and senior management of the Group who are Eligible Executives;

**THAT** the proposed allocation of Options to the abovementioned persons shall be subject always to such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the Bye-Laws governing and constituting the Proposed ESOS;

**AND THAT** the Board be further authorised to allot and issue and/or transfer such number of KLR Shares pursuant to the Proposed ESOS to the abovementioned persons from time to time, subject to the exercise of such Options that may be granted to them under the Proposed ESOS.”

By Order of the Board,  
**KIM LOONG RESOURCES BERHAD**

**CHONG FOOK SIN**

CCM PC No. 202008000484  
(MACS 00681)

**KAN CHEE JING**

CCM PC No. 202008000596  
(MAICSA 7019764)

**CHUA YOKE BEE**

CCM PC No. 202008000604  
(MAICSA 7014578)  
Company Secretaries

Petaling Jaya  
20 August 2024

**NOTES:**

- (1) A member whose name appear in the Record of Depositors as at 30 August 2024 shall be regarded as a member entitled to attend, speak and vote at the meeting.
- (2) Proxy-

A member entitled to attend and vote at the meeting is entitled to appoint any person as his proxy to attend, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. To be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company not less than twenty-four (24) hours before the time set for holding the meeting or any adjournment thereof. If the appointor is a corporation, this Form must be executed under its common seal or under the hand of its attorney. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.



**KIM LOONG**  
RESOURCES BERHAD

錦隆資源有限公司  
197501000991(22703-K)

## FORM OF PROXY

CDS Account No.	
Contact No.	

I/We, \_\_\_\_\_  
 Company No./NRIC No. (new) \_\_\_\_\_ (old) \_\_\_\_\_  
 of \_\_\_\_\_  
 being (a) member(s) of Kim Loong Resources Berhad do hereby appoint: \_\_\_\_\_  
 NRIC No. (new) \_\_\_\_\_ (old) \_\_\_\_\_  
 of \_\_\_\_\_  
 and/or failing whom \_\_\_\_\_ NRIC No. (new) \_\_\_\_\_  
 (old) \_\_\_\_\_ of \_\_\_\_\_

or failing whom the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at the Junior Ballroom, Level 11, DoubleTree by Hilton, No. 12, Jalan Ngee Heng, 80000 Johor Bahru, Johor Darul Takzim on Friday, 6 September 2024 at 11.00 a.m. or at any adjournment thereof in the manner as indicated below:-

No.	Ordinary Resolution	For	Against
1.	Proposed ESOS		
2.	Proposed allocation of Options to Gooi Seong Lim (Executive Chairman)		
3.	Proposed allocation of Options to Gooi Seong Heen (Executive Director)		
4.	Proposed allocation of Options to Gooi Seong Chneh (Executive Director)		
5.	Proposed allocation of Options to Gooi Seong Gum (Executive Director)		
6.	Proposed allocation of Options to Gooi Chuen Kang (Eligible executive who is a person connected with Gooi Seong Heen)		
7.	Proposed allocation of Options to Gooi Chuen Howe (Eligible executive who is a person connected with Gooi Seong Heen)		
8.	Proposed allocation of Options to Gooi Khai Chien (Eligible executive who is a person connected with Gooi Seong Lim)		

(Please indicate with an 'X' in the appropriate box against the resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

Dated this day \_\_\_\_\_ day of \_\_\_\_\_ 2024

No. of Shares Held	
For appointment of two proxies, percentage of shareholdings to be represented by proxies:	
No. of shares	Percentage
<b>Proxy 1</b>	
<b>Proxy 2</b>	
<b>Total</b>	<b>100%</b>

\_\_\_\_\_  
Signature(s)/Common Seal of Member(s)

### NOTES:

*A member whose name appear in the Record of Depositors as at 30 August 2024 shall be regarded as a member entitled to attend, speak and vote at the meeting.*

*A member entitled to attend and vote at the meeting is entitled to appoint any person as his proxy to attend, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

*To be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company not less than twenty-four (24) hours before the time set for holding the meeting or any adjournment thereof. If the appointor is a corporation, this Form must be executed under its common seal or under the hand of its attorney.*

*Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*



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AFFIX  
STAMP

The Secretary  
**KIM LOONG RESOURCES BERHAD**  
Unit No. 203, 2<sup>nd</sup> Floor, Block C,  
Damansara Intan,  
No. 1, Jalan SS 20/27,  
47400 Petaling Jaya,  
Selangor Darul Ehsan.

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