

**THIS CIRCULAR TO SHAREHOLDERS OF OCR GROUP BERHAD ("OCR" OR THE "COMPANY") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

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**OCR GROUP BERHAD**

[Registration No. 199701025005 (440503-K)]  
(Incorporated in Malaysia)

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

- (I) **PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 98,600,000 NEW ORDINARY SHARES IN THE COMPANY TO MACQUARIE BANK LIMITED ("PROPOSED SHARE ISSUANCE"); AND**
- (II) **PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS" OR "SCHEME") INVOLVING UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (EXCLUDING TREASURY SHARES, IF ANY) FOR ELIGIBLE DIRECTORS AND EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES ("PROPOSED ESOS")**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*



**MERCURY SECURITIES SDN BHD**

[Registration No. 198401000672 (113193-W)]  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("EGM") of OCR to be held at Level 16 Persoft Tower, 6B Persiaran Tropicana, Tropicana Golf and Country Resort, 47410 Petaling Jaya, Selangor on Friday, 7 February 2020 at 10.00 a.m. or at any adjournment thereof is enclosed together with the Form of Proxy in this Circular.

You are requested to complete, sign and return the enclosed Form of Proxy and deposit it at Company Share Register Office, Boardroom Share Registrars Sdn. Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time and date indicated below if you are not able to attend the EGM. 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at the EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.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 the Form of Proxy | : | Wednesday, 5 February 2020 at 10.00 a.m. |
| Day, date and time of the EGM                         | : | Friday, 7 February 2020 at 10.00 a.m.    |

This Circular is dated 21 January 2020

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## DEFINITIONS

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

|                               |  |
|-------------------------------|--|
| <b>Act</b>                    | - Companies Act, 2016, as amended from time to time including any re-enactment thereof   |
| <b>BNM</b>                    | - Bank Negara Malaysia   |
| <b>Board</b>                  | - The Board of Directors of OCR  |
| <b>Bursa Depository</b>       | - Bursa Malaysia Depository Sdn Bhd [198701006854 (165570-W)]  |
| <b>Bursa Securities</b>       | - Bursa Malaysia Securities Berhad [200301033577 (635998-W)]   |
| <b>By-laws</b>                | - The rules, terms and conditions governing the Scheme as may be modified, amended, varied or supplemented from time to time, a draft of which is appended in Appendix II of this Circular   |
| <b>Circular</b>               | - This circular to Shareholders in relation to the Proposals   |
| <b>Code</b>                   | - Malaysian Code on Take-Overs and Mergers, 2016 as amended from time to time  |
| <b>Committed Subscription</b> | - As further detailed in Section 2.1 of this Circular  |
| <b>Convertible Securities</b> | - Collectively, the ICPS, the Warrants C and the Warrants D  |
| <b>Date of Offer</b>          | - The date of the Offer made by the ESOS Committee to an Eligible Person in the manner provided in the By-laws   |
| <b>Directors</b>              | - The directors of OCR   |
| <b>Effective Date</b>         | - The date on which the Scheme shall take effect, to be determined by the ESOS Committee, following full compliance with all relevant requirements prescribed under the Listing Requirements   |
| <b>EGM</b>                    | - Extraordinary General Meeting  |
| <b>Eligible Persons</b>       | - Collectively, the Executive Directors and the Employees who meet the criteria of eligibility for participation in the ESOS as set out in the By-laws   |
| <b>Employees</b>              | - A natural person who has attained the age of 18 years and is employed by, and is on the payroll of, any company in the Group (which are not dormant) and whose employment has been confirmed in writing and falls within any other eligibility criteria that may be determined by the ESOS Committee from time to time at its discretion |
| <b>EPS</b>                    | - Earnings per Share   |
| <b>ESOS Committee</b>         | - The committee appointed and authorised by the Board from time to time to administer the Scheme in accordance with the By-laws, comprising such number of Directors and/or other persons identified and appointed from time to time by the Board  |
| <b>ESOS or Scheme</b>         | - Employees' share options scheme for the granting of the Options to the Eligible Person(s) to subscribe for new OCR Shares upon the terms as set out in the By-laws, such scheme to be known as the "OCR Group Berhad Employees' Share Option Scheme"   |

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**DEFINITIONS (CONT'D)**

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|---------------------------------------|--|
| <b>Executive Director</b>             | - A director of the Company who, on the Date of Offer, is on the payroll of the Company and is involved in the day-to-day management of the Company  |
| <b>Exercise Price</b>                 | - The price at which a Grantee shall be entitled to subscribe for each new Share from the Company upon the exercise of the Option, as initially determined and as may be adjusted in accordance with the provisions of the By-laws   |
| <b>FPE</b>                            | - Financial period ended   |
| <b>FYE</b>                            | - Financial year(s) ended / ending   |
| <b>Grantee</b>                        | - Any Eligible Person who has accepted an Offer in the manner provided in the By-laws  |
| <b>GDC</b>                            | - Gross development cost   |
| <b>GDV</b>                            | - Gross development value  |
| <b>Group Member</b>                   | - Any company within the OCR Group   |
| <b>ICPS</b>                           | <p>- Outstanding irredeemable convertible preference shares issued by the Company which are expiring on 24 July 2021.</p> <p>The ICPS are convertible into new Shares at the conversion mode of surrendering either:-</p> <p>(a) 10 ICPS; or</p> <p>(b) 1 ICPS with cash payment of RM0.45,</p> <p>for 1 new Share</p> |
| <b>LAT</b>                            | - Loss after taxation  |
| <b>Listing Requirements</b>           | - Main Market Listing Requirements of Bursa Securities   |
| <b>LPD</b>                            | - 7 January 2020, being the latest practicable date prior to the printing of this Circular   |
| <b>Macquarie Bank or the Investor</b> | - Macquarie Bank Limited (Australian Business No. 46 008 583 542), a company incorporated in Australia and having its business office at 50 Martin Place, Sydney NSW 2000, Australia   |
| <b>Macquarie Malaysia</b>             | - Macquarie Capital Securities (Malaysia) Sdn Bhd [199801007342 (463469-W)], a member of the Macquarie group of companies  |
| <b>Major shareholder</b>              | - A Shareholder which holds 10% or more of the total number of issued Shares or, if such Shareholder is the largest Shareholder, 5% or more of the total number of issued Shares   |
| <b>Maximum Scenario</b>               | - Assuming all the outstanding Convertible Securities as at the LPD are converted and/or exercised into new Shares prior to the commencement of the Subscription Period  |

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**DEFINITIONS (CONT'D)**

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|--|---|
| <b>Maximum Shares</b>                              | - Maximum number of new Shares to be issued pursuant to the exercise of the Options that may be granted under the Scheme and shall not in aggregate exceed 15% of the total number of issued shares of OCR (excluding treasury shares, if any)                                |
| <b>Mercury Securities or the Principal Adviser</b> | - Mercury Securities Sdn Bhd [198401000672 (113193-W)]  |
| <b>MFRS 2</b>                                      | - Malaysian Financial Reporting Standards 2   |
| <b>Minimum Scenario</b>                            | - Assuming none of the outstanding Convertible Securities as at the LPD are converted and/or exercised into new Shares prior to the commencement of the Subscription Period   |
| <b>Minimum Subscription Shares</b>                 | - As further detailed in Section 2.1 of this Circular   |
| <b>NA</b>  | - Net assets  |
| <b>OCR or the Company</b>                          | - OCR Group Berhad [199701025005 (440503-K)]  |
| <b>OCR Group or the Group</b>                      | - Collectively, OCR and its subsidiaries  |
| <b>OCR Shares or Shares</b>                        | - Ordinary shares in the Company  |
| <b>Offer</b>                                       | - Written offer of Options at the discretion of the ESOS Committee, to an Eligible Person from time to time within the duration of the Scheme   |
| <b>Official List</b>                               | - The official list of the Main Market of Bursa Securities  |
| <b>Option Period</b>                               | - The period commencing from the Effective Date and expiring on (a) the last day of the duration of the Scheme, or (b) such other date as stipulated by the ESOS Committee in the Offer, or (c) on the date of termination or expiry of the Scheme as provided in the By-laws |
| <b>Options</b>                                     | - The right of a Grantee to subscribe for new Shares, during the Option Period, at the Exercise Price pursuant to an Offer duly accepted by the Grantee   |
| <b>PAT</b>   | - Profit after taxation   |
| <b>Proposals</b>                                   | - Collectively, the Proposed Share Issuance and the Proposed ESOS   |
| <b>Proposed ESOS</b>                               | - Proposed establishment of the ESOS involving up to 15% of the total number of issued Shares (excluding treasury shares, if any) of the Company  |
| <b>Proposed Share Issuance</b>                     | - Proposed allotment and issuance of up to 98,600,000 new OCR Shares to the Investor in accordance with the terms and conditions of the Subscription Agreement  |
| <b>Record of Depositors</b>                        | - A record of securities holders provided by Bursa Depository under the Rules of Bursa Depository   |
| <b>RM and sen</b>                                  | - Ringgit Malaysia and sen respectively   |

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**DEFINITIONS (CONT'D)**

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|---|--|
| <b>Rules of Bursa Depository</b>                                | - The rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991 as amended from time to time, including the Securities Industry (Central Depositories) Amendment Act, 1998  |
| <b>Rules on Take-Overs, Mergers and Compulsory Acquisitions</b> | - Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC pursuant to Section 377 of the Capital Markets and Services Act, 2007 as amended from time to time   |
| <b>SC</b>   | - Securities Commission Malaysia   |
| <b>Shareholders</b>   | - Registered holders of OCR Shares   |
| <b>Subscription Agreement</b>                                   | - Conditional subscription agreement dated 17 December 2019 entered into between OCR and Macquarie Bank in relation to the Proposed Share Issuance   |
| <b>Subscription Closing Date</b>                                | - The date on which all the conditions precedent in the Subscription Agreement are declared satisfied or expressly waived by the Investor, provided that such a date shall not be later than 2 months from the date of the Subscription Agreement  |
| <b>Subscription Notice Date</b>                                 | - The date on which the Company receives the relevant subscription notice from the Investor in relation to a subscription pursuant to the Proposed Share Issuance  |
| <b>Subscription Expiry Date</b>                                 | - The Subscription Agreement shall, subject to necessary regulatory and Shareholders' approvals being duly obtained and in force during the relevant period, expire on (i) the date which is 12 months from the Subscription Closing Date, or (ii) if the Subscription Agreement is terminated earlier in accordance with the terms of the Subscription Agreement, such earlier termination date   |
| <b>Subscription Period</b>                                      | - The period commencing from (and including) the Subscription Closing Date to (but excluding) the Subscription Expiry Date   |
| <b>Subscription Price</b>                                       | <p>- The price at which the Investor shall subscribe for each OCR Share upon its subscription of Subscription Shares, which shall be the price as determined in accordance with the terms of the Subscription Agreement.</p> <p>Subject to the terms of the Subscription Agreement, on each Subscription Notice Date, the Subscription Price of each Subscription Share shall be an amount equivalent to 90% of the VWAP of the Shares as traded on Bursa Securities during the 5 consecutive Trading Days immediately preceding the relevant Subscription Notice Date, and to be rounded up to 3 decimal places</p> |
| <b>Subscription Shares</b>                                      | - New OCR Shares to be issued to the Investor pursuant to the Proposed Share Issuance, in accordance with the terms and conditions of the Subscription Agreement   |
| <b>Subscription Total</b>                                       | - Up to 98,600,000 Subscription Shares under the Proposed Share Issuance   |
| <b>Trading Days or Market Days</b>                              | - Any day on which Bursa Securities is open for trading in securities and on which the Shares are freely tradeable for the scheduled trading session   |
| <b>VWAP</b>   | - Volume-weighted average market price   |

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**DEFINITIONS (CONT'D)**

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**Warrants C**

- OCR warrants 2016 / 2021 issued by the Company pursuant to the Deed Poll C and expiring on 24 July 2021. Each Warrant C entitles its holder to subscribe for 1 new Share at the exercise price of RM0.50

**Warrants D**

- OCR warrants 2019 / 2022 issued by the Company pursuant to the Deed Poll D and expiring on 18 February 2022. Each Warrant D entitles its holder to subscribe for 1 new Share at the exercise price of RM0.22

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

In this Circular, words referring to the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations, 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 stated. Any discrepancies in the tables between the amounts stated, actual figures and the totals thereof in this Circular 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 the 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. There can be no assurance that such forward-looking statements will materialise, be fulfilled or be achieved, and the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Company’s plans and objectives will be achieved.

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**TABLE OF CONTENTS**

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**LETTER FROM THE BOARD TO SHAREHOLDERS IN RELATION TO THE PROPOSALS CONTAINING:-**

| <b>SECTION</b>   | <b>PAGE</b> |
|--|-------------|
| 1. INTRODUCTION  | 1           |
| 2. PROPOSED SHARE ISSUANCE   | 2           |
| 3. PROPOSED ESOS   | 9           |
| 4. RATIONALE FOR THE PROPOSALS   | 15          |
| 5. INDUSTRY OUTLOOK AND FUTURE PROSPECTS   | 17          |
| 6. EFFECTS OF THE PROPOSALS  | 20          |
| 7. APPROVALS REQUIRED AND CONDITIONALITY   | 27          |
| 8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM | 28          |
| 9. BOARD'S RECOMMENDATION  | 29          |
| 10. ESTIMATED TIMEFRAME FOR COMPLETION   | 30          |
| 11. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION                         | 30          |
| 12. EGM  | 31          |
| 13. FURTHER INFORMATION  | 31          |
| APPENDIX I FURTHER INFORMATION   | 32          |
| APPENDIX II SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT                          | 35          |
| APPENDIX III DRAFT BY-LAWS   | 45          |
| NOTICE OF EGM  | ENCLOSED    |
| FORM OF PROXY  | ENCLOSED    |

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## OCR GROUP BERHAD

[Registration No. 199701025005 (440503-K)]  
(Incorporated in Malaysia)

### Registered office:

49-B, Jalan Melaka Raya 8  
Taman Melaka Raya  
75000 Melaka

21 January 2020

### Board of Directors

YAM Tunku Azudinhshah Ibni Tunku Annuar (*Chairman / Independent Non-Executive Director*)  
Ong Kah Hoe (*Group Managing Director*)  
Hj. Abdullah Bin Abdul Rahman (*Independent Non-Executive Director*)  
Dato' Lim Heng Ee (*Independent Non-Executive Director*)  
Lee Chin Cheh (*Non-Independent Non-Executive Director*)  
Admiral (R) Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Hj Ahmad Badaruddin (*Independent Non-Executive Director*)

### To: The Shareholders

Dear Sirs,

- (I) **PROPOSED SHARE ISSUANCE; AND**
- (II) **PROPOSED ESOS**

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

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#### **1. INTRODUCTION**

On 17 December 2019, Mercury Securities had, on behalf of the Board, announced that OCR proposes to undertake the Proposals.

On 14 January 2020, Mercury Securities had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 13 January 2020, granted its approval for the following:-

- (i) listing and quotation of up to 98,600,000 new Shares to be issued pursuant to the Proposed Share Issuance; and
- (ii) listing and quotation of such number of additional new Shares, representing up to 15% of the issued share capital of the Company, to be issued upon exercise of Options under the Proposed ESOS.

The approvals by Bursa Securities for the above are subject to, amongst others, the conditions as set out in Section 7 of this Circular.

The purpose of this Circular is to provide you with relevant information on the Proposals and to set out the views and recommendation of the Board as well as to seek your approval for the resolution pertaining to the Proposals which will be tabled at the forthcoming EGM of the Company. The Notice of the EGM and the Form of Proxy are enclosed in this Circular.



**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED THEREIN BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS AT THE FORTHCOMING EGM.**

## **2. PROPOSED SHARE ISSUANCE**

### **2.1 Details of the Proposed Share Issuance**

The Proposed Share Issuance will entail the issuance of up to 98,600,000 OCR Shares. The Subscription Total is a commercial term negotiated between OCR and Macquarie Bank. Subject to the terms and conditions of the Subscription Agreement, the Proposed Share Issuance may be implemented in multiple tranches and each tranche may be subscribed by the Investor at any time on or before the Subscription Expiry Date.

The Subscription Total of 98,600,000 OCR Shares represents:-

- (i) 29.75% of the total number of 331,428,630 issued OCR Shares as at the LPD; and
- (ii) 22.93% and 15.34% of the enlarged total number of issued OCR Shares after the Proposed Share Issuance under the Minimum Scenario and Maximum Scenario respectively.

Please refer to Section 6.1 of this Circular for the effects of the Proposed Share Issuance on the share capital of the Company.

Notwithstanding the above, the Investor undertakes and warrants under the Subscription Agreement that it shall not purchase or subscribe (and shall not be required to purchase or subscribe) OCR Shares to the extent that the purchase or subscription would:-

- (i) require the Investor to undertake a take-over offer for all or substantially all of the OCR Shares and other securities that the Investor does not already hold in the Company under the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions or any other applicable law or regulations; or
- (ii) breach any foreign ownership limit imposed by the relevant authorities in Malaysia.

Further, Macquarie Bank may sell any of the Subscription Shares before, on or after any Subscription Notice Date.

In addition, Macquarie Bank has expressed that it does not have any intention to seek the nomination of any person to the Board or the removal or replacement of any person from the Board or to participate in the management or decision making of the Company.

Pursuant to the Subscription Agreement, Macquarie Bank will be the sole owner of the Subscription Shares and has the sole discretion to subscribe for the Subscription Shares. Notwithstanding this, under the terms of the Subscription Agreement, Macquarie Bank is committed to subscribe to a minimum number of Subscription Shares of at least 10% of the traded volume of OCR Shares on Bursa Securities on the Trading Days within the Subscription Period, excluding any Unqualified Trading Days (as defined in Appendix II of this Circular) ("**Committed Subscription**") ("**Minimum Subscription Shares**"), subject to the Subscription Total of 98,600,000 OCR Shares.

Strictly for illustrative purposes, based on the historical volume of OCR Shares of the past 12 calendar months commencing from 1 January 2019 up to 31 December 2019 of 425.3 million Shares, and further assuming there are no Unqualified Trading Days during the relevant period, 10% of the traded volume will amount to approximately 42.5 million Shares. In this instance, the Minimum Subscription Shares that the Investor commits to subscribe for during the Subscription Period of 12 months would be equal to the Subscription Total of 42.5 million Subscription Shares. The subscription for the remaining 56.1 million Subscription Shares under the Proposed Share Issuance during the Subscription Period shall be at the Investor's sole discretion.

In relation to the above, in the event that:-

- (i) the Investor subscribes for only a portion of the Subscription Total of 98,600,000 Subscription Shares; or
- (ii) the funds raised from the Proposed Share Issuance are insufficient to finance the intended utilisation of proceeds as detailed in Section 2.6 of this Circular (for example if aggregate number of Subscription Shares issued are less than the Subscription Total or if any Subscription Shares are issued at a Subscription Price below the Floor Price (as defined in Section 2.4 below) upon mutual agreement between OCR and Macquarie Bank),

the Company will finance the shortfall through internally generated funds, bank borrowings and/or other funding alternatives (which may include other fund raising exercises to be undertaken by the Company) at the discretion of the Board. The exact breakdown cannot be determined at this juncture as it will depend on the actual amount of proceeds raised from the Proposed Share Issuance as well as the availability and suitability of other funding options at the relevant time.

Please refer to Section 2.6 below for further details on the intended utilisation of proceeds and Appendix II of this Circular for the salient terms of the Subscription Agreement.

## **2.2 Ranking of the Subscription Shares**

The Subscription Shares to be issued under the Proposed Share Issuance shall, upon allotment, issue and payment of the Subscription Price, rank equally in all respects with the then existing issued Shares, save and except that the holders of such Subscription Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of the Subscription Shares.

## **2.3 Listing of the Subscription Shares**

The Company had on 13 January 2020 obtained the approval from Bursa Securities for the listing of the Subscription Shares on the Main Market of Bursa Securities.

## **2.4 Basis of determining the price of the Subscription Shares**

The Subscription Price is equal to 90% of the VWAP of the Shares as traded on Bursa Securities during the 5 consecutive Trading Days immediately preceding the relevant Subscription Notice Date.

### **Note:-**

- (1) *Based on the terms of the Subscription Agreement, the calculation of the VWAP excludes crossing transactions and block trades, whether on-market or off-market.*

If the Subscription Price calculated in accordance with the preceding paragraph is less than the floor price of RM0.240 ("**Floor Price**"), the Subscription Price for that Subscription shall be equal to the Floor Price unless otherwise agreed between OCR and Macquarie Bank. For the avoidance of doubt, this means that the Subscription Price can never be lower than the Floor Price unless otherwise agreed between OCR and Macquarie Bank. The parties may separately agree with respect to any Subscription to issue and subscribe for the relevant Subscription Shares at a Subscription Price (calculated in accordance with the preceding paragraph) that is less than the Floor Price<sup>(1)</sup>.

**Note:-**

(1) *This flexibility provision provides the Company with an avenue to continue raising funds in the event where the share price of the Company dips to below the Floor Price for prolonged periods due to unfavourable market conditions.*

The method for determining the Subscription Price was agreed on a negotiated basis between the Company and Macquarie Bank. Further, the parties had taken into consideration the principles embodied in Paragraph 6.04(a) of the Listing Requirements which states that the listed issuer must ensure that shares are not priced at more than 10% discount to the weighted average market price of the shares for the 5 market days immediately before the price-fixing date.

The Floor Price was determined upon negotiation between the Company and Macquarie Bank after taking into consideration, amongst others, the current and historical share price of the Company as well as the funding requirements of the Group.

## 2.5 Details of Macquarie Bank

Macquarie Bank Limited (Australian Business No. 46 008 583 542), a company incorporated under the laws of Australia and having its registered office at Level 6, 50 Martin Place, Sydney NSW 2000, Australia, is a subsidiary of Macquarie Group Limited (Australian Company No. 122 169 279) and is regulated by the Australian Prudential Regulation Authority as an Authorised Deposit-taking Institution.

The principal activity of Macquarie Bank and its subsidiaries is to act as a full service financial services provider offering a range of commercial banking and retail financial services in Australia and selected financial services offshore.

*(Source: Macquarie Bank)*

## 2.6 Utilisation of proceeds

Based on an illustrative Subscription Price of RM0.24<sup>(1)</sup> per Subscription Share and the issuance of up to 98,600,000<sup>(2)</sup> Subscription Shares, the Proposed Share Issuance is expected to generate gross proceeds of up to RM23.66 million and will be utilised in the following manner:-

| Proposed utilisation of proceeds   | Expected timeframe for utilisation from the date of completion of issuance of the first tranche of the Subscription Shares in respect of the Proposed Share Issuance | Up to RM'000                   |
|--|--|--------------------------------|
| (i) Funding for existing and future property development and construction projects | Within 24 months   | 23,014                         |
| (iii) Estimated expenses for the Proposed Share Issuance                           | Immediate  | <sup>(2)</sup> 650             |
| <b>Total</b>   |  | <b><sup>(3)(4)</sup>23,664</b> |

Notes:-

- (1) *Based on the terms of the Subscription Agreement, the Subscription Price shall be equal to 90% of the VWAP of the Shares as traded on Bursa Securities during the 5 consecutive Trading Days immediately preceding the relevant Subscription Notice Date.*

*Based on 90% of the VWAP of the Shares as traded on Bursa Securities during the 5 consecutive Trading Days immediately preceding the LPD of RM0.2541 and assuming the Subscription Notice Date is on the LPD, the Subscription Price for this particular Subscription would have been RM0.23.*

*Notwithstanding the above, the Subscription Agreement stipulates that if the Subscription Price calculated in accordance with the terms of the Subscription Agreement is lower than the Floor Price i.e. RM0.24, the Subscription Price for that particular Subscription shall be equal to the Floor Price unless otherwise agreed between OCR and Macquarie Bank.*

*As such, we have adopted an illustrative Subscription Price of RM0.24, being the Floor Price.*

- (2) *If the actual expenses incurred are higher than the budgeted amount of RM0.65 million, the deficit will be funded from internally generated funds. Conversely, any surplus of funds following payment of expenses will be utilised as funding for existing and future property development and construction projects.*
- (3) *For illustration, in the event that Macquarie Bank only subscribes for the Minimum Subscription Shares of 42.5 million as described in Section 2.1 of this Circular, the Proposed Share Issuance would generate gross proceeds of RM10.20 million.*
- (4) *As the actual Subscription Price will depend on the fluctuations in the market, the actual proceeds to be raised may be below or in excess of RM23.66 million.*

*If the proceeds raised are less than RM23.66 million, the proceeds shall be utilised up to their respective maximum allocation in the following order:-*

- (i) estimated expenses in relation to the Proposed Share Issuance; and*
- (ii) funding for existing and future property development and construction projects.*

*If the proceeds raised are more than RM23.66 million, the additional proceeds shall be utilised as funding for existing and future property development and construction projects.*

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**(i) Funding for existing and future property development and construction projects**

The Group intends to utilise the proceeds to be raised from the Proposed Share Issuance to fund its existing and future property development and construction projects.

**(a) Property development projects**

For property development projects, the proceeds are expected to be utilised for, amongst others, payments to contractors, suppliers, consultants as well as payment to the relevant authorities.

The Group is involved in the following property development projects which are currently active as at the LPD:-

| No. | Project name / location  | Estimated GDV <sup>(1)</sup><br>(RM'million) | Details   | Percentage of completion as at the LPD (%) |
|-----|--------------------------|--|---|--|
| 1.  | Isola @ KLCC             | 273.0  | 140 units of high-end condominium   | 44.7                                       |
| 2.  | PRIYA Scheme, Kuantan    | 166.0  | Mixed development which includes commercial development and affordable housing  | 15.0                                       |
| 3.  | The Mate, Damansara Jaya | 144.0  | 268 units of signature suites and 5 retail outlets                              | 10.0                                       |
| 4.  | Kuantan project          | 268.0  | Mixed development includes 34 retail outlets and 2 blocks of serviced residence | -  |
| 5.  | Tiara Bangi Homes, Bangi | 90.0   | Residential properties  | -  |

Note:-

(1) Based on the respective announcements made by the Company.

Apart from the above, the Group is not involved in any other property development projects which are currently active as at the LPD.

**(b) Construction projects**

For construction projects, the proceeds are expected to be utilised for, amongst others, payments to contractors, material costs, earthwork, piling works, site clearing, building and external works as well as payment to the relevant authorities.

As at the LPD, the Group is involved in the following construction projects:-

| No. | Project name / location  | Contract value <sup>(1)</sup><br>(RM'million) | Details  | Percentage of completion as at the LPD (%) |
|-----|--|---|--|--|
| 1.  | Commercial development project in Sunway Mentari, Bandar Sunway, Petaling Jaya | 150.0   | Construction works for 41-storey commercial building comprising office units, shop lots, commercial space, gymnasium, swimming pool, car park and other ancillary facilities | 19.2                                       |
| 2.  | PR1MA @ Sri Gading at Alor Gajah   | 101.1   | 554 residential units with 5 apartment blocks of 12 stories each and 1 apartment block of 13 stories   | -  |
| 3.  | PR1MA @ Bukit Jalil  | 155.0   | 460 residential units with 1 apartment block of 32 stories and 1 apartment block of 21 stories   | -  |

Note:-

(1) Based on the respective letters of award.

Apart from the above, as at the LPD, the Group is not in the midst of bidding for any other construction projects.

The allocation of funding for the abovementioned property development and construction projects cannot be determined at this juncture as it will be determined over the progress of the respective projects based on their current status, the balance funding requirement at the relevant point in time as well as the availability and suitability of other funding options. Any shortfall in the Group's funding requirement for the respective projects are expected to be met via progress billings / progressive sales billings to be received, internally generated funds and/or bank borrowings.

Notwithstanding the above, the Group may also utilise the proceeds to be raised from the Proposed Share Issuance for other property development and construction projects to be undertaken by the Group in the future.

(ii) **Estimated expenses for the Proposals**

The breakdown of the estimated expenses for the Proposals is set out below:-

| <b>Expenses</b>  | <b>Estimated amount<br/>RM'000</b> |
|--|------------------------------------|
| Professional fees <sup>(1)</sup>                           | 330                                |
| Fees to relevant authorities                               | 30                                 |
| Structuring fees <sup>(2)</sup>                            | 240                                |
| Printing, despatch, advertising and miscellaneous expenses | 50                                 |
| <b>Total</b>   | <b>650</b>                         |

**Notes:-**

- (1) *These include advisory fees and other professional fees payable to the respective advisers and professionals in relation to the Proposals.*
- (2) *This is payable to Macquarie Malaysia, being the structuring agent in relation to the Proposed Share Issuance. The amount is estimated based on 1% of the amount equal to the illustrative Subscription Price of RM0.24 multiplied by the total number of 98,600,000 Subscription Shares to be issued under the Proposed Share Issuance.*

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### **3. PROPOSED ESOS**

The Company proposes to establish and implement the Proposed ESOS, which involves granting of Options to the Eligible Persons as set out in the By-laws. The Options granted under the Scheme shall entitle the Eligible Persons to subscribe for new Shares at an Exercise Price to be determined at a later date.

The Scheme will be administered by the ESOS Committee. The ESOS Committee will have the absolute discretion in administering the Scheme. Any liberty, power or discretion which may be exercised or any decision or determination which may be made by the ESOS Committee pursuant to the By-laws may be exercised at the ESOS Committee's sole and absolute discretion having regard to the terms of reference which the Board may establish to regulate and govern the ESOS Committee's functions and responsibilities.

#### **3.1 Maximum number of Shares available under the Scheme**

The aggregate maximum number of new Shares which may be made available under the Scheme shall not exceed the Maximum Shares at any point of time during the duration of the Scheme.

Notwithstanding the above or any other provisions contained in the By-laws, in the event that the number of new Shares to be issued pursuant to the exercise of the Options granted under the Scheme exceeds the Maximum Shares as a result of the Company purchasing its own Shares in accordance with the Act, or the Company undertaking any other corporate proposal and thereby diminishing its total number of issued shares, then such Options granted prior to the adjustment of the total number of issued shares (excluding treasury shares) of the Company shall remain valid and exercisable in accordance with the provisions of the By-laws.

However, in such a situation, the ESOS Committee shall not make any further Offer until the total number of new Shares to be issued pursuant to the exercise of the Options granted or to be granted under the Scheme falls below the Maximum Shares during the duration of the Scheme.

It should be noted that even if the Maximum Shares are granted to the Eligible Persons, the actual number of new Shares to be issued pursuant to the exercise of the Options may be lesser in view that not all Grantees under the Proposed ESOS will exercise their Options in full or at all.

#### **3.2 Basis of allocation and maximum allowable allocation of new Shares**

Subject to the Maximum Shares and any adjustments which may be made under the By-laws, the aggregate maximum number of new Shares that may be allotted to any one Eligible Person shall be determined entirely at the discretion of the ESOS Committee after taking into consideration, amongst others, the position, performance and length of service of the Eligible Person in the Group, and/or such other factors which the ESOS Committee may at its absolute discretion deem fit, subject to the following conditions:-

- (i) the Executive Directors or Employees do not participate in the deliberation or discussion in respect of their own allocation;
- (ii) the number of new Shares to be allocated to any Eligible Person who, either singly or collectively through persons connected with such Eligible Person, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any), does not exceed 10% of the total number of new Shares to be issued under the Scheme; and



- (iii) not more than 70% of the Options available under the Scheme shall be allocated in aggregate to the Executive Directors and senior management personnel of the companies in the Group (which are not dormant),

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

For the avoidance of doubt, the ESOS Committee shall have the sole and absolute discretion in determining whether the Options are to be granted to the Eligible Persons via:-

- (i) 1 single Offer at a time determined by the ESOS Committee; or
- (ii) several Offers, where the vesting of the Options comprised in those Offers is staggered or made in several tranches at such times and on such terms and conditions as may be determined by the ESOS Committee,

provided always that the aggregate number of new Shares in respect of the Offers granted to any Eligible Person shall not exceed the amount stipulated in Section 3.1 of this Circular.

The ESOS Committee also has the discretion to determine, amongst others:-

- (i) whether or not to stagger the Offer over the duration of the Scheme and each Offer shall be separate and independent from the others;
- (ii) the number of Options to be offered in each Offer;
- (iii) whether or not the Options are subject to any vesting period and if so, the vesting conditions and whether such vesting is subject to performance target; and
- (iv) such other terms and conditions as it shall deem fit and appropriate to be imposed for the participation in the Scheme.

No performance target has been set for the allocation of Options at this juncture. Notwithstanding this, the ESOS Committee may from time to time at its own discretion decide on the performance targets.

### **3.3 Eligibility to participate in the Scheme**

Only Eligible Persons who fulfil the following conditions on the Date of Offer shall be eligible to participate in the Scheme:-

- (i) In respect of an employee of the Group, the employee must fulfil the following criteria as at the Date of Offer:-
  - (a) he / she is at least 18 years of age and he / she is not an undischarged bankrupt or subject to any bankruptcy proceedings;
  - (b) he / she is employed on the Date of Offer:-
    - (aa) on a full time basis and is on the payroll of any company in the Group (which are not dormant) and his/her employment has been confirmed by any company in the Group (which are not dormant) on the Date of Offer; or

- (bb) under an employment contract for a fixed duration and has been in the employment of any company in the Group for such period as may be determined by the ESOS Committee; and
  - (c) such employee falls within any other eligibility criteria (including variations to the eligibility criteria under Section 3.3(i)(a) or (b) above) that may be determined by the ESOS Committee from time to time at its sole discretion, whose decision shall be final and binding.
- (ii) in respect of an Executive Director, the Executive Director must fulfil the following criteria as at the Date of Offer:-
  - (a) he / she is at least 18 years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;
  - (b) he / she has been appointed as an Executive Director of the Company; and
  - (c) such Executive Director fulfils any other criteria as may be determined by the ESOS Committee from time to time at its sole discretion, whose decision shall be final and binding.
- (iii) In respect of an Executive Director, a chief executive officer, major shareholders of the Company or a person connected with a Director, chief executive officer or major shareholder, the specific allocation of ESOS Options granted under the Scheme must have been approved by the shareholders of the Company at a general meeting.
- (iv) If the Eligible Person is employed by a company which is acquired by the Group during the duration of the Scheme and becomes a subsidiary whether directly or indirectly held by the Company upon such acquisition, the Eligible Person must fulfil the following as at the Date of Offer:-
  - (i) he / she is at least 18 years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings; and
  - (ii) he / she is employed full time basis and is on the payroll of the newly acquired company for a continuous period of at least 1 year and his / her employment has been confirmed by the newly acquired company.

The Eligible Person must fulfil any other criteria and/or fall within such category / designation of employment as may be determined by the ESOS Committee from time to time at its sole discretion, whose decision shall be final and binding.

Eligibility under the Scheme does not confer upon the Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the ESOS Options unless an Offer has been made by the ESOS Committee to the Eligible Person and the Eligible Person has accepted the Offer in accordance with the terms of the By-laws.

### **3.4 Duration of the Proposed ESOS**

The Scheme shall be in force for a duration of 5 years from the Effective Date.

On or before the expiry of such 5 years of the Scheme, the Board shall have the discretion, without having to obtain approval of the Company's Shareholders, to extend the duration of the Scheme, provided always that such extension of the Scheme made pursuant to the By-laws shall not in aggregate exceed a duration of 10 years from the Effective Date or such longer period as may be permitted by Bursa Securities or any other relevant authorities from time to time.

For the avoidance of doubt, no further sanction, approval, consent or authorisation of the Shareholders in a general meeting is required for any such extension. In the event the Scheme is extended in accordance with the provision of the By-laws, the ESOS Committee shall furnish a written notification to all Grantees.

The Scheme may be terminated by the ESOS Committee at any time before its expiry provided that the Company shall make an announcement immediately through Bursa Securities.

In the event of termination of the Scheme, the following provisions shall apply:-

- (i) no further Offer shall be made by the ESOS Committee from the effective date of termination of the Scheme ("**Termination Date**");
- (ii) all Offers which have yet to be accepted by the Eligible Person(s) shall automatically lapse on the Termination Date;
- (iii) all Offers which have yet to be vested in the Eligible Person(s) shall automatically lapse on the Termination Date; and
- (iv) all outstanding Options which have yet to be exercised by the Grantees and/or vested (if applicable) shall be automatically terminated on the Termination Date.

Approval or consent of Shareholders by way of a resolution in a general meeting and written consent of the Grantees who have yet to exercise their Options are not required to effect the termination of the Scheme.

### **3.5 Exercise of Options**

Subject to the By-laws, a Grantee shall be allowed to exercise the Options granted to him / her either in whole or part in multiples of 100 Shares as the Grantee may be entitled under the Options at any time during the Option Period whilst he / she is in the employment of any company within the Group (which are not dormant).

There will be no restriction to the Grantee on the percentage of Options exercisable by him / her during the Option Period.

### **3.6 Exercise Price**

Subject to any adjustments that may be made in accordance with the By-laws, the Exercise Price shall be based on a price to be determined by the Board upon recommendation of the ESOS Committee based on the 5-day VWAP of the Shares immediately preceding the Date of Offer with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the Scheme.

### **3.7 Ranking of the new Shares to be issued pursuant to the exercise of the Options**

The new Shares to be issued arising from the exercise of the Options shall, upon allotment, issue and payment of the Exercise Price, rank equally in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares.

### **3.8 Retention period**

The new Shares to be allotted and issued and/or transferred to a Grantee pursuant to the exercise of an Option under the Scheme will not be subject to any retention period or restriction on transfer unless otherwise stated in the Offer as may be determined by the ESOS Committee from time to time at its discretion. The Grantees are encouraged to hold the Shares as an investment rather than for any speculative purposes and/or for the realisation of any immediate gain.

### **3.9 Alteration of share capital during the Option Period**

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

Such adjustments must be confirmed in writing by the external auditors of the Company or principal advisers (acting as experts and not as arbitrators), to be in their opinion, fair and reasonable.

### **3.10 Modification, variation and/or amendment to the Scheme**

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

Subject to the By-laws, the approval of the Shareholders in a general meeting shall not be required in respect of the additions or amendments to or modifications or deletion of the By-laws provided that no additions, modifications or amendments or deletions shall be made to the By-laws which would:-

- (i) prejudice any rights which would have accrued to any Grantee without the prior consent or sanction of that Grantee; or
- (ii) increase the number of Shares available under the Scheme beyond the maximum set out in Section 3.1 of this Circular; or
- (iii) alter any matter which are required to be contained in the By-laws by virtue of the Listing Requirements to the advantage of the Eligible Person and/or Grantee.

### **3.11 Utilisation of proceeds**

The proceeds arising from the exercise of the Options will depend on, amongst others, the number of Options granted and exercised at the relevant point in time as well as the Exercise Price. As such, the actual amount of proceeds arising from the exercise of the Options as well as the timeframe for the utilisation of proceeds could not be determined at this juncture.

Nevertheless, the Company intends to utilise the proceeds arising from the exercise of the Options, if any, as working capital for the Group which commensurate with the business operations of the Group. The working capital raised from the exercise of the Options will be utilised to finance the Group's day-to-day operations, including the purchase of raw materials as well as defrayment of operational and administrative expenses (i.e. payment of salaries, transportation costs, utilities and other miscellaneous items).

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## **4. RATIONALE FOR THE PROPOSALS**

### **4.1 Proposed Share Issuance**

As set out in Section 2.6 of this Circular, the Proposed Share Issuance will enable the Company to raise funds for its existing as well as future property development and construction projects. The Board is of the view that the Proposed Share Issuance is the most appropriate avenue of fund raising as it:-

- (i) enables OCR to raise additional funds without having to incur interest expenses or service principal repayments with conventional bank borrowings or the issuance of debt securities. This would allow OCR to preserve cash flow for reinvestment and/or operational purposes; and
- (ii) is an expeditious way of raising funds in tranches from the capital market as compared to other forms of fund raising such as a rights issue exercise.

With regards to the above, the Board had considered and ultimately decided not to undertake other forms of fund raising such as rights issue exercise, private placement and bonds issuance in view of the following:-

#### **(i) Rights issue exercise**

A rights issue exercise will involve a cash call from existing Shareholders. Further, if the Company was to undertake a rights issue exercise, the Company may not be able to achieve a minimum subscription level unless the Company is able to identify certain Shareholders to provide irrevocable undertakings to subscribe for a minimum number of rights shares or procure underwriting arrangements which will incur additional cost to the Company.

In addition, the Board is of the view that the prevailing market conditions may not be conducive for the Company to undertake a rights issue exercise to raise sufficient funds to meet the funding requirements of the Company as set out in Section 2.6 of this Circular.

#### **(ii) Private placement**

In view of the prevailing market conditions and the Company's current financial position, a conventional private placement exercise would not be able to raise sufficient funds to meet the funding requirements of the Company as set out in Section 2.6 of this Circular.

#### **(iii) Bonds issuance**

By undertaking a bonds issuance, the Company will be tied down with principal repayments as well as interest servicing and this may inhibit the Company's ability to preserve its cash flow for reinvestment and/or operational purposes.

On the other hand, the Proposed Share Issuance provides a ready investor who has committed to subscribe for the Minimum Subscription Shares i.e. at least 10% of the traded volume of OCR Shares on Bursa Securities on the Trading Days within the Subscription Period, excluding any Unqualified Trading Days (as defined in Appendix II of this Circular), or the Subscription Total of 98,600,000 OCR Shares, whichever is lower, over the Subscription Period of 12 months.

## **4.2 Proposed ESOS**

The Proposed ESOS is established primarily to achieve the following objectives:-

- (i) to drive and motivate the Eligible Persons to work towards achieving the Group's goals and objectives;
- (ii) to reward the Eligible Persons in recognition of their accumulated contribution to the operations and continued growth of the Group;
- (iii) to retain the Eligible Persons by giving the Eligible Persons a sense of ownership, loyalty and belonging to the Group by enabling them to participate directly in the equity of the Company and thereby provides an incentive for the Eligible Persons to participate in the future growth of the Group and motivate them towards better performance through greater productivity and loyalty;
- (iv) to align the interests of the Eligible Persons, including management personnel of the Group, with the interests of the shareholders of the Company via direct participation in the equity of the Company; and
- (v) to attract and retain high-calibre Eligible Persons.

Further, any proceeds to be received by the Company pursuant to the exercise of the Options (which will depend on, amongst others, the number of Options granted and exercised at the relevant point in time and the Exercise Price) will be utilised for the Company's working capital purposes.

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## **5. INDUSTRY OUTLOOK AND FUTURE PROSPECTS**

### **5.1 Malaysian economy**

The Malaysian economy expanded at a more moderate pace of 4.7% in 2018 (2017: 5.9%). Despite a positive start to 2018, the economy subsequently was confronted with several external and domestic challenges. Major policy and political shifts, arising partly from the global trade tensions and the historic change of government in Malaysia, became sources of uncertainty for the economy. Unanticipated supply disruptions in the mining and agriculture sectors, as well as commodity exports adversely affected Malaysia's economic performance, resulting in a larger-than-expected moderation in growth.

Domestic demand continued to anchor growth, supported mainly by private sector expenditure. Private consumption growth, in particular, recorded the fastest rate since 2012 at 8.1% (2017: 7.0%). Favourable wage and employment growth continued to drive household spending with additional support from the three-month tax holiday (1 June – 31 August) following the zerorisation of the Goods and Services Tax (GST) rate, as well as other Government measures such as the fixing of the retail fuel price of RON95 petrol and special payments to civil servants and pensioners.

On the supply side, most economic sectors recorded an expansion, with the exception of commodity-related sectors. The services sector's growth improved to 6.8% (2017: 6.2%), the highest since 2011, as better consumer sentiments and favourable labour market conditions spurred spending, in particular during the tax holiday period. The manufacturing sector expanded by 5.0% (2017: 6.0%) supported primarily by a continued expansion in the electrical and electronics (E&E) cluster. The construction sector recorded a moderate growth of 4.2% (2017: 6.7%) due to weaknesses in the property segment. Growth in the mining sector, however, contracted by 1.5% (2017: 1.0%) due to the decline in natural gas production, while adverse weather and production constraints that affected palm oil and rubber production led to a decline in growth in the agriculture sector (2018: -0.4%, 2017: 7.2%).

*(Source: BNM's Annual Report 2018)*

The outlook for the Malaysian economy remains resilient in the near term despite considerable external and domestic headwinds. Real GDP is projected to expand 4.9% in 2019, supported mainly by domestic demand. Private sector expenditure, in particular, household spending will remain as the anchor of growth following a continuous increase in employment and wage amid benign inflation. Meanwhile, private investment will be supported by new and ongoing projects in the services and manufacturing sectors. On the contrary, public expenditure is expected to contract in 2019 following the lower capital outlays by public corporations.

*(Source: Economic Outlook 2019, Ministry of Finance Malaysia)*

### **5.2 Overview and outlook of the construction and property development industry in Malaysia**

The value of construction work done in the third quarter 2019 contracted 0.6 per cent year-on-year basis, amounting to RM36.1 billion (Q2 2019: RM35.9 billion).

The civil engineering sub-sector registered the highest growth in the third quarter 2019, with 7.5 per cent, followed by the special trades activities sub-sector with 2.8 per cent. However, the residential buildings sub-sector and non-residential buildings sub-sector declined by 2.7 per cent and 11.6 per cent respectively.

The civil engineering sub-sector remained as the key contributor to the value of construction work done with 46.1 per cent share. This was followed by non-residential buildings (24.8%), residential buildings (24.2%) and special trades activities (4.9%).



The private sector continued to propel the construction activity with 54.3 per cent share of value of construction work done (RM19.6 billion) as compared to the public sector with 45.7 per cent share of value of construction work done (RM16.5 billion).

*(Source: Quarterly Construction Statistics – Third Quarter 2019, Department of Statistics Malaysia)*

### **Property Market Activity**

Market activity recorded a total of 313,710 transactions worth RM140.33 billion, each showing an increase of 0.6% and 0.3% compared to the same period last year which recorded 311,824 transactions worth RM139.84 billion. Residential sub-sector recorded a slight increase in the volume and value of 1.4% and 0.4% respectively. Commercial and industrial sub-sectors both recorded an upward movement in the volume, increase by 8.0% and 5.4% respectively. Similarly, both sub-sectors recorded a significant increment in the value, increase by 16.0% and 28.9% respectively.

### **Residential Property**

There were 197,385 transactions worth RM68.75 billion recorded in the review period, a marginal increase of 1.4% in volume and 0.4% in value. State performance is generally mixed. Major states namely Johor, Pulau Pinang, Kuala Lumpur and Selangor recorded an increase of 1.2%, 3.8%, 8.0% and 0.3% respectively in market activity.

The number of new launches in 2018 recorded 66,040 unit, contracted 14.9% compared to 2017 (77,570 unit). Major states namely Kuala Lumpur and Selangor showed a significant decrease of 56.1% and 9.9% respectively. Johor recorded an increase of 17.3% over the same period of the previous year. Sales performance was moderate at 34.6% across the board.

Construction activities show a downtrend performance. Completion slightly decreased by 0.7% (93,547 units) as compared to 2017 (94,198 units) while start recording a decrease as well by 8.6% (122,065 units), largely influenced by the substantial drop in Putrajaya (-75.4%) and Melaka (-40.9%). As of 2018, there were 5.58 million (2017: 5.43 million) existing residential units with almost 0.47 million in incoming supply and 0.45 million in planned supply.

The Malaysia House Price Index (MHPI) continued to increase over the same period of the previous year stood at 193.3 points, up by 3.1% against 2017. Terrace house price drove the overall MHPI growth. MHPI in major states continued to grow at the slower pace. The residential property prices in major states for 2018 showed positive movements across the board, led by Johor and Selangor, each saw its house price increased by 5.6% and 3.3% respectively.

### **Commercial Property**

The commercial sub-sector recorded an increase in market activity. There were 23,936 transactions valued at RM29.51 billion recorded, at 8.0% increase in volume and 16.0% in value. All major states show a better movement compared to last year. Selangor led the market activities, with 5,431 transactions (22.7%), followed by Kuala Lumpur with 4,079 transactions (17.0%), Johor (3,504: 14.6%) and Pulau Pinang (1,304: 5.4%).

Shop sub-sector transactions dominate 54.0% of commercial property transactions and 36.4% of the total value, recorded a positive movement of 5.0% in volume and 11.5% in value compared to 2017 (12,310 transaction worth RM9,631.68 million).

The shop overhang situation recorded an increase of 11.2% to 5,055 units valued at RM4.08 billion. Unsold under construction recorded similar upward trend to 7,233 units compared to 5,889 units in 2017, an increase 22.8%. On a better note, unsold not constructed units reduced by 16.0% (385 units).

Construction activity of the shop sub-sector saw a downward trend except for the planned supply and new planned supply, both recorded an increase of 15.0 % and 7.9% respectively. Completion recorded 8,522 units, declined by 7.4% (2017: 9,199 units) while start similarly recorded lower 7.4% decrease. As at the end of 2018, there were 517,337 existing units with 38,897 units in the incoming supply and 37,236 units in planned supply.

Prices of shop shows a mixed movement in most major state. Some locations in Kuala Lumpur and Selangor enjoy double digit growth. In rental segment, stable trend was recorded with increases charted in several established locations due to rental renewals. Positive movements also recorded in certain areas in Johor due to its strategic location and limited availability.

*(Source: Property Market Report 2018, Valuation and Property Services Department, Ministry of Finance)*

### **5.3 Prospects and future plans of the Group**

Since the Group ventured into the construction and property development businesses in 2015 and 2016 respectively, the Group has undertaken various projects to strengthen its financial performance. As at the LPD, the Group is involved in 5 active property development projects that are currently ongoing and in the pipeline. Ongoing property development projects include Isola @ KLCC – 140 units of high-end condominium at Jalan Yap Kwan Seng with an estimated GDV of RM273 million, and PRIYA Scheme, Kuantan – a mixed development which includes commercial development and the largest affordable housing scheme in Kuantan with an estimated GDV of RM166 million.

The Mate, one of the property development projects of the Group, was launched in December 2019. With an estimated GDV of RM144.0 million, the development of the 268 units of signature suites and 5 retail outlets located in Damansara Jaya is expected to contribute positively to the earnings of the Group through the progressive sale of the suites and retail outlets. Moving forward, the Group will also be looking out for other potential property development opportunities across different segments and locations in Malaysia for expansion.

Apart from property development, the Group has 3 ongoing construction projects across Klang Valley and Melaka. One of such construction projects include the construction of commercial development project in Sunway Mentari, Bandar Sunway, Petaling Jaya with a contract value of RM150.0 million.

*(Source: Management of OCR)*

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## 6. EFFECTS OF THE PROPOSALS

### 6.1 Share capital

The Proposed ESOS is not expected to have an immediate effect on the Company's share capital until such time when the Options are exercised. The Company's share capital will increase progressively depending on the number of Shares which are issued pursuant to the exercise of the Options and the Exercise Price.

The pro forma effects of the Proposals on the share capital of the Company are as follows:-

|  | Minimum Scenario          |                           | Maximum Scenario          |                           |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
|  | No. of Shares             | Share capital (RM)        | No. of Shares             | Share capital (RM)        |
| Issued share capital as at the LPD                                     | 331,428,630               | 101,504,937               | 331,428,630               | 101,504,937               |
| New Shares to be issued assuming full conversion of ICPS               | -                         | -                         | 54,654,549                | <sup>(1)</sup> 27,327,275 |
| New Shares to be issued assuming full exercise of the Warrants C       | -                         | -                         | 66,141,269                | <sup>(2)</sup> 33,960,961 |
| New Shares to be issued assuming full exercise of the Warrants D       | -                         | -                         | 91,963,150                | <sup>(3)</sup> 20,231,893 |
| After full conversion and/or exercise of Convertible Securities        | 331,428,630               | 101,504,937               | 544,187,598               | 183,025,066               |
| New Shares to be issued pursuant to the Proposed Share Issuance        | 98,600,000                | <sup>(4)</sup> 23,664,000 | 98,600,000                | <sup>(4)</sup> 23,664,000 |
| <b>Enlarged issued share capital after the Proposed Share Issuance</b> | <b>430,028,630</b>        | <b>125,168,937</b>        | <b>642,787,598</b>        | <b>206,689,066</b>        |
| New Shares to be issued pursuant to the Proposed ESOS                  | <sup>(5)</sup> 64,504,294 | <sup>(6)</sup> 14,835,988 | <sup>(5)</sup> 96,418,139 | <sup>(6)</sup> 22,176,172 |
| <b>Enlarged issued share capital after the Proposals</b>               | <b>494,532,924</b>        | <b>140,004,925</b>        | <b>739,205,737</b>        | <b>228,865,238</b>        |

Notes:-

- (1) Assuming all the outstanding ICPS are fully converted into new Shares based on the conversion mode of surrendering 10 ICPS for 1 new Share.
- (2) Assuming all the outstanding Warrants C are fully converted into new Shares based on the exercise price of RM0.50 each and after accounting for the reversal of warrant reserve.
- (3) Assuming all the outstanding Warrants D are fully converted into new Shares based on the exercise price of RM0.22 each.
- (4) Assuming the Subscription Total is fully subscribed and based on the illustrative Subscription Price of RM0.24 per Subscription Share.
- (5) Based on 15% of the enlarged total number of issued Shares after the Proposed Share Issuance.
- (6) Based on an illustrative exercise price of RM0.23 per Option (calculated based on 10% discount to the 5-day VWAP of the Shares up to and including the LPD of RM0.2545 and rounded up to the nearest Sen).

## 6.2 NA and gearing

### 6.2.1 Proposed Share Issuance

The pro forma effects of the Proposed Share Issuance on the NA and gearing of the Group are as follows:-

#### Minimum Scenario

| Group Level                      | Audited as at<br>31 December 2018<br>(RM'000) | (I)<br>After subsequent events <sup>(1)</sup><br>(RM'000) | (II)<br>After (I) and the Proposed<br>Share Issuance <sup>(2)</sup><br>(RM'000) |
|----------------------------------|---|---|---|
| Share capital - Shares           | 88,457  | 101,505   | 125,169   |
| Share capital - ICPS             | 32,187  | 27,327  | 27,327  |
| Reserves                         | (7,612)                                       | (7,612)   | (8,262)   |
| <b>Shareholders' equity / NA</b> | <b>113,032</b>                                | <b>121,220</b>  | <b>144,234</b>  |
| Non-controlling interest         | (1,407)                                       | (1,407)   | (1,407)   |
| <b>Total equity</b>              | <b>111,625</b>                                | <b>119,813</b>  | <b>142,827</b>  |
| No. of Shares in issue ('000)    | 292,465                                       | 331,429   | 430,029   |
| NA per Share (RM)                | 0.39  | 0.37  | 0.34  |
| Total borrowings (RM'000)        | 63,267  | 63,267  | 63,267  |
| Gearing ratio (times)            | 0.56  | 0.52  | 0.44  |

#### Notes:-

(1) After accounting for the following:-

- (i) issuance of 9,719,840 new Shares arising from the conversion of ICPS from 1 January 2019 up to the LPD;
- (ii) issuance of 4,571 new Shares arising from the exercise of Warrants D from 1 January 2019 up to the LPD; and
- (iii) issuance of 29,239,000 new Shares at the issue price of RM0.28 each arising from a private placement exercise completed on 9 January 2019.

(2) Based on the issuance of 98,600,000 Subscription Shares at an illustrative Subscription Price of RM0.24 per Subscription Share.

### Maximum Scenario

| <b>Group Level</b>               | <b>Audited as at<br/>31 December 2018<br/>(RM'000)</b> | <b>(I)<br/>After subsequent<br/>events<sup>(1)</sup><br/>(RM'000)</b> | <b>(II)<br/>After (I) and assuming<br/>full exercise of the<br/>Convertible<br/>Securities<sup>(2)</sup><br/>(RM'000)</b> | <b>(III)<br/>After (II) and the<br/>Proposed Share<br/>Issuance <sup>(3)(4)</sup><br/>(RM'000)</b> |
|----------------------------------|--|---|---|--|
| Share capital - Shares           | 88,457   | 101,505   | 183,025   | 206,689  |
| Share capital - ICPS             | 32,187   | 27,327  | -   | -  |
| Reserve                          | (7,612)  | (7,612)   | (8,503)   | (9,153)  |
| <b>Shareholders' equity / NA</b> | <b>113,032</b>   | <b>121,220</b>  | <b>174,522</b>  | <b>197,536</b>   |
| Non-controlling interest         | (1,407)  | (1,407)   | (1,407)   | (1,407)  |
| <b>Total equity</b>              | <b>111,625</b>   | <b>119,813</b>  | <b>173,115</b>  | <b>196,129</b>   |
| No. of Shares in issue ('000)    | 292,465  | 331,429   | 544,188   | 642,788  |
| NA per Share (RM)                | 0.39   | 0.37  | 0.32  | 0.31   |
| Total borrowings (RM'000)        | 63,267   | 63,267  | 63,267  | 63,267   |
| Gearing ratio (times)            | 0.56   | 0.52  | 0.36  | 0.32   |

#### Notes:-

- (1) After accounting for the following:-
- (i) issuance of 9,719,840 new Shares arising from the conversion of ICPS from 1 January 2019 up to the LPD;
  - (ii) issuance of 4,571 new Shares arising from the exercise of Warrants D from 1 January 2019 up to the LPD; and
  - (iii) issuance of 29,239,000 new Shares at the issue price of RM0.28 each arising from a private placement exercise completed on 9 January 2019.
- (2) Assuming all the Convertible Securities are exercised and/or converted into new Shares as follows:-
- (i) 66,141,269 Warrants C are fully exercised into 66,141,269 new Shares at the exercise price of RM0.50 per Warrant C;
  - (ii) 91,963,150 Warrants D are fully exercised into 91,963,150 new Shares at the exercise price of RM0.22 per Warrant D; and
  - (iii) 546,545,497 ICPS are fully converted into 54,654,549 new Shares based on the conversion mode of surrendering 10 ICPS for 1 new Share.
- (3) Based on the issuance of 98,600,000 Subscription Shares at an illustrative Subscription Price of RM0.24 per Subscription Share.

### **6.2.2 Proposed ESOS**

The Proposed ESOS is not expected to have an immediate effect on the NA and gearing of the Group until such time when the Options granted under the Scheme are exercised. Any potential effects on the NA and gearing of the Group will depend on the number of new Shares to be issued upon the exercise of the Options granted under the Scheme and the Exercise Price.

For illustrative purposes, upon exercise of the Options under the Proposed ESOS, the NA per Share is expected to:-

- (i) increase if the Exercise Price is higher than the NA per Share; or
  - (ii) decrease if the Exercise Price is lower than the NA per Share,
- at such point of exercise of the Options.

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## 6.3 Substantial shareholders' shareholdings

### 6.3.1 Proposed Share Issuance

Notwithstanding the Subscription Total, Macquarie Bank does not intend to be a major shareholder (as defined under the Listing Requirements) of the Company. Under the Subscription Agreement, Macquarie Bank has undertaken and warranted, amongst others, not to purchase or subscribe (and shall not be required to purchase or subscribe) OCR Shares to the extent that the purchase or subscription would require the Investor to undertake a take-over offer for all or substantially all of the OCR Shares and other securities that the Investor does not already hold in the Company under the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions or any other applicable law or regulations. Further, Macquarie Bank may sell any of the Subscription Shares before, on or after any Subscription Notice Date.

Notwithstanding that, the pro forma effects of the Proposed Share Issuance on the shareholdings of substantial shareholders of the Company based on the Register of Substantial Shareholders of the Company, assuming full subscription of the Subscription Total by Macquarie Bank under the Minimum Scenario and Maximum Scenario and subsequent disposal of all of such Subscription Shares by Macquarie Bank in the market (in line with its intention not to be a major shareholder of the Company), are as follows:-

#### Minimum Scenario

| Substantial shareholder                            | As at the LPD |       |                           |       | After the Proposed Share Issuance |      |                           |      |
|--|---------------|-------|---------------------------|-------|-----------------------------------|------|---------------------------|------|
|  | Direct        |       | Indirect                  |       | Direct                            |      | Indirect                  |      |
|  | No. of Shares | (1)%  | No. of Shares             | (1)%  | No. of Shares                     | (2)% | No. of Shares             | (2)% |
| OCR Land Holdings Sdn Bhd                          | 31,215,000    | 9.42  | -                         | -     | 31,215,000                        | 7.26 | -                         | -    |
| Ong Kah Hoe  | 24,442,600    | 7.37  | <sup>(3)</sup> 41,378,800 | 12.48 | 24,442,600                        | 5.68 | <sup>(3)</sup> 41,378,800 | 9.62 |
| ACE Credit (M) Sdn Bhd                             | 39,424,700    | 11.90 | -                         | -     | 39,424,700                        | 9.17 | -                         | -    |
| Dato' Koon Poh Tat                                 | 29,239,000    | 8.82  | -                         | -     | 29,239,000                        | 6.80 | -                         | -    |
| CIMB Commerce Trustee Berhad – Kenanga Growth Fund | 18,651,900    | 5.63  | -                         | -     | 18,651,900                        | 4.34 | -                         | -    |

#### Notes:-

(1) Based on the issued share capital of 331,428,630 Shares as at the LPD.

(2) Based on the enlarged issued share capital of 430,028,630 Shares.

(3) Deemed interested by virtue of his interest in OCR Land Holdings Sdn Bhd pursuant to Section 8 of the Act and his parents' and siblings' direct shareholdings in OCR.

**Maximum Scenario**

| Substantial shareholder                            | As at the LPD |       |                           |       | (I)<br>Assuming full exercise of Convertible Securities |      |                           |      | (II)<br>After (I) and the Proposed Share Issuance |      |                           |      |
|--|---------------|-------|---------------------------|-------|---|------|---------------------------|------|---|------|---------------------------|------|
|  | Direct        |       | Indirect                  |       | Direct  |      | Indirect                  |      | Direct  |      | Indirect                  |      |
|  | No. of Shares | (1)%  | No. of Shares             | (1)%  | No. of Shares   | (2)% | No. of Shares             | (2)% | No. of Shares                                     | (3)% | No. of Shares             | (3)% |
|  |               |       |                           |       |   |      |                           |      |   |      |                           |      |
| OCR Land Holdings Sdn Bhd                          | 31,215,000    | 9.42  | -                         | -     | 31,215,000  | 5.74 | -                         | -    | 31,215,000  | 4.86 | -                         | -    |
| Ong Kah Hoe  | 24,442,600    | 7.37  | <sup>(4)</sup> 41,378,800 | 12.48 | 24,442,600  | 4.49 | <sup>(4)</sup> 41,378,800 | 7.60 | 24,442,600  | 3.80 | <sup>(4)</sup> 41,378,800 | 6.44 |
| ACE Credit (M) Sdn Bhd                             | 39,424,700    | 11.90 | -                         | -     | 39,424,700  | 7.24 | -                         | -    | 39,424,700  | 6.13 | -                         | -    |
| Dato' Koon Poh Tat                                 | 29,239,000    | 8.82  | -                         | -     | 29,239,000  | 5.37 | -                         | -    | 29,239,000  | 4.55 | -                         | -    |
| CIMB Commerce Trustee Berhad – Kenanga Growth Fund | 18,651,900    | 5.63  | -                         | -     | 18,651,900  | 3.43 | -                         | -    | 18,651,900  | 2.90 | -                         | -    |

**Notes:-**

- (1) Based on the issued share capital of 331,428,630 Shares as at the LPD.  
(2) Based on the enlarged issued share capital of 544,187,598 Shares.  
(3) Based on the enlarged issued share capital of 642,787,598 Shares.  
(4) Deemed interested by virtue of his interest in OCR Land Holdings Sdn Bhd pursuant to Section 8 of the Act and his parents' and siblings' direct shareholdings in OCR.

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For avoidance of doubt, both scenarios illustrated above will not result in any non-compliance with Paragraph 8.02(1) of the Listing Requirements, which requires that at least 25% of OCR's total listed shares (excluding treasury shares) are in the hands of public shareholders. Further, Macquarie Bank has expressed that it has no intention to become a major shareholder of OCR or to appoint a board representative or to participate in the management or decision making of the Company.

### **6.3.2 Proposed ESOS**

The Proposed ESOS is not expected to have any immediate effect on the shareholdings of the substantial shareholders of the Company until and unless new Shares are issued pursuant to the exercise of the Options. Any potential effect on the substantial shareholders' shareholdings in the Company would depend on the number of new Shares to be issued at the relevant point in time.

## **6.4 Earnings and EPS**

### **6.4.1 Proposed Share Issuance**

The Proposed Share Issuance is not expected to have any immediate effect on the consolidated earnings and EPS of OCR for the FYE 31 December 2019 as the Subscription Period is only expected to commence in the 1st quarter of 2020.

The effects of the Proposed Share Issuance on the consolidated earnings and EPS of OCR for the FYE 31 December 2020 will depend on, amongst others, the number of Subscription Shares to be issued and the level of returns generated from the utilisation of the proceeds to be raised from the Proposed Share Issuance.

Although the EPS shall be correspondingly diluted as a result of the increase in number of Shares to be issued pursuant to the Proposed Share Issuance, the Proposed Share Issuance is expected to contribute positively to the Company's earnings thereafter through the utilisation of proceeds as set out in Section 2.6 of this Circular.

### **6.4.2 Proposed ESOS**

Apart from the estimated expenses to be incurred for the Proposed ESOS, the Proposed ESOS is not expected to have any immediate effect on the earnings and EPS of the Group until such time when the Options are granted and exercised.

Any potential effect on the EPS of the Group in the future will depend on the number of Options granted and exercised, the Exercise price and the non-cash expenses arising from the granting of the Options under MFRS2.

The quantum of such impact cannot be determined at this juncture as it will be measured at the date of granting the Options and recognized as an expense in the profit or loss account of the Group over the vesting period of such Options. However, it should be noted that the estimated cost does not represent a cash outflow by the Group as it is merely an accounting treatment.

The Board takes note of the potential impact of MFRS 2 on the Group's future earnings and shall take into consideration such impact in the allocation and granting of Options to the Eligible Persons.

## **6.5 Convertible securities**

As at the LPD, the Company has:-

- (i) 546,545,497 ICPS;
- (ii) 66,141,269 outstanding Warrants C; and
- (iii) 91,963,150 outstanding Warrants D.

In accordance with the provisions of the respective deed polls governing the Warrants C and Warrants D, the Proposed Share Issuance will not result in any adjustment to the exercise price and/or number of outstanding Warrants C and Warrants D.

In accordance with the terms of the ICPS as set out in the Constitution, the Proposed Share Issuance will not result in any adjustment to the conversion price and/or number of ICPS.

Save for the above, the Company does not have any other convertible securities as at the LPD.

## **7. APPROVALS REQUIRED AND CONDITIONALITY**

### **7.1 Approvals required**

The Proposals are subject to approvals being obtained from the following:-

- (i) Bursa Securities for the listing and quotation of up to 98,600,000 new Shares to be issued pursuant to the Proposed Share Issuance;
- (ii) Bursa Securities for the listing and quotation of such number of additional new Shares, representing up to 15% of the issued share capital of the Company, to be issued upon exercise of Options under the Proposed ESOS;
- (iii) Shareholders at the forthcoming EGM for the Proposals; and
- (iv) any other relevant authorities and/or parties, if required.

The approvals of Bursa Securities for (i) and (ii) above were obtained on 13 January 2020 subject to, amongst others, the following conditions:-

- (a) OCR and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Share Issuance and Proposed ESOS;
- (b) OCR and Mercury Securities to inform Bursa Securities upon the completion of the Proposed Share Issuance;
- (c) OCR / Mercury Securities to furnish Bursa Securities with a certified true copy of the resolution passed by the Shareholders in general meeting approving the Proposed Share Issuance prior to the listing and quotation of the new ordinary shares to be issued pursuant to the Proposed Share Issuance;
- (d) OCR and Mercury Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Share Issuance is completed;

- (e) OCR 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 the following:-
  - (i) a certified true copy of the resolution passed by the Shareholders in general meeting approving the Proposed ESOS; and
  - (ii) letter of compliance in relation to the ESOS By-Laws pursuant to Paragraph 2.12 of the Listing Requirements together with a copy of the final ESOS By-Laws; and
- (f) OCR is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of options under the Proposed ESOS as at the end of each quarter together with a detailed computation of listing fees payable.

## 7.2 Conditionality

The Proposed Share Issuance is not conditional upon the Proposed ESOS and *vice versa*.

Save as disclosed above, the Proposals are not conditional upon any other corporate exercise / scheme being or proposed to be undertaken by the Company.

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

### 8.1 Proposed Share Issuance

None of the directors and/or major shareholders of the Company and/or persons connected to them have any interest, direct or indirect, in the Proposed Share Issuance.

### 8.2 Proposed ESOS

Ong Kah Hoe, who is the Group Managing Director of OCR (“**Interested Director**”), is entitled to participate in the Proposed ESOS and is therefore deemed interested in the Proposed ESOS to the extent of his specific allocation as well as specific allocations to persons connected to him, if any, under the Proposed ESOS.

Accordingly, the Interested Director has abstained and will continue to abstain from all deliberations and voting in relation to any specific allocation of Options to him as well as any specific allocation of Options to persons connected to him, if any, at all relevant Board meetings.

The Interested Director further undertakes to ensure that he and the persons connected to him will abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on the relevant resolutions pertaining to the specific allocation of Options to him as well as the specific allocation of Options to persons connected to him, if any, to be tabled at the forthcoming EGM.

Chan Lian Sei, who is an employee of the Group, is the spouse of Ong Kah Hoe. In addition, Ong Yew Ming and Ong Kah Wee, who are employees of the Group, are the siblings of Ong Kah Hoe. As such, by virtue of the eligibility of Chan Lian Sei, Ong Yew Ming and Ong Kah Wee (collectively, the “**Connected Persons**”) to participate in the Proposed ESOS and their relationship with the Interested Director, the Connected Persons are also deemed interested in the Proposed ESOS to the extent of their specific allocations as well as specific allocations to persons connected to them, if any, under the Proposed ESOS.

As such, the Connected Persons has undertaken to ensure that they and the persons connected with them, if any, will abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on the relevant resolutions pertaining to the specific allocation of Options to themselves as well as the specific allocation of Options to persons connected to them, if any, to be tabled at the forthcoming EGM.

The shareholdings of the Interested Director and Connected Persons as at the LPD are set out below:-

|                                   | As at the LPD |      |               |       |
|-----------------------------------|---------------|------|---------------|-------|
|                                   | Direct        |      | Indirect      |       |
|                                   | No. of Shares | (1)% | No. of Shares | (1)%  |
| <b><u>Interested Director</u></b> |               |      |               |       |
| Ong Kah Hoe                       | 24,442,600    | 7.37 | (2)41,378,800 | 12.48 |
| <b><u>Connected Persons</u></b>   |               |      |               |       |
| Chan Lian Sei                     | -             | -    | -             | -     |
| Ong Yew Ming                      | 3,381,900     | 1.02 | -             | -     |
| Ong Kah Wee                       | 3,381,900     | 1.02 | -             | -     |

**Notes:-**

(1) Based on the issued share capital of 331,428,630 Shares as at the LPD.

(2) Deemed interested by virtue of his interest in OCR Land Holdings Sdn Bhd pursuant to Section 8 of the Act and his parents’ and siblings’ direct shareholdings in OCR.

Save as disclosed above, none of the Directors and substantial shareholders of OCR and/or persons connected to the Directors and substantial shareholders of OCR have any interest, either direct or indirect, in the Proposed ESOS.

## 9. BOARD’S RECOMMENDATION

### 9.1 Proposed Share Issuance

The Board, having considered the current and prospective financial position, needs and capacity of the Group, and after careful deliberation and taking into consideration the rationale and all other aspects of the Proposed Share Issuance (including the terms of the Subscription Agreement), is of the opinion that the Proposed Share Issuance is in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Share Issuance to be tabled at the forthcoming EGM.

### 9.2 Proposed ESOS

The Board (save for the Interested Director), having considered the current and prospective financial position, needs and capacity of the Group, and after careful deliberation and taking into consideration the rationale and all other aspects of the Proposed ESOS, is of the opinion that the Proposed ESOS is in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Board (save for the Interested Director) recommends that you vote in favour of the resolutions pertaining to the Proposed ESOS to be tabled at the forthcoming EGM.

**10. ESTIMATED TIMEFRAME FOR COMPLETION**

The Proposed Share Issuance is expected to be completed within 12 months from the date of fulfilment of the conditions precedent in the Subscription Agreement.

The tentative timetable for the Proposals is as follows:-

| Date            | Events   |
|-----------------|--|
| 7 February 2020 | EGM  |
| February 2020   | Fulfilment of the conditions precedent in the Subscription Agreement and commencement of the Subscription Period |
| February 2020   | Establishment of the ESOS  |

**11. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposals, there are no other corporate exercises which have been announced by the Company but are pending completion before the date of this Circular.

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## 12. EGM

The EGM, the Notice of which is enclosed with this Circular, will be held at Level 16 Persoft Tower, 6B Persiaran Tropicana, Tropicana Golf and Country Resort, 47410 Petaling Jaya, Selangor on the date and time indicated below or at any adjournment thereof for the purpose of considering and, if thought fit, passing, with or without any modifications, the resolutions by way of poll to give effect to the Proposals.

|  |
|--|
| Date and time of the EGM : Friday, 7 February 2020 at 10:00 a.m. |
|--|

If you are unable to attend and vote in person at the EGM, you may appoint a proxy to attend and vote on your behalf by completing, signing and returning the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible, so as to arrive at the office of the Company's Share Registrar not less than 48 hours before the time set for holding the EGM or any adjournment thereof. The completion and lodgement 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

Please refer to the enclosed appendices for further information.

Yours faithfully,  
For and on behalf of the Board of  
**OCR GROUP BERHAD**

**YAM TUNKU AZUDINSHAH IBNI TUNKU ANNUAR**  
Chairman / Independent Non-Executive Director

**1. RESPONSIBILITY STATEMENT**

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

All information relating to the Investor has been extracted from information provided by the management of the Investor. Therefore, the sole responsibility of the Board is restricted to ensure that such information is accurately reproduced in this Circular.

**2. CONSENT AND CONFLICT OF INTEREST**

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

Mercury Securities is not aware of any conflict of interest which exists or is likely to exist by virtue of its appointment as the Principal Adviser to OCR for the Proposals.

**3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES****Material commitments**

As at the LPD, the Board confirms that there are no material commitments incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial results or position of the Group.

**Contingent liabilities**

Save as disclosed below, as at the LPD, the Board confirms that there are no contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial results or position of the Group:-

| <b>Contingent liabilities</b>   | <b>Amount<br/>(RM'000)</b> |
|---|----------------------------|
| Corporate guarantees extended:<br>- to financial institutions for credit facilities granted to subsidiaries | 55,002                     |

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**4. MATERIAL LITIGATION**

Save as disclosed below, as at the LPD, neither OCR nor any of its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of the Group and, to the best of the Board's knowledge and belief, the Board is not aware of any proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group:-

**Ismail Bin Othman v Duta Skyline Sdn Bhd ("DSSB") and Amazing Symphony Sdn Bhd ("ASSB")**

ASSB, a wholly-owned subsidiary of the Company, had entered into a joint venture agreement dated 22 April 2019 with DSSB ("**JVA**") for the purpose of the development of a parcel of freehold land held under GRN 23940, Lot 613, Mukim Ulu Semenyih, Daerah Ulu Langat, Selangor Darul Ehsan, measuring approximately 501.5 acres owned by DSSB ("**Lot 613 Land**"). Pursuant thereto, DSSB had also executed an irrevocable limited power of attorney in favour of ASSB ("**Power of Attorney**").

On 28 August 2019, Ismail Bin Othman, one of the Directors of DSSB ("**Plaintiff**"), filed an originating summons ("**OS**") against DSSB (being the first defendant) and ASSB (being the second defendant) at the Shah Alam High Court, where the Plaintiff sought, amongst others:-

- (i) a declaration that the JVA is null and void *ab initio* and of no effect whatsoever; and
- (ii) an order that the Power of Attorney be revoked and/or cancelled.

The Plaintiff had also filed an application for injunction dated 28 August 2019 to, amongst others, restrain both DSSB and ASSB from acting upon and/or giving effect in any manner to the JVA and the Power of Attorney and dealing with the Lot 613 Land ("**Injunction Application**").

On 11 September 2019, the Plaintiff applied for and was granted an ad interim injunction until 30 September 2019, subject to undertaking as to damages ("**Ad Interim Injunction**").

AASB and DSSB filed an application to strike out the OS on 20 September 2019 and 24 September 2019 respectively ("**Striking-out Applications**").

On 30 September 2019, the Plaintiff applied for and was granted an extension of the Ad Interim Injunction until 14 October 2019.

The Plaintiff was subsequently granted with another extension of the Ad Interim Injunction until the disposal of the Injunction Application and Striking-out Applications, subject to undertaking as to damages. The Injunction Application and the Striking-out Applications are to be heard on 20 April 2020.

The solicitors for AASB are of the view that AASB has a reasonably good chance in resisting the OS.

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**5. HISTORICAL SHARE PRICES**

The monthly highest and lowest market prices of OCR Shares as transacted on Bursa Securities for the past 12 months preceding the date of this Circular are as follows:-

|  | High<br>RM | Low<br>RM |
|--|------------|-----------|
| <b><u>2019</u></b>   |            |           |
| January  | 0.325      | 0.265     |
| February   | 0.280      | 0.225     |
| March  | 0.330      | 0.220     |
| April  | 0.370      | 0.260     |
| May  | 0.350      | 0.300     |
| June   | 0.325      | 0.290     |
| July   | 0.290      | 0.225     |
| August   | 0.270      | 0.230     |
| September  | 0.275      | 0.235     |
| October  | 0.305      | 0.250     |
| November   | 0.310      | 0.240     |
| December   | 0.290      | 0.245     |
| Last transacted market price on 16 December 2019, being the last Market Day immediately prior to the first announcement of the Proposals | 0.265      |           |
| Last transacted market price on the LPD  | 0.290      |           |

(Source: Bloomberg)

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of OCR in Malaysia at 49B, Jalan Melaka Raya 8, Taman Melaka Raya, 75000 Melaka during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of the EGM:-

- (i) Constitution of OCR;
- (ii) audited financial statements of OCR for the FYE 31 July 2017 and 17-month FPE 31 December 2018 as well as the unaudited consolidated financial statements of OCR for the 9-month FPE 30 September 2019;
- (iii) letters of consent referred to in Section 2 of Appendix I above;
- (iv) relevant cause papers for the material litigation referred to in Section 4 of Appendix I above;
- (v) Subscription Agreement; and
- (vi) draft By-laws for the Proposed ESOS as set out in Appendix III of this Circular.

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**APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT**

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The salient terms of the Subscription Agreement are set out below:-

|                          |   |
|--------------------------|---|
| Issuer                   | : OCR   |
| Investor                 | : Macquarie Bank  |
| Subscription Notice Date | : The date on which the Company receives the relevant subscription notice from the Investor in relation to a subscription pursuant to the Proposed Share Issuance   |
| Subscription Price       | : The price at which the Investor shall subscribe for each OCR Share upon its subscription of the Subscription Shares, which shall be the price as determined in accordance with the terms of the Subscription Agreement. |

Subject to the below, on each Subscription Notice Date, the Subscription Price of each Subscription Share shall be an amount equal to 90% of the VWAP of the OCR Shares as traded on Bursa Securities during the 5 consecutive Trading Days immediately preceding the relevant Subscription Notice Date and to be rounded up to 3 decimal places.

If the Subscription Price calculated above is less than the Floor Price, the Subscription Price for that Subscription shall be equal to the Floor Price. For the avoidance of doubt, this means that the Subscription Price can never be lower than the Floor Price, unless otherwise agreed between the parties pursuant to the Subscription Agreement<sup>(1)</sup>.

Note:-

(1) *The parties may agree to a Subscription Price that is lower than the Floor Price in instances where the Company's share price has dipped below the Floor Price for prolonged periods due to unfavourable market conditions. This flexibility provision provides an avenue for the Company to continue raising funds in such circumstances.*

|                             |   |
|-----------------------------|---|
| Subscription Payment Amount | : Upon subscribing for the Subscription Shares, Macquarie Bank shall make a payment (an amount equal to the Subscription Price multiplied by the number of Subscription Shares subscribed) to OCR in consideration for the issuance of new Shares pursuant to the subscription notice.  |
| Structuring Fee             | : 1% of the Subscription Payment Amount in relation to all relevant subscriptions, payable by OCR to Macquarie Malaysia   |
| Floor Price                 | : RM0.240   |
| Subscription Closing Date   | : The date on which all the conditions precedent in the Subscription Agreement are declared satisfied or expressly waived by the Investor, provided that such a date shall not be later than 2 months from the date of the Subscription Agreement   |
| Subscription Expiry Date    | : The Subscription Agreement shall, subject to necessary regulatory and Shareholders' approvals being duly obtained and in force during the relevant period, expire on (i) the date which is 12 months from the Subscription Closing Date or (ii) the early termination date of the Subscription Agreement in accordance with the terms of the Subscription Agreement |

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**APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT (CONT'D)**

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**Committed Subscription** : Subject to the terms of the Subscription Agreement and the Subscription Total, the Investor shall subscribe within the Subscription Period at least 10% of the traded volume of the OCR Shares on Bursa Securities on the Trading Days in such period, excluding any Unqualified Trading Days. Crossing transactions and block trades (whether on-market or off-market) and transactions executed by any Group Member or any director of such Group Member shall be excluded from calculating the traded volume of the Ordinary Shares.

The Committed Subscription shall be cancelled immediately if a termination notice is issued by the Investor or the Company for the termination of the Subscription Agreement.

**Non-Subscription Period** : OCR may, with 3 Trading Days' notice, designate a Non-Subscription Period lasting up to 10 Trading Days, during which the Investor may not issue a Subscription Notice. The Company may designate up to 2 Non-Subscription Periods and there must be at least 10 Trading Days between the end of a Non-Subscription Period and the start of the next Non-Subscription Period. OCR may not declare a Non-Subscription Period during the Notice Period (as defined below) for the termination notice issued by OCR to the Investor for the termination of the Subscription Agreement.

Non-Subscription Periods are intended to allow the Company to prevent subscription of Subscription Shares during short-term extraordinary events which may result in unusual movement in the Company's share price.

**Unqualified Trading Days** : Refers to a Trading Day on which any of the following events, as determined by the calculation agent (being Macquarie Bank), occur:-

- (a) where the traded price of the Shares during any time of such Trading Day is either;
  - (i) equal to or below 110% of the Floor Price; or
  - (ii) equal to or below 90% of the closing price on the preceding Trading Day;
- (b) when a Market Disruption Event (as defined below) or a Disruption Event (as defined below) occurs or is continuing during any time of such Trading Day;
- (c) when the traded volume of the Shares on such Trading Day is 300% or more of the average traded volume of the immediately preceding 10 Trading Days;
- (d) where there are Subscription Shares that have not been delivered to the Investor's account in accordance with the terms of the Subscription Agreement;
- (e) where a subscription would (i) require the Investor to undertake a takeover offer for all or substantially all of the Shares and other securities that the Investor does not already hold in OCR under the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions or any other applicable law or regulations; or (ii) breach any foreign ownership limit imposed by the relevant authorities in Malaysia;

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**APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT (CONT'D)**

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|                                   |  |
|-----------------------------------|--|
| Unqualified Trading Days (cont'd) | <p>(f) when a Non-Subscription Period is in effect;</p> <p>(g) when the Company breaches its obligation under the Subscription Agreement in relation to the disclosure of material non-public information to the Investor and such breach is continuing; or</p> <p>(h) an Event of Default (as stipulated below).</p>  |
| Block Trade approvals             | <p>: The Investor shall request for the Company's consent if the Investor intends to transfer an aggregate of 1,000,000 Subscription Shares or more to any single identified third-party purchaser ("<b>Block Trade Purchaser</b>") through one or more block trades where the Investor is able to identify the purchaser, by immediately giving written notification to the Company of such intention ("<b>Block Trade Notice</b>") prior to the transfer of the Subscription Shares to the Block Trade Purchaser. Within 3 hours of receipt of a Block Trade Notice, the Company may give written notice to the Investor requesting the Investor not to transfer any Subscription Shares in excess of 1,000,000 Subscription Shares to the Block Trade Purchaser via block trade, and the Investor shall comply with such request. In the absence of any such written notice by the Company within 3 hours of the receipt of a Block Trade Notice, it shall be deemed that the Company has consented to the transfer. For the avoidance of doubt, this shall not prohibit the Investor from selling Subscription Shares on-market where the Investor cannot identify the purchasers.</p>   |
| Termination                       | <p>: <u>Termination by the Company</u></p> <p>OCR may terminate the Subscription Agreement by issuing a written termination notice to Macquarie Bank not less than 20 Trading Days prior to the termination taking effect ("<b>Notice Period</b>").</p> <p>For the avoidance of doubt, Macquarie Bank shall have the right to issue a subscription notice during the Notice Period. OCR may not declare a Non-Subscription Period under the Subscription Agreement during the Notice Period. Also for the avoidance of doubt, OCR shall satisfy its obligations pursuant to the Subscription Agreement during and after the Notice Period including, without limitation, in respect of any subscription notice which has been delivered by Macquarie Bank during the Notice Period.</p> <p><u>Termination by the Investor</u></p> <p>Macquarie Bank may immediately terminate the Subscription Agreement by issuing a written notice to the Company:-</p> <p>(a) following the occurrence of an Event of Default (as defined below); or</p> <p>(b) if it is not reasonably satisfied with the results of its current investigations into the Group's affairs, which includes the financial, legal, taxation and commercial investigations into the Group's business, assets and liabilities based on information and data which are within the public domain and which are not materially price sensitive.</p> |

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**APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT (CONT'D)**

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Early Termination Fee : Without prejudice to any other remedies that are available to Macquarie Bank pursuant to the Subscription Agreement or under general law, in the event that the Company:-

- (a) fails to fulfil the Conditions Precedent (as defined below) or have them expressly waived by Macquarie Bank by 6 p.m. on the date falling 2 months from the date of the Subscription Agreement (or such other date to be mutually agreed between the Company and the Investor);
- (b) unilaterally elects to terminate the Subscription Agreement prior to subscription of 20% of the Subscription Total unless such termination is (i) by order of a court or a governmental or regulatory authority with competent jurisdiction; or (ii) due to any material breach of the Subscription Agreement on the part of the Investor; or
- (c) does not perform its obligations under the Subscription Agreement or otherwise breaches any of the terms of the Subscription Agreement and, only if such non-performance or breach is in the opinion of the Investor capable of remedy, fails to cure such non-performance or breach within ten (10) Business Days of a notice in writing from the Investor to the Company specifying the non-performance or breach,

an early termination fee of RM200,000 shall be payable by the Company to Macquarie Bank no later than 15 calendar days after receiving a letter or notice of demand from Macquarie Bank. The early termination fee shall constitute reimbursement for the costs, including but not limited to the external legal and due diligence costs incurred by Macquarie Bank in connection with the transactions contemplated by the Subscription Agreement.

Event of Default : Event of Default means any of the following event or circumstance (which is to be determined by the calculation agent):-

- (a) The Company does not comply with any provision of the Transaction Documents to which it is a party, save that an Event of Default shall not occur if the failure to comply is in the opinion of Macquarie Bank, capable of remedy and is remedied within 10 business days from Macquarie Bank giving notice to the Company or the Company becomes aware of the failure to comply.
- (b) The Shares:-
  - (i) cease to be listed on the Main Market of Bursa Securities; or
  - (ii) are suspended from the Official List or are otherwise not tradeable for a consecutive period of 5 Trading Days at any time during the term of the Subscription Agreement.
- (c) A representation, warranty or statement by or on behalf of a Group Member in a Transaction Document, or in a document provided by or on behalf of a Group Member under or in connection with a Transaction Document, is or proves to have been incorrect or misleading in any material respect when made or repeated.

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**APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT (CONT'D)**

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- Event of Default : (d) An application or an order is made, proceedings are commenced, a resolution is passed or proposed in a notice of meeting, an application to a court or other steps are taken for:-
- (cont'd)
- (i) the appointment of a liquidator, receiver, administrator, administrative receiver, judicial manager, compulsory manager or other similar officer in respect of any Group Member or any of its assets;
  - (ii) the winding up, judicial management, dissolution, administration or reorganisation of a Group Member;
  - (iii) the amalgamation, reconstruction, merger or consolidation of a Group Member; or
  - (iv) a Group Member entering into an arrangement, compromise or composition with or assignment for the benefit of its creditors or a class of them,
- or any analogous procedure or step is taken in any jurisdiction.
- (e) A Group Member ceases, suspends or threatens to cease or suspend the conduct of all or a substantial part of its business or disposes of or threatens to dispose of a substantial part of its assets.
  - (f) A Group Member:-
    - (i) admits its inability or is (or is deemed by law or a court to be) unable to pay its debts as they fall due, suspends making payments on any of its debts or commences negotiations with one or more of its creditors with a view to rescheduling all or a material part of (or a particular type of) its indebtedness; or
    - (ii) stops or suspends or threatens to stop or suspend payment of all or a class of its debts.
  - (g) The value of the assets of any Group Member is less than its liabilities (taking into account contingent and prospective liabilities).
  - (h) A security interest is enforced in respect of all or a material part of the assets of a Group Member.
  - (i) Any expropriation, attachment, sequestration, distress or execution affects any asset or any asset of a Group Member and is not discharged within 10 business days.
  - (j) All or any substantial part of the assets of a Group Member is compulsorily acquired by or by order of a government agency or under law.
  - (k) A government agency orders the sale, vesting or divesting of all or any substantial part of the assets of a Group Member.
  - (l) A Group Member ceases or threatens to change the nature or scope of its business or cease to carry on all or a substantial part of its business.

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**APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT (CONT'D)**

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|                              |   |
|------------------------------|---|
| Event of Default<br>(cont'd) | : (m) An authorisation or shareholder approval which is required for:- <ul style="list-style-type: none"><li>(i) the performance by the Company of a Transaction Document and the transactions contemplated by them; or</li><li>(ii) the validity and enforceability of a Transaction Document, is repealed, revoked, terminated or expires (without it having being renewed) or is modified or amended or conditions are attached to it, in a manner unacceptable to the Investor.</li></ul>   |
|                              | (n) It is or becomes unlawful for a party to perform any obligation or to comply with any material term of a Transaction Document.  |
|                              | (o) Any Transaction Document ceases for any reason (or is claimed by a party to the Transaction Document not) to be the legal and valid obligation of that party, binding upon it in accordance with its terms.   |
|                              | (p) Any person repudiates a Transaction Document to which it is a party or evidences an intention to repudiate a Transaction Document to which it is a party.   |
|                              | (q) The occurrence of an event specified as an event of default in any other Transaction Document.  |
|                              | (r) An event occurs which is, or a series of events occur which together are, likely to have a material adverse effect (as defined under the Subscription Agreement).   |
|                              | (s) Any change, or any development involving a prospective change or any crisis in local, national, regional or international financial (including stock market, foreign exchange market, inter-bank market or interest rates or money market), political, industrial, economic, law, legal or monetary conditions, taxation or exchange controls or a combination of any such changes or development or crisis or deterioration thereof, or there subsists any status or any event has happened, which, as determined by the calculation agent, in any way affects the Investor's ability to subscribe for, settle or trade in the Shares, hedge its risks or any other financial or business risks in connection with the transactions contemplated in the Subscription Agreement or substantially increases the cost for such hedging, or makes it impossible or impracticable to transfer or remit USD out of Malaysia or convert RM into USD or obtain a firm quote for such conversion. |
|                              | (t) Any credit facility granted to any Group Member is withdrawn, terminated or suspended due to a default by that Group Member.  |
| Right of First Refusal       | : From the date of the Subscription Agreement, OCR will offer to Macquarie Bank with a right of first refusal to arrange and participate in any future financing transactions entered into or proposed to be entered into by the Company which are substantially similar to the transactions contemplated under the Subscription Agreement (including any transactions contemplated by way of debt or equity financing facilities) which the Investor is permitted by law to participate or enter into (" <b>Financing Activity</b> ").   |

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**APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT (CONT'D)**

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Right of First Refusal (cont'd) : OCR shall not (and shall procure that any subsidiary of OCR shall not) appoint any other person to act in relation to any Financing Activity unless either:

- (a) the terms of engagement for any particular Financing Activity are not or cannot be agreed (between Macquarie Bank and OCR) within 15 business days of a written request by OCR; or
- (b) Macquarie Bank has confirmed to OCR in writing that it does not wish or is unable to participate in the Financing Activity.

For the avoidance of doubt, Macquarie Bank shall be under no obligation to act in relation to any particular Financing Activity, which is subject to agreement of terms between Macquarie Bank and OCR (or a subsidiary undertaking of OCR) in any event, and if for any reason Macquarie Bank does not act on any particular Financing Activity, this shall not prejudice the Macquarie Bank's right of first refusal in respect of any subsequent activity.

The right of first refusal granted shall survive post termination or expiry of the Subscription Agreement until 3 calendar months after such termination or expiry. This provides a measure of protection to Macquarie Bank against unilateral termination of the Subscription Agreement or delays by OCR to accommodate another Financing Activity with another party.

Documents to be delivered : OCR shall deliver to the Investor the following:

- (a) duly executed counterparts by OCR of each Transaction Documents;
- (b) evidence that each Transaction Document has been duly stamped, where necessary;
- (c) a verification certificate substantially in the form as set out in the Subscription Agreement with all attachments;
- (d) Shareholders' approval(s) pursuant to the Act for the issue of the OCR Shares in accordance with the Transaction Documents and in accordance with the Listing Requirements;
- (e) The Directors' approval for the execution and performance by OCR of the Transaction Documents; and
- (f) Bursa Securities' approval for the listing of the Subscription Shares (including any relevant waivers obtained) and any other regulatory approvals deemed reasonably necessary for the Proposed Share Issuance,

provided that where any authorisation is subject to any conditions, such conditions being acceptable to the parties, acting reasonably.

Market Disruption Event : Market Disruption Event means:-

- (a) any suspension of or limitation imposed on trading by Bursa Securities or otherwise relating to the Shares or futures or options contracts relating to the Shares;
- (b) any event that disrupts or impairs (as determined by the calculation agent) the ability of market participants in general to effect transactions in or obtain market values for the Shares on Bursa Securities or futures or options contracts relating to the Shares on a futures or options exchange; or
- (c) the closure of Bursa Securities prior to its scheduled closing time.



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**APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT (CONT'D)**

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Disruption Event : Any change, or any development involving a prospective change or any crisis in local, national, regional or international financial (including stock market, foreign exchange market, inter-bank market or interest rates or money market), political, industrial, economic, law, legal or monetary conditions, taxation or exchange controls or a combination of any such changes or development or crisis or deterioration thereof, or there subsists any status or any event has happened, which, as determined by the Investor (acting as the calculation agent), in any way affects the Investor's ability to subscribe for, settle or trade in the Shares, hedge its risks or any other financial or business risks in connection with the transactions contemplated in the Subscription Agreement or substantially increases the cost for such hedging, or makes it impossible or impracticable to transfer or remit USD out of Malaysia or convert RM into USD or obtain a firm quote for such conversion.

Conditions Precedent : Certain conditions precedent to the obligation of the Investor to effect completion of the issue of Subscription Shares, including, among others, that the Investor is satisfied acting reasonably that:-

- (a) it has conducted, and has notified to the Company that it is satisfied with the results of, financial, legal, taxation and commercial investigations into the Group's business, assets and liabilities based on information and data which are within the public domain and which are not materially price sensitive;
- (b) it has obtained all necessary internal approvals to proceed with the transactions contemplated in the Subscription Agreement;
- (c) each representation and warranty made by the Company in the Transaction Documents is true in all material respects as though it had been made at that date in respect of the facts and circumstances then subsisting;
- (d) no Event of Default (which is to be determined by the Investor acting as the calculation agent following its reference to the terms of the Subscription Agreement) subsists or will result from the relevant subscription;
- (e) such resolution(s) as may be necessary to approve, implement and effect the transactions contemplated by the Transaction Documents (including but not limited to a resolution to authorise the directors of the Company to allot and issue the Subscription Shares) have been passed at a duly convened general meeting of the Company;
- (f) all authorisations necessary:-
  - (i) for the issue and delivery and listing of the Subscription Shares; and
  - (ii) to approve, implement and effect the transactions contemplated by the Transaction Documents,

have been obtained or made and are all in full force and effect, provided that where any such authorisation is subject to any conditions, such conditions being acceptable to the parties;

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**APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT (CONT'D)**

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|                                  |   |
|----------------------------------|---|
| Conditions<br>Precedent (cont'd) | <p>(g) no facts, matters or circumstances exist which are required to be announced by the Company pursuant to the Listing Requirements, the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions, any Practice Notes or otherwise required by law or any government agency and which have not been so announced;</p> <p>(h) no admission document or prospectus is required under the Listing Requirements, the Capital Markets and Services Act 2007 of Malaysia, the Act or otherwise by law or any government agency in respect of the Subscription Shares other than the documents required in connection with the following authorisations:-</p> <p>(i) Shareholder's approval(s) pursuant to the Act for the issue of the Shares in accordance with the Transaction Documents and in accordance with the Listing Requirements;</p> <p>(ii) Company's director's approval for the execution and performance by the Company of the Transaction Documents; and</p> <p>(iii) Bursa Securities' approval for the listing of the Subscription Shares (including any relevant waivers obtained) and any other regulatory approvals deemed reasonably necessary for the Proposed Share Issuance;</p> <p>(i) no statute, rule, regulation, order, decree, ruling or injunction has been enacted, entered, promulgated or endorsed by any government agency of competent jurisdiction that prohibits or directly and adversely affects any of the transactions contemplated by the Transaction Documents;</p> <p>(j) no litigation or arbitration proceeding has been commenced that may have the effect of prohibiting or adversely affecting any of the transactions contemplated by the Transaction Documents;</p> <p>(k) the trading of the Shares is not suspended by Bursa Securities and the Company has not received any notice threatening the continued trading and Tradability of the Shares on Bursa Securities;</p> <p>(l) the Company has no knowledge of any event which might cause the trading of the Shares on Bursa Securities to be suspended or otherwise restricted or terminated;</p> <p>(m) all fees due and payable by the Company under the Subscription Agreement have been paid (or as agreed between the Parties to be set off against the Subscription Payment Amount (if applicable));</p> <p>(n) no other event or series of events has occurred which may have a material adverse effect (as defined under the Subscription Agreement);</p> |
|----------------------------------|---|

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**APPENDIX II – SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT (CONT'D)**

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|                                  |  |
|----------------------------------|--|
| Conditions<br>Precedent (cont'd) | <ul style="list-style-type: none"><li>(o) no material change, or any material development involving a prospective change or any crisis in local, national, regional or international financial (including stock market, foreign exchange market, inter-bank market or interest rates or money market), political, industrial, economic, legal or monetary conditions, taxation or exchange controls or a combination of any such changes or development or crisis or deterioration thereof, or there subsists any status or any event has happened, which in any way affects the Investor's ability to hedge its risks or any other financial or business risks in connection with the transactions contemplated in this Agreement or substantially increases the cost for such hedging;</li><li>(p) it does not reasonably believe that it is in possession of material non-public information and the Company has not disclosed any such information to the Investor.</li><li>(q) all filings related to the transaction has been duly completed; and</li><li>(r) there having been delivered to the Macquarie Bank opinions as to Malaysian law, in form and substance satisfactory to the Investor, confirming the legality and enforceability of the transaction.</li></ul> <p>Conditions (a) and (b) shall only apply as at the Subscription Closing Date.</p> |
| Transaction<br>Documents         | <p>: The Transaction Documents include:-</p> <ul style="list-style-type: none"><li>(a) the Subscription Agreement;</li><li>(b) all documents required to be submitted by the Company to any regulatory body;</li><li>(c) all documents required to give effect to any shareholder or board resolution deemed necessary to proceed with the transactions contemplated under the Subscription Agreement;</li><li>(d) all documents required in order for Macquarie Bank to be able to hedge and otherwise manage all reasonable commercial risks arising from or in connection with the transactions contemplated under the Subscription Agreement (including, but not limited to, agreements with external counterparties), provided such documents do not involve the Company; and</li><li>(e) any other document which the parties agree is a Transaction Document for the purposes of the Subscription Agreement.</li></ul>  |
| Governing law                    | : Laws of Malaysia   |

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OCR GROUP BERHAD

DRAFT BY-LAWS OF THE EMPLOYEES' SHARE OPTION SCHEME

PART I

**1. NAME OF THE SCHEME**

This Scheme (as defined herein) shall be called the "OCR Group Berhad Employees' Share Option Scheme".

**2. OBJECTIVES OF SCHEME**

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

- (a) to drive and motivate the Eligible Persons (as defined herein) to work towards achieving the Group's (as defined herein) goals and objectives;
- (b) to reward the Eligible Persons in recognition of their accumulated contribution to the operations and continued growth of the Group;
- (c) to retain the Eligible Persons by giving the Eligible Persons a sense of ownership, loyalty and belonging to the Group by enabling them to participate directly in the equity of the Company (as defined herein) and thereby provides an incentive for the Eligible Persons to participate in the future growth of the Group and motivate them towards better performance through greater productivity and loyalty;
- (d) to align the interests of the Eligible Persons, including management personnel of the Group, with the interests of the shareholders of the Company via direct participation in the equity of the Company; and
- (e) to attract and retain high-calibre Eligible Persons.

**3. DEFINITIONS AND INTERPRETATION**

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

|                  |  |
|------------------|--|
| Act              | The Companies Act 2016 as amended from time to time including all regulations made thereunder and any re-enactment thereof               |
| Board            | The Board of Directors for the time being of the Company   |
| Bursa Depository | Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))   |
| Bursa Securities | Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))  |
| By-Laws          | The rules, terms and conditions of the Scheme (as may be modified, varied and/or amended from time to time in accordance with By-Law 24) |
| CDS              | Central Depository System  |

*ESOS BY-LAWS*

|                                |  |
|--------------------------------|--|
| CDS Account                    | An account established by Bursa Depository for the recording of deposits and withdrawal of securities and for dealings in such securities by a depositor   |
| Company or<br>OCR Group Berhad | OCR Group Berhad (Registration No. 199701025005 (440503-K))  |
| Constitution                   | The Company's constitution, as amended from time to time   |
| Date of Expiry                 | Last day of the Duration of the Scheme as defined in By-Law 22.1   |
| Date of Offer                  | The date of the letter of which an Offer is offered by the ESOS Committee to the Eligible Persons to participate in the Scheme   |
| Director                       | Director(s) within the meaning stipulated in the Act   |
| Disciplinary Proceedings       | Proceedings instituted by a company in the OCR Group against an Employee for any alleged misbehaviour, misconduct and/or any other act of the Employee deemed to be unacceptable by that company in the OCR Group in the course of that Employee's employment, whether or not such proceedings may give rise to a dismissal or termination of the contract of service of such Employee |
| Duration of the Scheme         | The duration of the Scheme as defined in By-Law 22 and includes any extension of the duration  |
| Effective Date                 | The date on which the Scheme comes into force as provided in By-Law 22.1   |
| EGM                            | Extraordinary General Meeting  |
| Eligible Director(s)           | Executive Director(s) who fulfill(s) the eligibility criteria for participation in the Scheme as set out in By-Law 5   |
| Eligible Employee(s)           | Employee(s) who fulfill(s) the eligibility criteria for participation in the Scheme as set out in By-Law 5   |
| Eligible Person(s)             | Collectively, the Eligible Director(s) and the Eligible Employee(s)  |
| Employee                       | A natural person who is employed by, and who is on the payroll of, any company in the Group  |
| Entitlement Date               | The date as at the close of business on which the names of shareholders must appear in the Company's Record of Depositors and/or Register of Members in order to be entitled to any dividends, rights, allotments and/or other distributions   |

ESOS BY-LAWS

|                             |  |
|-----------------------------|--|
| ESOS Committee              | The committee appointed by the Board to administer the ESOS in accordance with By-Law 25, comprising such number of the Directors and/or other persons appointed / identified from time to time by the Board   |
| ESOS Options or Options     | The right of a Grantee to subscribe for Shares at the Exercise Price pursuant to an Offer duly accepted by a Grantee in the manner provided in By-Law 8  |
| ESOS or Scheme              | OCR Group Berhad Employees' Share Option Scheme, as may be modified or altered from time to time   |
| Executive Director          | A Director of the Company who, on the Date of Offer, is on the payroll of the Company and is involved in the day-to-day management of the Company  |
| Exercise Price              | The price at which a Grantee shall be entitled to subscribe for each new Share from the Company upon the exercise of the ESOS Options, as initially determined and as may be adjusted pursuant thereto in accordance with the provisions of By-Law 10  |
| Grantee                     | Any Eligible Person who has accepted an Offer in the manner provided in By-Law 8   |
| Group or OCR Group          | The Company and its subsidiary company(ies) as defined in Section 4 of the Act, which are not dormant. Subject to the foregoing, subsidiaries include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the duration of the ESOS but exclude subsidiaries which have been divested in the manner provided in By-Law 20 |
| Listing Requirements        | The Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time  |
| Market Day                  | A day on which Bursa Securities is open for trading of securities  |
| Maximum Allowable Allotment | The maximum number of new Shares to be allotted and issued pursuant to the exercise of the Options by an Eligible Person in accordance with the provisions of By-Law 6   |
| Maximum Limit               | The maximum number of Shares that may be offered and issued under the ESOS which shall not exceed fifteen percent (15%) of the total number of issued Shares of the Company (excluding treasury shares, if any) at any point of time during the existence of the ESOS, as stipulated in By-Law 4.1   |
| Offer                       | An award of ESOS Options made in writing by the ESOS Committee from time to time to an Eligible  |

*ESOS BY-LAWS*

|                           |   |
|---------------------------|---|
|                           | Person to participate in the ESOS in the manner provided in By-Law 7  |
| Offer Period              | A period of thirty (30) days from the Date of Offer or such longer period as may be determined by the ESOS Committee at its sole and absolute discretion during which an Offer is valid as stipulated in By-Law 7.5   |
| Option Certificate        | The certificate issued by the ESOS Committee confirming the grant of the Options to the Grantee and the Exercise Price together with the number of Shares comprised in the ESOS Options.  |
| Option Period             | The period commencing from the Effective Date to a date not exceeding five (5) years or such other date as stipulated by the ESOS Committee in the Offer or upon the date of termination or expiry of the ESOS as provided in By-Laws 14 and 22 respectively  |
| Persons Connected         | Shall have the same meaning given in relation to persons connected with a Director or persons connected with a major shareholder as defined in Paragraph 1.01 of the Listing Requirements   |
| Principal Adviser         | A corporate finance adviser licensed to make submissions to the SC for corporate proposals  |
| Rules of Bursa Depository | The rules of Bursa Depository, as issued pursuant to SICDA  |
| SC                        | Securities Commission Malaysia  |
| Shares                    | Ordinary shares in the relevant ordinary share capital of the Company from time to time   |
| SICDA                     | Securities Industry (Central Depositories) Act 1991, as amended from time to time   |
| Vesting Conditions        | The conditions determined by the ESOS Committee and stipulated in the Offer which must be fulfilled for the Options under an ESOS to be vested in a Grantee   |
| 3.2                       | Headings are for ease of reference only and do not affect the meaning of a By-Law.  |
| 3.3                       | Any reference to a statutory provision or an applicable law shall include a reference to:   |
| (a)                       | any and all subsidiary legislation made from time to time under that provision or law;  |
| (b)                       | any and all Listing Requirements, policies and/or guidelines of Bursa Securities and/or Bank Negara Malaysia and/or the SC (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed by Bursa Securities and/or Bank Negara Malaysia and/or the SC); |

- (c) that provision as from time to time modified or re-enacted, whether before or after the date of these By-Laws, so far as such modification or re-enactment applies or is capable of applying to an Offer made, offered and/or accepted within the Duration of the Scheme; and
  - (d) any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced.
- 3.4. Words importing the masculine gender shall include the feminine and neuter genders.
- 3.5. Words importing the singular number shall include the plural number and *vice versa*.
- 3.6. If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day; and/or if an event is to occur on a stipulated day which falls after the Date of Expiry then the stipulated day shall be taken to be the last Market Day of the Duration of the Scheme.
- 3.7. Any liberty or power or discretion which may be exercised, and/or any decision or determination which may be made, under these By-Laws:
- (a) by the Board may be exercised in the Board's sole and absolute discretion and the Board shall not be under any obligation to give any reasons therefor; or
  - (b) by the ESOS Committee may be exercised in the ESOS Committee's sole and absolute discretion and the ESOS Committee shall not be under any obligation to give any reason therefor, but subject always to the Board's power to overrule any decision of the ESOS Committee.
- 3.8. In the event of any change in the name of the Company from its present name, all reference to "OCR Group Berhad" in these By-Laws and all other documents pertaining to the Scheme shall be deemed to be references to the Company's new name.

## PART II

### 4. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME

- 4.1. The aggregate maximum number of Shares which may be made available under the Scheme, shall not in aggregate exceed fifteen percent (15%) of the total number of issued Shares of the Company (excluding treasury shares, if any) at any point of time over the Duration of the Scheme.
- 4.2. Notwithstanding By-Law 4.1 above nor any other provision herein contained, in the event the maximum number of Shares granted under the Scheme exceeds in aggregate fifteen percent (15%) of the total number of issued Shares of the Company (excluding treasury shares, if any) as a result of the Company purchasing its own Shares pursuant to Section 127 of the Act or the Company undertaking any corporate proposal and thereby diminishing the issued Shares of the Company, then such ESOS Options granted prior to the adjustment of the number of issued Shares (excluding treasury shares, if any) of the Company shall remain valid and exercisable in accordance with these By-Laws. However, in such a situation, the ESOS Committee shall not make any further Offer unless the total number of Shares to be issued under the Scheme falls below fifteen percent (15%) of the total number of issued Shares of the Company (excluding treasury shares, if any) at any point of time over the Duration of the Scheme after such adjustment.



*ESOS BY-LAWS*

- 4.3. The Company shall during the Duration of the Scheme use its reasonable effort to make available sufficient unissued Shares in the capital of the Company to satisfy all outstanding ESOS Options which may be exercisable in accordance with the Scheme.

**5. ELIGIBILITY**

- 5.1. Only Eligible Persons who fulfil the following conditions on the Date of Offer shall be eligible to participate in the Scheme:

- (a) in respect of an Employee, the Employee must fulfil the following criteria as at the Date of Offer:
  - (i) he/she is at least eighteen (18) years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;
  - (ii) he/she is employed on the Date of Offer –
    - (1) on a full time basis and is on the payroll of any company in the Group and his/her employment has been confirmed by any company in the Group on the Date of Offer; or
    - (2) under an employment contract for a fixed duration and has been in the employment of any company in the Group for such period as may be determined by the ESOS Committee; and
  - (iii) such Employee falls within any other eligibility criteria (including variations to the eligibility criteria under By-Law 5.1(a)(i) or (ii) above) that may be determined by the ESOS Committee from time to time at its sole discretion, whose decision shall be final and binding.
- (b) in respect of an Executive Director, the Executive Director must fulfil the following criteria as at the Date of Offer:
  - (i) he/she is at least eighteen (18) years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;
  - (ii) he/she has been appointed as an Executive Director of the Company; and
  - (iii) such Executive Director fulfils any other criteria as may be determined by the ESOS Committee from time to time at its sole discretion, whose decision shall be final and binding.
- (c) In respect of an Executive Director, a chief executive officer, major shareholders of the Company or a person connected with a Director, chief executive officer or major shareholder, the specific allocation of ESOS Options granted under the Scheme must have been approved by the shareholders of the Company at a general meeting.
- (d) If the Eligible Person is employed by a company which is acquired by the Group during the Duration of the Scheme and becomes a subsidiary whether directly or indirectly held by the Company upon such acquisition, the Eligible Person must fulfil the following as at the Date of Offer:
  - (i) he/she is at least eighteen (18) years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings; and

- (ii) he/she is employed full time basis and is on the payroll of the newly acquired company for a continuous period of at least one (1) year and his/her employment has been confirmed by the newly acquired company.

The Eligible Person must fulfil any other criteria and/or fall within such category/designation of employment as may be determined by the ESOS Committee from time to time at its sole discretion, whose decision shall be final and binding.

- 5.2. Except as may be prescribed by the ESOS Committee or as stipulated in an Offer, there are no performance targets to be achieved by the Grantee before ESOS Options can be exercised and the Shares arising from the exercise of ESOS Options can be vested.
- 5.3. Without prejudice to the generality of the foregoing and subject to the ESOS Committee's discretion otherwise, any Offer made by the ESOS Committee that has not been accepted or exercised by a Grantee shall automatically terminated in the following circumstances:
  - (a) the Eligible Person's death;
  - (b) the Eligible Person having received a letter of termination or ceasing to be an Employee / Executive Director (as the case may be) of the OCR Group, for any reason whatsoever;
  - (c) the Eligible Person giving notice of his/her resignation from service/employment;
  - (d) bankruptcy of the Grantee, in which event the Option shall be automatically terminated on the date a receiving order is made against the Grantee by a court of competent jurisdiction;
  - (e) the corporation which employs the Eligible Person ceasing to be part of the OCR Group;
  - (f) a disciplinary action is taken on the Grantee pursuant to By-Law 14.10; or
  - (g) winding up or liquidation of the Company, in which event the Option shall be automatically terminated on the following date:
    - (i) in the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
    - (ii) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
  - (h) termination of the Scheme pursuant to By-Law 14,

whichever shall be applicable.
- 5.4. The ESOS Committee may from time to time at its absolute discretion select and identify suitable Eligible Persons to be offered the Offer. In the event that any Eligible Persons are a member of the ESOS Committee, such Eligible Persons shall not participate in the deliberation or discussion of their own allocation.
- 5.5. Any eligible Employee (including an Executive Director) who holds more than one (1) position within the OCR Group and by holding such position is an Eligible Person, shall only be entitled to the Maximum Allowable Allotment of any one (1)

ESOS BY-LAWS

category/designation of employment. The ESOS Committee shall be entitled at its discretion to determine the applicable category/designation of employment.

- 5.6. Subject to By-Law 11.3, no Eligible Persons shall participate, at any time, in more than one (1) employees' share option scheme implemented by any company within the Group during the Duration of the Scheme.
- 5.7. An Employee of a dormant company within the Group is not eligible to participate in the Scheme.
- 5.8. Eligibility under the Scheme does not confer upon the Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the ESOS Options unless an Offer has been made by the ESOS Committee to the Eligible Person and the Eligible Person has accepted the Offer in accordance with By-Law 8 hereof.

**6. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOCATION OF SHARES**

- 6.1 Subject to By-Law 4.1 and any adjustments which may be made under By-Law 18, the aggregate maximum number of Options that may be granted to any one (1) category/designation of employment of the Eligible Person shall be determined entirely at the discretion of the ESOS Committee.
- 6.2 The number of new Shares to be allocated to any Eligible Person who, either singly or collectively through Persons Connected with such Eligible Person, holds twenty percent (20%) or more of the issued Shares of the Company (excluding treasury shares, if any), does not exceed ten percent (10%) of the total number of new Shares to be issued under the Scheme.
- 6.3 Not more than seventy percent (70%) of the total number of Shares available under the Scheme will be allocated in aggregate to the Executive Director(s) and senior management personnel of the companies in the Group.
- 6.4 Subject to By-Law 6.2, the aggregate maximum number of Shares that may be offered to an Eligible Person under the Scheme shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst others, the provisions of the Listing Requirements or other applicable regulatory requirements prevailing during the Duration of the Scheme relating to employees' and/or directors' share issuance schemes and after taking into consideration the performance, targets, position, annual appraised performance, seniority and length of service, contribution, category or grade of employment of the Eligible Person or such other matters which the ESOS Committee may in its sole and absolute discretion deem fit.  
  
At the time an Offer is made, the ESOS Committee shall set out the basis of the allocation of the Offer(s) made to the Eligible Person(s) having the further particulars as set out in By-Law 7.4.
- 6.5 The ESOS Committee may make more than one (1) Offer to an Eligible Person **PROVIDED THAT** the aggregate number of Offer so offered to an Eligible Person throughout the entire Duration of the Scheme does not exceed the Maximum Allowable Allotment of such Eligible Person.
- 6.6 The Company shall ensure that allocation of Shares pursuant to the Scheme is verified by the Audit Committee of the Company at the end of each financial year as being in compliance with the criteria for allocation of Shares which have been disclosed to the Employees and Executive Directors.

*ESOS BY-LAWS*

- 6.7 For the avoidance of doubt, the ESOS Committee shall have sole and absolute discretion in determining whether the Shares available for vesting under this Scheme are to be offered to the Grantees via:
- (a) one (1) single Offer at a time determined by the ESOS Committee; or
  - (b) several Offer, where the vesting of Options comprised in those Offer is staggered or made in several tranches at such times and on terms determined by the ESOS Committee.
- 6.8 In the event the ESOS Committee decides that the Offer is to be staggered, the number of Shares to be offered in each Offer and the timing for the vesting of the same and if so, the Vesting Conditions shall be decided by the ESOS Committee at its sole and absolute discretion and each Offer shall be separate and independent from the others.
- 6.9 No Executive Directors or Employees shall participate in the deliberation and/or discussion of their own respective allocations under the Scheme.

**PART III**

**7. ESOS OFFER**

- 7.1 During the Duration of the Scheme, the ESOS Committee may at its discretion at any time from the Effective Date and from time to time make an Offer in writing for acceptance in accordance with By-Law 7 to an Eligible Person based on the criteria for allotment as set out in By-Law 6 above and otherwise in accordance with the terms of this Scheme.
- 7.2 The actual number of ESOS Options which may be offered to any Eligible Person shall be at the sole and absolute discretion of the ESOS Committee, subject to any adjustments that may be made under By-Law 18, provided that the number of ESOS Options so offered which may be exercised in respect of all or any part of the Shares shall not be less than one hundred (100) Shares nor more than the Maximum Allowable Allocation of such Eligible Person and shall be in multiples of one hundred (100) Shares.
- 7.3 In the event the ESOS Committee decides that the Offer is to be offered in tranches, the number of ESOS Options to be offered in each Offer shall be decided by the ESOS Committee at its sole and absolute discretion and each Offer shall be separate and independent from the others.
- 7.4 The ESOS Committee shall state the following particulars in the letter of an Offer:
- (a) the number of ESOS Options that are being granted to the Eligible Person;
  - (b) the number of Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the ESOS Options being granted;
  - (c) the date of the Offer;
  - (d) the Option Period;
  - (e) the Exercise Price;
  - (f) the Vesting Conditions (if any/if applicable);
  - (g) the vesting date(s) (if any/if applicable); and

- (h) the Offer Period as mentioned in By-Law 7.5;
  - (i) the basis of the allocation of the Offer(s) made having regard to the Eligible Person(s)' annual appraised performance, category or grade of employment, Maximum Allowable Allocation; and
  - (j) any other information deemed necessary by the ESOS Committee.
- 7.5 An Offer shall be valid for a period of thirty (30) days from the Date of Offer or such longer period as may be determined by the ESOS Committee at its sole and absolute discretion ("Offer Period").
- 7.6 No Offer shall be made to any Executive Director and/or major shareholder of OCR, a person connected with any Director and/or major shareholder who are Eligible Persons unless such Offer and the related allotment of Shares have previously been approved by the shareholders of the Company in general meeting.
- 7.7 Without prejudice to By-Law 25, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 7.4, the following provisions shall apply:
- (a) as soon as possible but in any event no later than one (1) month after the discovery of the error, the Company shall issue a supplemental letter of Offer, stating the correct particulars referred to in By-Law 7.4;
  - (b) in the event that the error relates to particulars other than the Exercise Price, the Exercise Price applicable in the supplemental letter of Offer shall remain as the Exercise Price as per the original letter of Offer; and
  - (c) in the event that the error relates to the Exercise Price, the Exercise Price applicable in the supplemental letter of Offer shall be the Exercise Price applicable as at the date of the original letter of Offer, save and except with respect to any ESOS Options which have already been exercised as at the date of issue of the supplemental letter of Offer.
- 7.8 The Company shall keep and maintain at its own expenses, a register of Grantees and shall enter in that register the names and addresses of the Grantees, the Maximum Allowable Allotment, the number of ESOS Options offered, the number of ESOS Options exercised, the Date of Offer and the Exercise Price in accordance with Section 129 of the Act.

#### 8. ACCEPTANCE OF OFFER AND VESTING CONDITIONS

- 8.1 An Offer shall be accepted by an Eligible Person within the Offer Period by written notice to the Company accompanied by a payment to the Company of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) only or such other amount as may be determined by the ESOS Committee for the grant of the ESOS Options (regardless of the number of Shares comprised therein).
- 8.2 If an Offer is not accepted in the manner set out in By-Law 8.1 above, the Offer shall automatically lapse upon the expiry of the Offer Period and be null and void and be of no further force and effect. The Shares comprised in such Options may, at the discretion of the ESOS Committee, be re-offered to other Eligible Persons.
- 8.3 The number of ESOS Options offered in the lapsed Offer shall be deducted from the Maximum Allowable Allotment or the balance of the Maximum Allowable Allotment of the Eligible Person, and the Eligible Person shall not be entitled to be offered the number of ESOS Options offered in the lapsed Offer, in any Offer made in the future.

ESOS BY-LAWS

However, ESOS Options not taken up resulting from the non-acceptance of Offer within the Offer Period shall thereafter form part of the balance of ESOS Options available under the ESOS for future Offer.

- 8.4 The Company shall within thirty (30) days of the acceptance of the Offer by the Eligible Person ("Acceptance Date"), issue to the Eligible Person an Option Certificate in such form as may be determined by the ESOS Committee for all valid acceptances of the Offer in accordance with By-Law 8.1.
- 8.5 An administrative cost of Ringgit Malaysia Thirty (RM30.00) only and any administrative cost determined by the ESOS Committee or the Board for the replacement of any lost Option Certificate shall be fully borne by the Grantee and such Grantee shall have to execute a statutory declaration in respect of the loss of the Option Certificate.
- 8.6 The Options or such part thereof as may be satisfied in the Offer will only vest with the Grantee on the ESOS vesting date if the Vesting Conditions are fully and duly satisfied, including the following:
  - (a) the Grantee remains an Eligible Person and shall not have given notice of resignation or received a notice of termination as at the ESOS vesting date or has otherwise ceased or had his/her employment terminated;
  - (b) the Grantee has not been adjudicated a bankrupt; and/or
  - (c) any other conditions which are determined by the ESOS Committee.
- 8.7 The ESOS Committee shall have full discretion to determine whether any Vesting Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the ESOS Committee shall have the right to make reference to, amongst others, the audited financial results of the Company or the Group (as the case may be) and to take into account such factors as the ESOS Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend and/or waive any Vesting Condition if the ESOS Committee decides that a changed performance target would be a fairer measure of performance.
- 8.8 The ESOS Committee may cancel any ESOS Options awarded under this Scheme that has not been exercised and any unvested ESOS Options awarded under this Scheme. In the event of any such cancellation, the ESOS Committee may, at its discretion, authorise the granting of new ESOS Options (which may or may not cover the same number of Shares that had been the subject of any prior ESOS Option) in such manner, at such Exercise Price and subject to such terms, conditions and discretion as would have been applicable under this Scheme had the cancelled ESOS Options not been awarded.

**9. EXERCISE OF ESOS OPTIONS**

- 9.1 Each ESOS Option shall be exercisable into one (1) new Share, in accordance with the provisions of these By-Laws.
- 9.2 Subject to By-Laws 14, 19, 20, 21 and 22, a Grantee shall be allowed to exercise the ESOS Options granted to him/her (subject to By-Law 9.4) as provided in these By-Laws whilst he/she is in the employment of the OCR Group and within the Option Period.
- 9.3 A Grantee shall exercise the Options granted to him/her in whole or part in multiples of one hundred (100) Shares. Notwithstanding anything herein to the contrary in the

event of any alteration in the share capital of the Company during the Option Period in accordance with By-Law 18 which result in the number of Shares comprised in an Option not being in multiples of not less than one hundred (100), then the requirement that an Option shall be exercised in multiples of not less than one hundred (100) Shares shall not be applicable for the Grantee's final exercise of the Option.

- 9.4 A Grantee shall exercise his/her ESOS Options in such form and manner as the ESOS Committee may prescribe or approve ("**Notice of Exercise**"), which will be attached to the letter of the Offer. The procedure for the exercise of ESOS Options to be complied with by the Grantee shall be determined by the ESOS Committee from time to time. Any ESOS Options which remain unexercised at the expiry of the Option Period shall be automatically terminated and lapse without any claim against the Company.
- 9.5 Where an ESOS Option is exercised only in part, a new Option Certificate for the balance of the ESOS Options not exercised shall be issued accordingly by the ESOS Committee to the Grantee within thirty (30) days after receipt by the Company of the Notice of Exercise together with the requisite remittance.
- 9.6 Subject to By-Law 9.4, a Grantee shall exercise his/her ESOS Options by executing and delivering to the Company the Notice of Exercise, stating the number of ESOS Options to be subscribed and be accompanied with the remittance for the full amount of the subscription monies payable in respect thereof in Ringgit Malaysia in the form of a banker's draft or cashier's order drawn and payable in Malaysia or any other mode acceptable to the ESOS Committee for the full amount of the Exercise Price in relation to the number of Shares in respect of which the notice is given **PROVIDED THAT** the number of Shares stated therein shall not exceed the amount granted to such Grantees and be subject to By-Laws 9.2 and 9.3 above. The ESOS Committee may pursuant to By-Law 24 hereof, at any time and from time to time, before or after the ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of Shares and/or such percentage of total Shares comprised in the ESOS Option during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the ESOS Committee in its sole discretion including amending or varying any terms and conditions imposed earlier. The exercise by a Grantee of some but not all of the ESOS Options which have been offered to and accepted by him/her shall not preclude the Grantee from subsequently exercising any other ESOS Options which have been or will be offered to and accepted by him/her, during the Option Period.
- 9.7 The Grantee shall provide all information as required in the Notice of Exercise. Within eight (8) Market Days of the receipt by the Company of such notice and payment, or such other period as may be prescribed by Bursa Securities, and subject to the Constitution, in the event that the Shares are delivered to the Grantee via issuance of new Shares, the Company shall allot and issue the relevant number of Shares to the Grantee and apply to Bursa Securities for the quotation for such new Shares arising from the exercise of the ESOS Options. The said Shares will be credited directly into the CDS Account of the Grantee or his/her financier, as the case may be, and a notice of allotment stating the number of Shares so credited will be issued to the Grantee. No physical share certificates will be issued to the Grantee or his authorised nominee (as the case may be).
- 9.8 The Group, the Board (including Directors that had resigned but were on the Board during the Option Period) and the ESOS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities, gains or profits foregone, howsoever arising in the event of any delay on the part of the Company in allotting and issuing and/or transferring the Shares or in procuring Bursa Securities to list and quote the Shares subscribed for by a Grantee or any delay in receipt or non-receipt by the Company of the Notice of Exercise in respect of the ESOS Options or for any errors in any Offer.



- 9.9 Any failure to comply with the procedures specified by the ESOS Committee or to provide information as required by the Company in the Notice of Exercise or inaccuracy in the CDS Account number provided shall result in the Notice of Exercise being rejected at the discretion of the ESOS Committee, and the ESOS Committee shall inform the Grantee of the rejection of the Notice of Exercise within fourteen (14) Market Days from the date of rejection and the Grantee shall be deemed to not have exercised his/her Option.
- 9.10 Every ESOS Options shall be subjected to the condition that no new Shares shall be issued pursuant to the ESOS Options if such issue would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the Duration of the Scheme or such period as may be extended.

#### 10. EXERCISE PRICE

The Exercise Price of each new Share comprised in any ESOS Option shall, subject always to the provisions of By-Law 18 hereof, be a price to be determined by the Board upon recommendation of the ESOS Committee based on the volume weighted average market price of the Shares for the five (5) Market Days immediately preceding date of the Offer with a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the Duration of the Scheme.

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

### PART IV

#### 11. NON-TRANSFERABILITY

- 11.1 An ESOS Option is personal to the Grantee and subject to the provisions of By-Laws 11.2, 11.3 and 14.3, is exercisable only by the Grantee personally during his/her lifetime whilst he/she is in the employment of any company in the Group.
- 11.2 An ESOS Option shall not be transferred, assigned, disposed of or subject to any encumbrances by the Grantee save and except in the event of the death of the Grantee as provided under By-Law 14.8. Any such attempt to transfer, assign, dispose or encumber any ESOS Option shall result in the automatic cancellation of the ESOS Option.
- 11.3 Notwithstanding By-Law 11, in the event a Grantee is transferred to another company within the Group which has its own share issuance scheme, the Grantee shall be entitled to continue to exercise all unexercised ESOS Options granted under this Scheme, in accordance with these By-Laws, but such Grantee shall not upon such transfer taking effect be eligible to participate for further ESOS Options under the Scheme.

#### 12. RIGHTS ATTACHING TO SHARES AND ESOS OPTIONS

- 12.1 The new Shares to be allotted and issued upon the exercise of any ESOS Options granted under the Scheme will be subject to the provisions of the Constitution and will, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued Shares of the Company, save and except that the Shares so allotted and issued will not be entitled to any dividends, rights, allotments or other distributions, which may be declared, made or paid to shareholders, the Entitlement Date of which is prior to the date of allotment and issuance of such new Shares.



- 12.2 The ESOS Options shall not carry any rights to vote at any general meeting of the Company. The new Shares allotted and credited into the Grantee's CDS Account upon the exercise of the ESOS Options would carry rights to vote at any general meeting of the Company, provided that the Grantee is registered on the Register of Depositors on the entitlement date as at the close of business to be entitled to attend and vote at the general meeting.
- 12.3 For the avoidance of doubt, a Grantee shall not in any event be entitled to any dividends, rights or other entitlements on his/her unexercised Options.

**13. RESTRICTION ON DEALING/RETENTION PERIOD**

The Shares to be allotted and issued and/or transferred to a Grantee pursuant to the exercise of an Option under the Scheme will not be subject to any retention period or restriction on transfer unless otherwise stated in the Offer as may be determined by the ESOS Committee from time to time at its discretion. The Company encourages Grantees to hold the Shares subscribed for by them for as long as possible although a Grantee or his/her financier, as the case may be, may sell the Shares subscribed for by the Grantee at any time after such Shares have been credited to the Grantee's or his/her financier's CDS Account. A Grantee should note that the Shares are intended for him/her to hold as an investment rather than for any speculative purposes and/or for the realization of any immediate gain.

**14. TERMINATION OF THE OFFER**

- 14.1 Prior to the full vesting of any ESOS Option and/or the allotment or satisfaction by any other means of an ESOS Option in the manner as provided for under By-Law 25.2, such ESOS Options that remain unexercised or unsatisfied (as the case may be) shall be automatically terminated and cease or deemed to cease to be valid without any claim against the Group in the following circumstances:
- (a) termination or cessation of employment of the Grantee with the Group for any reason whatsoever, in which event the ESOS Options shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any other member of the Group on the day the Grantee's employer accepts his/her notice of resignation or the Grantee's employer notifies the Grantee of termination of his/her employment or on the day the Grantee notifies his/her employer of his/her resignation or on the Grantee's last day of employment, whichever is the earlier; or
  - (b) bankruptcy of the Grantee, in which event the ESOS Options shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the date a receiving order is made against the Grantee by a court of competent jurisdiction; or
  - (c) upon the happening of any other event which results in the Grantee being deprived of the beneficial ownership of the ESOS Options, in which event the ESOS Options shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the date such event occurs; or
  - (d) winding up or liquidation of the Company, in which event the ESOS Options shall be automatically terminated and/or cease to be valid on the following date:
    - (i) in the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or

- (ii) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
- (e) termination of the Scheme pursuant to By-Law 22.5, in which event the ESOS Options shall be automatically terminated and cease or cease to be valid without any claim against the Group on the Termination Date (as defined in By Law 22.5),

whichever shall be applicable.

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

- 14.2 A Grantee will be allowed to continue to hold and to exercise any unexercised Options held by him/her upon retirement on or after attaining normal retirement age.
- 14.3 Notwithstanding By-Law 14.1 above, the ESOS Committee may at its discretion allow an Option to remain exercisable during the Option Period on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:
  - (a) ill-health, injury, physical or mental disability;
  - (b) retirement at or after attaining the normal retirement age under the Group's retirement policy;
  - (c) retirement before attaining the normal retirement age with the consent of his/her employer;
  - (d) redundancy, retrenchment or voluntary separation scheme;
  - (e) transfer to any company outside the Group at the direction of the Company; or
  - (f) any other circumstance as may be deemed as acceptable to the ESOS Committee in its sole and absolute discretion.
- 14.4 Applications under By-Law 14.3 shall be made:
  - (a) in a case where By-Law 14.3(a) is applicable, within one (1) month after the Grantee notifies his/her employer of his/her resignation due to ill health, injury, physical or mental disability, the Grantee may exercise all his/her unexercised Options within the said one (1) month period. In the event that no application is received by the ESOS Committee within the said period, any unexercised Options held by the Grantee at the expiry of the said period shall be automatically terminated;
  - (b) in a case where By-Laws 14.3(b), (c) or (d) is applicable, within six (6) months after the Grantee's last day of employment, the Grantee may exercise all his/her unexercised Options within the said six (6) months period. In the event that no application is received by the ESOS Committee within the

ESOS BY-LAWS

- said period, any unexercised Options held by the Grantee at the expiry of the said period shall be automatically terminated;
- (c) in a case where By-Law 14.3(e) is applicable, the Grantee may exercise his/her unexercised Options within one (1) month after he/she is notified, subject to the provisions of By-Law 9. Thereafter, any unexercised Options held by the Grantee at the expiry of the said period shall be automatically terminated.
- 14.5 In the event that a Grantee is notified that he will be retrenched or where he/she is given an offer by his/her employer as to whether he/she wishes to accept retrenchment upon certain terms, the Grantee may exercise his/her unexercised Options within one (1) month after he/she receives such notice or accepts such offer, as the case may be, subject to the provisions of By-Law 9. Thereafter, any Options held by the Grantee at the expiry of the said period shall be automatically terminated.
- 14.6 The ESOS Committee shall consider applications under By-Law 14.3 on a case-by-case basis and may at its discretion approve or reject any application in whole or in part without giving any reasons therefor and may impose any terms and conditions in granting an approval. The decision of the ESOS Committee shall be final and binding. In the event that the ESOS Committee approves an application in whole or in part, the Grantee may exercise the Options which are the subject of the approval within the period so approved by the ESOS Committee and subject to the provisions of By-Law 9. Any Options in respect of which an application is rejected shall be automatically terminated on the date of termination stipulated in the relevant paragraph of By-Law 14.4 or on the date of the ESOS Committee's decision, whichever is the later.
- 14.7 In the event that the ESOS Committee receives an application under By-Law 14.3 after the expiry of the relevant period under By-Law 14.4, the ESOS Committee shall take into account the reasons given by the Grantee for the delay in making the application, in exercising the ESOS Committee's discretion and powers under By-Law 14.6. In the event that the ESOS Committee approves the application in whole or in part, the Company shall make an Offer in respect of the unexercised Options which are the subject of approval to the Grantee and such Options offered, if accepted by the Grantee shall be exercisable:
- (a) only within the period of those Options which were terminated due to the Grantee's delay in making the application;
- (b) in accordance with the provisions of By-Law 9 as applicable in respect of such terminated Options; and
- (c) at the subscription price applicable in respect of such terminated Options.
- 14.8 In the event that a Grantee dies before the Date of Expiry and, at the date of death, holds any ESOS Options which are unexercised, the following provisions shall apply:
- (a) such ESOS Options may be exercised by the personal or legal representative of the deceased Grantee ("**Representative**") within twelve (12) months after the Grantee's death ("**Permitted Period**") or within the Date of Expiry, whichever expires first, subject to the approval of the ESOS Committee;
- (b) in the event that the Date of Expiry expires before the Permitted Period, any Options which have not been exercised by the Representative at the Date of Expiry shall be automatically terminated and the Representative shall not be entitled to apply for any extension of time for exercising such unexercised Options;

- (c) In the event that the Permitted Period expires before the Date of Expiry, the following provisions shall apply:
- (i) the Representative may, at any time before the expiry of the Permitted Period, apply in writing to the ESOS Committee for an extension of the Permitted Period, stating the reasons as to why the extension is required. In the event no application is received by the ESOS Committee before the expiry of the Permitted Period, any Options which have not been exercised by the Representative at the expiry of the Permitted Period shall be automatically terminated;
  - (ii) the ESOS Committee shall consider such applications on a case-by-case basis and may at its discretion approve or reject an application in whole or in part without giving any reasons therefor and may impose any terms and conditions in granting an approval. The decision of the ESOS Committee shall be final and binding. In the event that the ESOS Committee approves an application in whole or in part, the Representative may exercise the Options which are the subject of the approval within such extension of the Permitted Period as is approved (which shall not exceed the Date of Expiry) and in accordance with the provisions of By-Law 9.4. Any ESOS Option in respect of which an application is rejected shall be automatically terminated at the expiry of the Permitted Period or on the date of the ESOS Committee's decision, whichever is the later;
  - (iii) in the event that the ESOS Committee receives an application after the expiry of the Permitted Period, the ESOS Committee shall take into account the reasons given by the Representative for the delay in making the application, in exercising the ESOS Committee's discretion and powers under sub-paragraph (ii) above. In the event that the ESOS Committee approves an application in whole or in part, the Company shall make an Offer in respect of the Options which are the subject of the approval to the Representative and such Options shall be exercisable -
    - (1) within such period as may be stipulated in the Offer which shall not exceed the Date of Expiry of those Options and/or Shares which were terminated pursuant to sub-paragraph (i) above;
    - (2) in accordance with the provisions of By-Law 9.4; and
    - (3) at the subscription price applicable in respect of the Options which were terminated pursuant to sub-paragraph (i) above.
- 14.9 The provisions of By-Law 14.7 and 14.8 constitute exceptions to the provisions of By-Law 5.1.
- 14.10 Notwithstanding anything to the contrary herein contained in these By-Laws, the ESOS Committee shall have the right, at its absolute discretion by notice in writing to that effect to the Grantee, to suspend the right of any Grantee who is being subjected to Disciplinary Proceedings (whether or not such Disciplinary Proceedings may give rise to a dismissal or termination of service of such Grantee or are found to have had no basis or justification) to exercise his/her ESOS Options pending the outcome of such Disciplinary Proceedings. In addition to this right of suspension, the ESOS Committee may impose such terms and conditions as the ESOS Committee shall deem appropriate at its sole and absolute discretion, on the Grantee's right to exercise his/her ESOS Options having regard to the nature of the charges made or brought against such Grantee, **PROVIDED ALWAYS** that:

**ESOS BY-LAWS**

- (a) in the event such Grantee is found not guilty of the charges which gave rise to such Disciplinary Proceedings, the ESOS Committee shall reinstate the right of such Grantee to their ESOS Options;
- (b) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such Grantee, all unexercised and partially exercised ESOS Options of the Grantee shall immediately lapse and be null and void and of no further force and effect, without notice to the Grantee, upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the Grantee in any other forum;
- (c) in the event the Grantee is found guilty but no dismissal or termination of service is recommended, the ESOS Committee shall have the right to determine at its absolute discretion whether or not the Grantee may continue to exercise his/her ESOS Options or any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such exercise rights; and
- (d) in the event that no decision is made and/or Disciplinary Proceedings are not concluded prior to the Date of Expiry, the ESOS Options of such Grantee shall immediately lapse on the Date of Expiry without notice,

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

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

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

**16. SCHEME NOT A TERM OF EMPLOYMENT**

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

**17. TAXES**

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

**PART V**

**18. ALTERATION OF SHARE CAPITAL AND ADJUSTMENTS**

- 18.1 In the event of any alteration in the capital structure of the Company during the Duration of the Scheme, whether by way of rights issue, bonus issue or other capitalisation issue consolidation or subdivision of Shares or reduction or any other alteration in the capital structure of the Company or otherwise howsoever, the ESOS Committee may, in its discretion, determine whether the Exercise Price and/or the number of unexercised ESOS Options shall be adjusted, and if so, the manner in which such adjustments should be made.
- 18.2 The provisions of this By-Law 18 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:
- (a) an issue of Shares pursuant to the exercise of ESOS Options under this Scheme; or
  - (b) an issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business; or
  - (c) an issue of securities as a private placement; or
  - (d) any special issuance of new Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation; or
  - (e) a restricted issue of securities; or
  - (f) an issue of warrants, convertible loan stocks or other instruments by the Company which give a right of conversion into new Shares arising from the conversion of such securities; or
  - (g) a purchase by the Company of its own Shares of all or a portion of such Shares purchased pursuant to Section 127 of the Act.
- 18.3 Save as expressly provided for herein, the external auditors or Principal Adviser (acting as expert and not arbitrator) must confirm in writing that the adjustments are in their opinion fair and reasonable. The opinion of the external auditors or Principal Adviser shall be final, binding and conclusive.
- 18.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Subdivision 2 of Division 7 of Part III, By-Law 18.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 18.1 is applicable, but By-Law 18.1 shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 18.1 is not applicable as described in By-Law 18.2.
- 18.5 An adjustment pursuant to By-Law 18.1 shall be made according to the following terms:
- (a) in the case of a rights issue, bonus issue or other capitalisation issue, on the next Market Day immediately following the Entitlement Date in respect of such issue; or

## ESOS BY-LAWS

- (b) In the case of a consolidation or subdivision of Shares or reduction of capital, on the next Market Day immediately following the date of allotment of shares of the Company in respect of such consolidation, subdivision or reduction.

18.6 Upon any adjustment required to be made pursuant to this By-Law 18, the Company shall notify the Grantee (or his/her duly appointed personal representatives where applicable) in writing within ten (10) Market Days from the adjustment date and deliver to him/her (or his/her duly appointed personal representatives where applicable) a statement setting out the Exercise Price or number of ESOS Options which are the subject of the adjusted ESOS Options and any adjustment shall take effect upon such written notification being given on such date as may be specified in such written notification.

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

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

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

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

(1) For consolidation of Shares,

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

(2) For subdivision of Shares,

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

Where:

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

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

S = Existing Exercise Price; and

T = Number of existing Options held.

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

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

If and whenever the Company shall make any issue of new Shares to ordinary shareholders, by way of bonus issue or capitalisation of profits or



reserves of the Company (whether of a capital or income nature), in respect of ESOS Options, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

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

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

Where:

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

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

T = T as in By-Law 18.7(a) above

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

(c) If and whenever the Company shall make:

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

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

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

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

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

Where:

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



C = the prevailing market price of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation or (where appropriate) any relevant date as may be determined by the Company; and

D = (aa) in the case of an offer or invitation to acquire or subscribe for new Shares under By-Law 18.7(c)(2) above or for securities convertible into Shares or securities with rights to acquire or subscribe for new Shares under By-Law 18.7(c)(3) above, the value of rights attributable to one (1) existing Share (as defined below); or

(bb) in the case of any other transaction falling within By-Law 18.7(c) hereof, the fair market value as determined by the external auditors or Principal Adviser of that portion of the Capital Distribution attributable to one (1) existing Share

D\* = The value of rights attributable to one (1) Share (as defined below).

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

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

Where:

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

E = the subscription price for one (1) additional Share under the terms of such offer or invitation to acquire or subscribe for Shares or subscription price of one (1) Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Share under the offer or invitation; and

F = the number of existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Shares or security convertible into Shares or one (1) additional security with right to acquire or subscribe for one (1) additional Shares; and

D\* = The "value of rights attributable to one (1) existing Shares" (as defined below).

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

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

Where:

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

ESOS BY-LAWS

E\* = the subscription price for one (1) additional Share under the terms of such offer or invitation to acquire or subscribe for Shares; and

F\* = the number of existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

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

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

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

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

If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 18.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 18.7(c)(2) or (3) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:-

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

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

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

Where:

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

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

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

ESOS BY-LAWS

- H = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares, as the case may be;
- H\* = the aggregate number of Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;
- I = the subscription price of one (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 one (1) additional Share, as the case may be;
- I\* = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares;
- T = T as in By-Law 18.7(a) above.

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

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

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

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

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

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

Where:

- G = A as in By-Law 18.7(d) above;
- C = C as in By-Law 18.7(c) above;
- H = H as in By-Law 18.7(d) above;
- H\* = H\* as in By-Law 18.7(d) above;
- I = I as in By-Law 18.7(d) above;
- I\* = I\* as in By-Law 18.7(d) above;

ESOS BY-LAWS

- J = the aggregate number of Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders;
- K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share; and
- T = T as in By-Law 18.7(a) above.

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

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

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

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

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

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

Where:

- G = A as in By-Law 18.7(d) above;
- C = C as in By-Law 18.7(c) above;
- H = H as in By-Law 18.7(d) above;
- H\* = H\* as in By-Law 18.7(d) above;
- I = I as in By-Law 18.7(d) above;
- I\* = I\* as in By-Law 18.7(d) above;
- J = J as in By-Law 18.7(e) above;
- T = T as in By-Law 18.7(b) above;
- K = K as in By-Law 18.7(e) above; and
- B = B as in By-Law 18.7(b) above.

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

(g) **Others**

If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under By-Laws 18.7(c)(2), 18.7(c)(3), 18.7(d), 18.7(e) or 18.7(f) above) the Company shall issue either any Shares or any security convertible into new Shares or with rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than ninety percent (90%) of the Average Price for one (1) Share (as defined below) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

Where:

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

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

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

in each case, without any deduction of any commission, discount or expenses paid, allowed or incurred in connection with the issue thereof, and

the "Total Effective Consideration per Share" shall be the Total Effective Consideration divided by the number of new Shares issued as aforesaid or, in the case of securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares, by the maximum number of new Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of By-Law 18.7(g), "Average Price" of a Share shall be the average market price of one (1) Share as derived from the last traded prices for one or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

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

- (h) For the purpose of By-Laws 18.7(c), (d), (e) and (f), the current market price in relation to one (1) existing Share for any relevant day shall be the average of the last traded prices for the five (5) consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

- 18.8 If an event occurs that is not set out in By-Law 18.7 or if the application of any of the formula set out in By-Law 18.7 to an event results in a manifest error or does not, in the opinion of the ESOS Committee, achieve for any reason whatsoever the desired result of preventing the dilution or enlargement of the Eligible Person's rights or providing a fair and reasonable entitlement, the ESOS Committee may effect an adjustment in such manner deemed appropriate by the ESOS Committee provided that the Eligible Persons shall be notified of the adjustment through an announcement to all Eligible Persons to be made in such manner deemed appropriate by the ESOS Committee.
- 18.9 Notwithstanding the provisions of this By-Law, the ESOS Committee may exercise its discretion to determine whether any adjustments to the Exercise Price, the number of Options and/or Shares (as the case may be) be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the Exercise Price and/or the number of Options notwithstanding that no such adjustment formula has been explicitly set out in this By-Law.
- 18.10 Any adjustment to the Exercise Price shall be rounded down to the nearest RM0.01.
- 18.11 In the event that a fraction of a Share arises from the adjustments pursuant to this By-Law 18, the number of Shares comprised in an Offer shall automatically be rounded down to the nearest whole number.

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

- 19.1 In the event of:
  - (a) a takeover offer being made for the Company through a general offer to acquire the whole of the issued share capital (or such part of the issued share

ESOS BY-LAWS

capital not at the time owned by the person making the general offer ("Offeror") or any persons acting in concert with the Offeror), a Grantee shall be entitled within such period to be determined by the ESOS Committee to exercise all or any part of his/her unexercised ESOS Options and the Directors of the Company shall use their best endeavours to procure that such offer be extended to the new Shares that may be issued pursuant to the exercise of the ESOS Options under this By-Law; or

- (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Shares under the provisions of any statutes, rules and/or regulations applicable at that point of time and gives notice to the Company that it intends to exercise such right on a specific date ("Specific Date"); a Grantee shall be entitled to exercise all or any part of his/her unexercised ESOS Options until the expiry of the Specific Date.

19.2 In the event of the court sanctioning a compromise or arrangement between the Company and its members for the purpose of, or in connection with, a scheme of arrangement and reconstruction of the Company under Subdivision 2 of Division 7 of Part III of the Act or its amalgamation with any other company or companies under the Act, a Grantee shall be entitled to exercise all or any part of his/her unexercised ESOS Options at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and up to but excluding the date upon which such compromise or arrangement becomes effective.

19.3 In the event that the Grantee elects not to so exercise some or all of the Options held by him/her, the unexercised Options shall be automatically terminated and lapse by the dates prescribed in By-Laws 19.1 and 19.2 and be null and void and of no further force and effect.

**20. DIVESTMENT FROM THE GROUP, ETC**

20.1 In the event that a company within the Group shall be divested from the Group, a Grantee who is employed by such company:

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

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

**21. WINDING UP**

All outstanding ESOS Options shall be automatically terminated and be of no further force and effect in the event that a resolution is passed or a court order is made for the winding up

of the Company commencing from the date of such resolution or the date of the court order. In the event a petition is presented in court for the winding-up or liquidation of the Company, all rights to exercise the ESOS Options shall automatically be suspended from the date of the presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the right to exercise the ESOS Options shall accordingly be unsuspended.

## PART VI

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

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

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

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

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

22.3 On or before the Date of Expiry, the Board shall have the discretion, without having to obtain approval of the Company's shareholders, to extend the Duration of the Scheme provided that the initial period of the Scheme and such extension of the Scheme made pursuant to this By-Law shall not in aggregate exceed the duration of ten (10) years from the Effective Date or such longer period as may be permitted by Bursa Securities or any other relevant authorities from time to time. In the event the Scheme is extended in accordance with this provision, the ESOS Committee shall furnish a written notification to all Grantees and the Company shall make necessary announcements to Bursa Securities prior to the proposed extension of the Scheme. For the avoidance of doubt, no further sanction, approval, consent or authorisation of the shareholders of the Company in a general meeting is required for any such extension.

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



ESOS BY-LAWS

- 22.5 The Scheme may be terminated by the ESOS Committee at any time before the Date of Expiry **PROVIDED THAT** the Company makes an announcement immediately to Bursa Securities. The announcement shall include:-
- (a) the effective date of termination ("**Termination Date**");
  - (b) the number of Options exercised under ESOS; and
  - (c) the reasons and justification for termination.
- 22.6 The Company may implement more than one (1) employee share scheme provided that the aggregate number of Share available under all the employee share schemes implemented by the Company is not more than 15 percent (15%) of its total number of issued Shares (excluding treasury shares, if any) at any one time or any other limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.
- 22.7 In the event of termination as stipulated in By-Law 22.5 above, the following provisions shall apply:
- (a) no further Offers shall be made by the ESOS Committee from the Termination Date;
  - (b) all Offers which have yet to be accepted by Eligible Persons shall automatically lapse on the Termination Date;
  - (c) all Offers which have yet to be vested in the Eligible Persons shall automatically lapse on the Termination Date; and
  - (d) all outstanding ESOS Options which have yet to be exercised by Grantees and/or vested (if applicable) shall be automatically terminated on the Termination Date.
- 22.8 Approval or consent of the Shareholders by way of a resolution in a general meeting and written consent of Grantees who have yet to exercise their Options are not required to effect a termination of the Scheme.

**23. NO COMPENSATION FOR TERMINATION**

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

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

ESOS BY-LAWS

- (c) no Grantee or his/her Representative shall bring any claim, action or proceeding against any company of the Group, the ESOS Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/cancellation of his/her rights/exercise of his/her ESOS Options ceasing to be valid pursuant to the provisions of these By-Laws; and
- (d) the Company, the Board or the ESOS Committee shall in no event be liable to the Grantee or his/her personal or legal representative or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation lost profits or savings, directly or indirectly arising from the breach or non-performance of these By-Laws or any loss suffered by reason of any change in the price of the Shares or from any other cause whatsoever whether known or unknown, contingent, absolute or otherwise, whether based in contract, tort, equity, indemnity, breach of warranty or otherwise and whether pursuant to common law, statute, equity or otherwise, even if any company of the Group, the Board or the ESOS Committee has been advised of the possibility of such damage.

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

- 24.1 Subject to the compliance with the Listing Requirements and any other relevant authorities, the ESOS Committee may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its discretion think fit. The approval of the shareholders of the Company in general meeting shall not be required in respect of additions or amendments to, or modifications and/or deletions of these By-Laws **PROVIDED THAT** no additions, modifications or amendments to or deletions of these By-Laws shall be made which will:
  - (a) prejudice any rights which have accrued to any Grantee without the prior consent or sanction of that Grantee; or
  - (b) increase the number of Shares available under the Scheme beyond the maximum imposed by By-Law 4.1; or
  - (c) alter any matter which are required to be contained in these By-Laws by virtue of the Listing Requirements to the advantage of the Eligible Person and/or Grantee.
- 24.2 For the purpose of complying with the provisions of the Listing Requirements, By-Laws 4, 5, 6, 8, 9, 10, 11, 12, 13, 18, 21 and 22 shall not be amended or altered in any way whatsoever for the advantage of Eligible Persons and/or Grantees without the prior approval of shareholders obtained at a general meeting and subject to any applicable laws.
- 24.3 Upon amending and modifying all or any of the provisions of the Scheme, the Company shall within five (5) Market Days after the effective date of the amendments, cause to be submitted to Bursa Securities the amended By-Laws and a confirmation letter that the said amendment and/or modification complies and does not contravene any of the provisions of the Listing Requirements in relation to the Scheme.

**PART VII**

**25. ADMINISTRATION AND TRUST**

- 25.1 The Scheme shall be administered by the ESOS Committee. The ESOS Committee shall, subject to these By-Laws, administer the Scheme in such manner as it shall

think fit and with such powers and duties as are conferred upon it by the Board. The decision of the ESOS Committee shall be final and binding.

- 25.2 In implementing the Scheme, the ESOS Committee may in its absolute discretion, after taking into consideration, amongst others, factors such as prevailing market price of the Shares, funding considerations and dilutive effects on the Company's capital base, future returns and cash requirements of the Group, decide that the Shares to be awarded under this Scheme shall be satisfied by any of the following methods:
- (a) issuance of new Shares;
  - (b) acquisition and transfer of existing Shares;
  - (c) any other methods as may be permitted by the Act, as amended from time to time and any re-enactment thereof; or
  - (d) a combination of any of the above.
- 25.3 For the purposes of facilitating the implementation and administration of the Scheme, the Company and/or the ESOS Committee may (but shall not be obliged to) establish a trust to be administered by trustee(s) consisting of such trustee appointed by the Company from time to time ("Trustee"), if required, for the purposes of subscribing for new Shares and/or acquiring existing Shares from the Main Market of Bursa Securities and transferring them to Grantees at such times as the ESOS Committee shall direct ("Trust"). To enable the Trustee to subscribe for new Shares and/or acquire existing Shares for the purpose of the Scheme and to pay expenses in relation to the administration of the Trust, the Trustee will, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise, from the Company and/or its subsidiaries or any third party to subscribe for Shares on behalf of Grantees and to release the relevant net gains arising from the sale of the Shares from the exercise of the ESOS Options by a Grantee (after deducting the Exercise Price and the related transaction costs) to the relevant Grantee.
- 25.4 The Trustee if and when a Trust is established shall administer the Trust in accordance with the terms of the trust deed to be entered into between the Company and the trustee constituting the trust ("Trust Deed"). For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the ESOS Committee may in its sole and absolute discretion direct for the implementation and administration of the Trust.
- 25.5 The Company or ESOS Committee shall have power from time to time, at any time, to appoint or rescind/terminate the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed. The ESOS Committee shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.
- 25.6 Without limiting the generality of By-Law 25.1, the ESOS Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any errors in an Offer, execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its discretion consider to be necessary or desirable for giving effect to the Scheme.
- 25.7 The Board shall have power at any time and from time to time to approve, rescind and/or revoke the appointment of any person in the ESOS Committee as it shall deem fit.

**26. DISPUTES**

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

**27. COSTS AND EXPENSES**

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

**28. CONSTITUTION**

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

**29. NOTICE**

- 29.1 Subject to By-Law 31.5, any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the Grantee pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given:
- (a) if it is sent by ordinary post by the Company to the Eligible Person or the Grantee at the last address known to the Company as being his/her address; such notice or request shall be deemed to have been received three (3) Market Days after posting;

**ESOS BY-LAWS**

- (b) If it is delivered by hand to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received on the date of delivery; and
- (c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received by the recipient on the Market Day immediately following the day on which the electronic mail is sent or (in the case of communication by other digital means) on the Market Day immediately following the day on which such communication is effected or otherwise upon confirmation or notification received after the sending of notice or request by the Company.

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

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

**30. SEVERABILITY**

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

**31. GOVERNING LAW AND JURISDICTION**

- 31.1 These By-Laws shall be governed and construed in accordance with the laws of Malaysia and the Eligible Person and/or Grantee shall, subject to the provisions of By-Law 26, submit to the exclusive jurisdiction of the courts of Malaysia in all matters connected with the obligations and liabilities of the parties hereto under or arising out of these By-Laws.
- 31.2 Any proceeding or action shall, subject to the provisions of By-Law 26, be instituted or taken in Malaysia and the Eligible Person and/or Grantee irrevocably and unconditionally waives any objection on the ground of venue or forum non-convenience or any other grounds.
- 31.3 Any notice/process required to be given to or served upon the Board or the ESOS Committee by an Eligible Person and/or Grantee shall be deemed to be sufficiently given, served or made if it is given served or made by hand, by facsimile transmission and/or by letter sent via ordinary post addressed to the Eligible Person and/or Grantee at his place of employment, at his last facsimile transmission number known to the Company, or to his last-known address. Any notice/process served by hand, by facsimile, by post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and duly acknowledged, (if by facsimile transmission) is transmitted with a confirmed log print-out for the transmission indicating the date, time and transmission of all pages, and (if by post) on the day the letter containing the same is posted and in proving such service by post, it shall be

sufficient to prove that the letter containing the notice or documents was properly addressed, stamped and posted.

- 31.4 Any notice/process required to be given to or served upon the Board or the ESOS Committee by an Eligible Person and/or Grantee shall be given, served or made in writing and delivered by hand or by registered post to the registered office of the Company (or such other office or place which the ESOS Committee may have stipulated for this purpose). Any notice/process served by hand, or post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and duly acknowledged and (if by post) five (5) Market Days after postage.
- 31.5 Any Offer to be made and acceptances thereof, and normal correspondence (other than notice/process) under the Scheme ("**Normal Correspondence**") to be given to or served upon the Board or the ESOS Committee or the Eligible Person and/or the Grantee, as the case may be, shall be given, served or made in writing and delivered by electronic mail to such e-mail address specified by the Company (if to be given to or served upon the Board or the ESOS Committee) or to such e-mail address of the employee provided by the Company (if to be given to or served upon the Eligible Person and/or Grantee) or such communication by other digital means as may be prescribed by the Board and/or ESOS Committee, and shall be deemed to have been received by the recipient (in the case of electronic mail) on the Market day immediately following the day on which the electronic mail is dispatched or (in the case of communication by other digital means) on the Market Day immediately following the day on which such communication is effected.
- 31.6 Notwithstanding By-Law 31.5, where any Normal Correspondence is required to be given by the Company or the ESOS Committee or the Trustee under these By-Laws in relation to matters which may affect any or all of the Eligible Persons and/or Grantees, the Company or the ESOS Committee may give the Normal Correspondence through an announcement to all employees of the Group to be made in such manner deemed appropriate by the ESOS Committee. Upon the making of such an announcement, the Normal Correspondence to be made under By-Law 31.5 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons and/or Grantee.
- 31.7 In order to facilitate the offer of any Offer (and/or the benefit thereof) under this Scheme, the ESOS Committee may provide for such special terms to the Eligible Persons who are employed by any corporation in the Group in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, as the ESOS Committee may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction. The ESOS Committee may further approve such supplements to or amendments, restatements or alternative versions of the Scheme as it may consider necessary or appropriate for such purposes without affecting the terms of the Scheme as in effect for any other purpose, and the secretary of the Company or any other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the Scheme. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Scheme, as then in effect unless this Scheme has been amended to eliminate such inconsistency. Notwithstanding the above, any Offer offered to such Eligible Person pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the ESOS Committee in the Offer.
- 31.8 No action has been or will be taken by the Company to make an Offer valid in any country or jurisdiction other than Malaysia or to ensure compliance of the Offer with all applicable laws and regulations in any other country or jurisdiction other than Malaysia. No action has or will be taken also by the Company to ensure compliance by the Eligible Person to whom an Offer is offered, with all applicable laws and

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***ESOS BY-LAWS***

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regulations in such other country or jurisdiction in which the Eligible Person accepts the Offer or will exercise the ESOS Option.

- 31.9 Any Eligible Person to whom an Offer is offered is required to ensure that they comply with all applicable laws and regulations in each country or jurisdiction in or from which they accept the Offer or exercise the ESOS Option. By their acceptance of an Offer, each Grantee has represented, warranted and agreed that they have and will continue to observe all applicable laws and regulations in the jurisdiction in which they accept the Offer and/or will exercise the ESOS Option.

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**OCR GROUP BERHAD**  
[Registration No. 199701025005 (440503-K)]  
(Incorporated in Malaysia)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of OCR Group Berhad (“**OCR**” or the “**Company**”) will be held at Level 16 Persoft Tower, 6B Persiaran Tropicana, Tropicana Golf and Country Resort, 47410 Petaling Jaya, Selangor on Friday, 7 February 2020 at 10:00 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolutions with or without any modifications:-

### **ORDINARY RESOLUTION 1**

#### **PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 98,600,000 NEW ORDINARY SHARES IN OCR TO MACQUARIE BANK LIMITED (“PROPOSED SHARE ISSUANCE”)**

**“THAT** subject to the approval of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing and quotation of up to 98,600,000 new ordinary shares in OCR (“**OCR Shares**” or “**Shares**”) (“**Subscription Shares**”) on the Main Market of Bursa Securities and all the requisite consents / approvals for the relevant authorities and/or parties being obtained, approval be and is hereby given to the Board of Directors of the Company (“**Board**”) to allot and issue the Subscription Shares at a subscription price equal to 90% of the volume-weighted average price of OCR Shares as traded on Bursa Securities during the 5 consecutive trading days immediately preceding the relevant subscription date (“**Subscription Price**”) to Macquarie Bank Limited, subject to a minimum floor price of RM0.240 per Subscription Share or such other price as may be mutually agreed upon by the Company and Macquarie Bank Limited, upon the terms and subject to the conditions set out in the subscription agreement dated 17 December 2019 executed between Macquarie Bank Limited and the Company (“**Subscription Agreement**”) (“**Proposed Share Issuance**”);

**THAT** approval be and is hereby given for the Company to utilise the proceeds from the Proposed Share Issuance for the purposes set out in the circular to shareholders dated 21 January 2020, and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of the utilisation of such proceeds in such manner as the Board shall in its absolute discretion deem fit, necessary, expedient and/or appropriate and in the best interest of the Company, subject to the approvals of relevant authorities, where required;

**THAT** the Subscription Shares shall, upon allotment and issuance, rank equally in all respects with the existing OCR Shares, save and except that the Subscription Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid for which the entitlement date is before the date of allotment of such Subscription Shares;

**THAT** the Board be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as the Board may consider necessary or expedient, and to take all such necessary steps to give effect to the Proposed Share Issuance and the Subscription Agreement with full powers to consent to and to adopt such conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Share Issuance or as the Board may deem necessary or expedient, and to deal with all matters incidental, ancillary to and/or relating thereto and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Share Issuance pursuant to the terms and conditions of the Subscription Agreement in the best interest of the Company;



**AND THAT** this resolution constitutes a specific approval for the allotment and issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Subscription Shares to be issued pursuant to or in connection with the Proposed Share Issuance have been duly allotted and issued in accordance with the terms of the Proposed Share Issuance.”

## **ORDINARY RESOLUTION 2**

### **PROPOSED ESTABLISHMENT OF AN EMPLOYEES’ SHARE OPTION SCHEME (“ESOS” OR “SCHEME”) INVOLVING UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES OF OCR (EXCLUDING TREASURY SHARES, IF ANY) FOR ELIGIBLE DIRECTORS AND EMPLOYEES OF OCR AND ITS SUBSIDIARIES (“GROUP”) (“PROPOSED ESOS”)**

**“THAT** subject to the approval of all relevant authorities and parties being obtained (if required), including but not limited to the approval of Bursa Malaysia Securities Berhad (**“Bursa Securities”**) for the listing and quotation of the new ordinary shares in OCR (**“OCR Shares”** or **“Shares”**) to be issued pursuant to the exercise of the ESOS options granted under the Scheme having been obtained, approval be and is hereby given for the Company to establish the Scheme involving up to 15% of the total number of issued shares of the Company from time to time (excluding treasury shares, if any) for the benefit of eligible directors and eligible employees of the Group, excluding the subsidiaries which are dormant, and the Board be and is hereby authorised to:-

- (i) implement and administer the Scheme in accordance with the by-laws governing the Scheme (**“By-laws”**), a draft of which is set out in Appendix III of the Circular to Shareholders dated 21 January 2020 (**“Circular”**), and to give full effect to the Scheme with full powers to assent to any conditions, variations, modifications and/or amendments as may be deemed fit or expedient and/or imposed or required by the relevant authorities or as may be deemed fit or necessary by the Board at its discretion;
- (ii) make the necessary applications to Bursa Securities and do all the things necessary at the appropriate time or times for the listing and quotation of the new Shares which may from time to time be allotted and issued pursuant to the exercise of the ESOS options granted under the Scheme;
- (iii) allot and issue from time to time such number of new Shares as may be required to be issued pursuant to the exercise of the ESOS options granted under the Scheme provided that the aggregate number of new Shares to be allotted and issued under the Scheme shall not exceed in aggregate of 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any time during the existence of the Scheme. The new Shares issued pursuant to the exercise of the ESOS options granted under the Scheme shall, upon allotment, issuance and full payment of the exercise price of the ESOS options, rank *pari passu* in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares and will be subject to all the provisions of the Constitution of the Company relating to the transfer, transmission and otherwise of the Shares;
- (iv) appoint trustee(s) (**“Trustee(s)”**) to subscribe for new Shares and/or acquire existing Shares for the purpose of the Proposed ESOS, provided always that the total number of OCR Shares which may be made available under the Proposed ESOS and any other employee share issuance schemes to be implemented by the Company shall not in aggregate exceed fifteen percent (15%) of the issued ordinary share capital of the Company (excluding treasury shares, if any) at any time during the duration of the Proposed ESOS and to pay expenses in relation to the administration of the trust(s) (which may be established by a committee to be appointed by the Board (**“ESOS Committee”**), if required) to the extent permitted by law (**“Trust”**), be entitled to accept funding and/or assistance, financial or otherwise, from the Group and/or any third party to be paid into the bank account(s) established by the Trustee(s) for the purpose of the Trust as the Trustee may direct;

- (v) provide money or other assistance (financial or otherwise), and/or to authorise and/or procure any one (1) or more of the subsidiaries of the Company, to provide money or assistance (financial or otherwise) from time to time if required, to enable the Trustee to acquire, subscribe for and/or transfer OCR Shares for the purposes of implementation and administration of the Proposed ESOS;
- (vi) modify and/or amend the By-laws from time to time as may be required or permitted by the authorities or deemed necessary by the authorities or the Board provided that such modifications and/or amendments are effected in accordance with the provisions of the By-laws relating to modifications and/or amendments and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Scheme;
- (vii) extend the duration of the Scheme, provided always that such extension of the Scheme made pursuant to the By-laws shall not in aggregate exceed a duration of 10 years from the date on which the Scheme shall take effect following full compliance of all relevant requirements or such longer period as may be permitted by Bursa Securities or any other relevant authorities from time to time without having to obtain any further sanction, approval, consent or authorisation of the shareholders of the Company in a general meeting; and
- (viii) do all such acts and things, to execute all such documents and to enter into all such transactions, arrangements and agreements, deeds or undertakings (including but not limited to the trust deeds with the Trustee(s)) and to make such rules or regulations, or impose such terms and conditions or delegate its power as may be necessary or expedient in order to give full effect to the Proposed ESOS and terms of the By-Laws;

**THAT** the By-laws of the Scheme, a draft of which is set out in Appendix II of the Circular, be and is hereby approved and adopted;

**AND THAT** the Board be and is hereby authorised to give effect to the Scheme with full powers to consent to and to adopt and implement such conditions, modifications, variations and/or amendments as may be required by the relevant regulatory authorities or as the Board may deem fit or necessary at its absolute discretion."

### **ORDINARY RESOLUTION 3**

#### **PROPOSED ALLOCATION TO ONG KAH HOE**

"**THAT**, subject to the passing of Ordinary Resolution 2 and the approvals of all relevant authorities (where required) having been obtained, approval be and is hereby given to the Board to authorise the ESOS Committee to offer and grant, from time to time throughout the duration of the Scheme, such number of ESOS options to subscribe for new Shares under the Scheme to Ong Kah Hoe, the Group Managing Director of the Company ("**Proposed Allocation to Ong Kah Hoe**"), provided always that not more than ten percent (10%) of the total OCR Shares available under the ESOS and any other subsisting employee share scheme(s), individually and collectively, shall be allocated to him if he, either singly or collectively through persons connected with him, holds twenty percent (20%) or more of the issued share capital of the Company (excluding treasure shares, if any), subject always to such terms and conditions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

**AND THAT** subject always to such terms and conditions and/or any adjustments which may be made in accordance with the By-laws, the Board be and is hereby authorised to take such steps as are necessary or expedient to implement, finalise or to give full effect to the Proposed Allocation to Ong Kah Hoe with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed and/or permitted by the relevant authorities or otherwise thought fit by the Board to be in the best interest of the Company; to execute, sign and deliver on behalf of the Company all such agreements, arrangements and documents as may be necessary to give full effect to, complete and implement the Proposed Allocation to Ong Kah Hoe as well as to deal with all matters relating thereto and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

## **ORDINARY RESOLUTION 4**

### **PROPOSED ALLOCATION TO CHAN LIAN SEI**

"**THAT**, subject to the passing of Ordinary Resolution 2 and the approvals of all relevant authorities (where required) having been obtained, approval be and is hereby given to the Board to authorise the ESOS Committee to offer and grant, from time to time throughout the duration of the Scheme, such number of ESOS options to subscribe for new Shares under the Scheme to Chan Lian Sei, a person connected to Ong Kah Hoe ("**Proposed Allocation to Chan Lian Sei**"), provided always that not more than ten percent (10%) of the total OCR Shares available under the ESOS and any other subsisting employee share scheme(s), individually and collectively, shall be allocated to her if she, either singly or collectively through persons connected with her, holds twenty percent (20%) or more of the issued share capital of the Company (excluding treasure shares, if any), subject always to such terms and conditions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

**AND THAT** subject always to such terms and conditions and/or any adjustments which may be made in accordance with the By-laws, the Board be and is hereby authorised to take such steps as are necessary or expedient to implement, finalise or to give full effect to the Proposed Allocation to Chan Lian Sei with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed and/or permitted by the relevant authorities or otherwise thought fit by the Board to be in the best interest of the Company; to execute, sign and deliver on behalf of the Company all such agreements, arrangements and documents as may be necessary to give full effect to, complete and implement the Proposed Allocation to Chan Lian Sei as well as to deal with all matters relating thereto and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

## **ORDINARY RESOLUTION 5**

### **PROPOSED ALLOCATION TO ONG YEW MING**

"**THAT**, subject to the passing of Ordinary Resolution 2 and the approvals of all relevant authorities (where required) having been obtained, approval be and is hereby given to the Board to authorise the ESOS Committee to offer and grant, from time to time throughout the duration of the Scheme, such number of ESOS options to subscribe for new Shares under the Scheme to Ong Yew Ming, a person connected to Ong Kah Hoe ("**Proposed Allocation to Ong Yew Ming**"), provided always that not more than ten percent (10%) of the total OCR Shares available under the ESOS and any other subsisting employee share scheme(s), individually and collectively, shall be allocated to her if she, either singly or collectively through persons connected with her, holds twenty percent (20%) or more of the issued share capital of the Company (excluding treasure shares, if any), subject always to such terms and conditions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

**AND THAT** subject always to such terms and conditions and/or any adjustments which may be made in accordance with the By-laws, the Board be and is hereby authorised to take such steps as are necessary or expedient to implement, finalise or to give full effect to the Proposed Allocation to Ong Yew Ming with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed and/or permitted by the relevant authorities or otherwise thought fit by the Board to be in the best interest of the Company; to execute, sign and deliver on behalf of the Company all such agreements, arrangements and documents as may be necessary to give full effect to, complete and implement the Proposed Allocation to Ong Yew Ming as well as to deal with all matters relating thereto and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

## ORDINARY RESOLUTION 6

### PROPOSED ALLOCATION TO ONG KAH WEE

"**THAT**, subject to the passing of Ordinary Resolution 2 and the approvals of all relevant authorities (where required) having been obtained, approval be and is hereby given to the Board to authorise the ESOS Committee to offer and grant, from time to time throughout the duration of the Scheme, such number of ESOS options to subscribe for new Shares under the Scheme to Ong Kah Wee, a person connected to Ong Kah Hoe ("**Proposed Allocation to Ong Kah Wee**"), provided always that not more than ten percent (10%) of the total OCR Shares available under the ESOS and any other subsisting employee share scheme(s), individually and collectively, shall be allocated to him if he, either singly or collectively through persons connected with him, holds twenty percent (20%) or more of the issued share capital of the Company (excluding treasure shares, if any), subject always to such terms and conditions of the By-Laws and the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

**AND THAT** subject always to such terms and conditions and/or any adjustments which may be made in accordance with the By-laws, the Board be and is hereby authorised to take such steps as are necessary or expedient to implement, finalise or to give full effect to the Proposed Allocation to Ong Kah Wee with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed and/or permitted by the relevant authorities or otherwise thought fit by the Board to be in the best interest of the Company; to execute, sign and deliver on behalf of the Company all such agreements, arrangements and documents as may be necessary to give full effect to, complete and implement the Proposed Allocation to Ong Kah Wee as well as to deal with all matters relating thereto and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

By Order of the Board  
**OCR GROUP BERHAD**

**NG BEE LIAN (MAICSA 7041392)**  
Company Secretary

Melaka  
21 January 2020

Notes:

1. *For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 3 February 2020. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.*
2. *A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.*
3. *A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.*
4. *If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.*
5. *Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
6. *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. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
7. *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
8. *The appointment of a proxy made in a hard copy form, duly completed must be deposited at the Company Share Register Office, Boardroom Share Registrars Sdn. Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting.*



**OCR GROUP BERHAD**  
[Registration No. 199701025005 (440503-K)]  
(Incorporated in Malaysia)

**CDS Account No.**

**No. of Shares held**

## FORM OF PROXY

I/We, ..... Tel. No.: .....  
[Full name in block, NRIC / Passport / Company No.]

of .....  
[Address]

being member(s) of OCR GROUP BERHAD, hereby appoint:-

| Full Name (in Block) | NRIC/Passport No. | Proportion of Shareholdings |   |
|----------------------|-------------------|-----------------------------|---|
|                      |                   | No. of Shares               | % |
| Address              |                   |                             |   |

and/or\* (\*delete as appropriate)

| Full Name (in Block) | NRIC/Passport No. | Proportion of Shareholdings |   |
|----------------------|-------------------|-----------------------------|---|
|                      |                   | No. of Shares               | % |
| Address              |                   |                             |   |

or failing him, the Chairperson of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at Level 16 Persoft Tower, 6B Persiaran Tropicana, Tropicana Golf and Country Resort, 47410 Petaling Jaya, Selangor on Friday, 7 February 2020 at 10:00 a.m. or any adjournment thereof, and to vote as indicated below:-

| Item | Description of Resolution            | Resolution            | FOR | AGAINST |
|------|--------------------------------------|-----------------------|-----|---------|
| 1.   | Proposed Share Issuance              | Ordinary Resolution 1 |     |         |
| 2.   | Proposed ESOS                        | Ordinary Resolution 2 |     |         |
| 3.   | Proposed Allocation to Ong Kah Hoe   | Ordinary Resolution 3 |     |         |
| 4.   | Proposed Allocation to Chan Lian Sei | Ordinary Resolution 4 |     |         |
| 5.   | Proposed Allocation to Ong Yew Ming  | Ordinary Resolution 5 |     |         |
| 6.   | Proposed Allocation to Ong Kah Wee   | Ordinary Resolution 6 |     |         |

Please indicate with an 'X' in the space provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this.....

Signature of Shareholder(s)/Common Seal

\* Manner of execution:

- If you are an individual member, please sign where indicated.
- If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
  - at least two (2) authorised officers, of whom one shall be a director; or
  - any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

- For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 3 February 2020. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
- A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
- If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
- Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in 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. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The appointment of a proxy made in a hard copy form, duly completed must be deposited at the Company Share Register Office, Boardroom Share Registrars Sdn. Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting.

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AFFIX  
STAMP

**THE SHARE REGISTRAR**

**OCR GROUP BERHAD [199701025005 (440503-K)]**

Boardroom Share Registrars Sdn. Bhd.  
(Formerly known as Symphony Share Registrars Sdn. Bhd.)  
11<sup>th</sup>. Floor, Menara Symphony,  
No. 5 Jalan Prof. Khoo Kay Kim,  
Seksyen 13  
46200 Petaling Jaya,  
Selangor Darul Ehsan

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