

THIS CIRCULAR TO SHAREHOLDERS OF CRESCENDO CORPORATION BERHAD IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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CRESCENDO CORPORATION BERHAD
(Registration No. 199501030544 (359750-D))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE FOLLOWING:-

- (I) PROPOSED DISPOSAL BY PANORAMIC INDUSTRIAL DEVELOPMENT SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF CRESCENDO CORPORATION BERHAD (“CCB”), OF A VACANT INDUSTRIAL LAND LOCATED IN THE MUKIM OF PULAI, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR FOR A TOTAL CASH CONSIDERATION OF RM115,877,876.40;**
- (II) PROPOSED SHARE SPLIT INVOLVING THE SUBDIVISION OF EVERY 1 EXISTING ORDINARY SHARE IN CCB (“CCB SHARE(S)” OR “SHARE(S)”) HELD BY THE SHAREHOLDERS OF CCB WHOSE NAMES APPEAR IN THE COMPANY’S RECORD OF DEPOSITORS ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER, INTO 3 SUBDIVIDED SHARES;**
- (III) PROPOSED ESTABLISHMENT OF AN EXECUTIVES’ SHARE OPTION SCHEME (“ESOS”) INVOLVING UP TO 10% OF THE TOTAL NUMBER OF ISSUED CCB SHARES (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT IN TIME DURING THE DURATION OF THE ESOS TO BE GRANTED TO THE ELIGIBLE EXECUTIVE DIRECTORS AND EXECUTIVES OF CCB AND ITS SUBSIDIARIES (EXCLUDING DORMANT SUBSIDIARIES, IF ANY) (“PROPOSED ESOS”); AND**
- (IV) PROPOSED ALLOCATION OF OPTIONS TO THE ELIGIBLE EXECUTIVE DIRECTORS AND PERSONS CONNECTED TO THE ELIGIBLE EXECUTIVE DIRECTORS PURSUANT TO THE PROPOSED ESOS,**

(COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

UOBKayHian

UOB KAY HIAN SECURITIES (M) SDN BHD

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

The resolutions in respect of the Proposals will be tabled at the extraordinary general meeting of the Company (“EGM”) which will be held at the Junior Ballroom, Level 11, DoubleTree by Hilton, No. 12, Jalan Ngee Heng, 80000 Johor Bahru, Johor Darul Takzim on Friday, 6 September 2024 at 2.00 p.m. or at any adjournment thereof. The Notice of EGM together with the Form of Proxy are enclosed in this Circular. This Circular together with the Administrative Guide are also available at the Company’s website at www.crescendo.com.my.

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

Last day, date and time for lodging the Form of Proxy : Thursday, 5 September 2024 at 2.00 p.m. or at any adjournment thereof

Day, date and time of the EGM : Friday, 6 September 2024 at 2.00 p.m. or at any adjournment thereof

This Circular is dated 22 August 2024

DEFINITIONS

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

“Act”	:	Companies Act 2016
“Balance Disposal Consideration”	:	The balance of RM104,290,088.76, constituting 90.0% of the Disposal Consideration
“Board”	:	The board of Directors of CCB
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
“Bye-Laws”	:	The terms and conditions governing the Proposed ESOS as may be amended, modified and supplemented from time to time, the draft of which is set out in Appendix III of this Circular
“CBRE WTW” or the “Valuer”	:	CBRE WTW Valuation & Advisory Sdn Bhd (Registration No. 197401001098 (18149-U))
“CCB” or the “Company”	:	Crescendo Corporation Berhad (Registration No. 199501030544 (359750-D))
“CCB Group” or the “Group”	:	Collectively, CCB and its subsidiaries
“CCB Share(s) or “Share(s)”	:	Ordinary share(s) in CCB
“Circular”	:	This circular dated 22 August 2024, issued to the shareholders of the Company in relation to the Proposals
“Completion Date”	:	Completion date of the SPA
“Completion Period”	:	3 months commencing from the Unconditional Date
“Conditions Precedent”	:	Main conditions precedent of the SPA
“Conditions Precedent Fulfilment Period”	:	The time period(s) for fulfilling the respective Conditions Precedent as stipulated in the SPA
“Deed of Revocation”	:	Deed of revocation entered between PID and Digital Halo dated 12 July 2024 where both parties mutually agreed to revoke the Initial SPA and substitute the Initial SPA with the SPA to give effect to the Proposed Disposal, at the request of Digital Halo
“Deposit”	:	A deposit of RM11,587,787.64, constituting 10.0% of the Disposal Consideration
“Digital Halo”	:	Digital Halo Pte Ltd (Unique Entity Number: 202129643G)
“Director(s)”	:	Director(s) of CCB and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007, Section 2(1) of the Act and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of CCB or any other company which is a subsidiary or holding company of CCB
“Disposal Consideration”	:	RM115,877,876.40, being the total cash consideration for the Proposed Disposal

DEFINITIONS (CONT'D)

“Disposal to MPSB”	:	Disposal by PID of vacant lands to MPSB for approximately RM132.47 million which was announced on 4 April 2024
“Disposal to MPSB SPA”	:	Conditional sale and purchase agreement entered into between PID and MPSB dated 4 April 2024 for disposal of vacant lands respectively to MPSB
“EGM”	:	Extraordinary general meeting of the Company
“Eligible Executive(s)”	:	Executive Directors and executives of CCB Group (which are not dormant) who meet the criteria of eligibility for participation in the Proposed ESOS in the manner as indicated in the Bye-Laws
“Entitlement Date”	:	The date at the close of business (to be determined and announced later by the Board) on which the names of shareholders of CCB must be entered as a member in the Record of Depositors of CCB in order to be entitled to and participate in the Proposed Share Split
“Entitled Shareholder(s)”	:	The shareholders of CCB whose names appear in the Company’s Record of Depositors on the Entitlement Date
“EPS”	:	Earnings per Share
“ESOS”	:	Executives’ share option scheme being the scheme for the granting of Options to the Eligible Executive(s) to subscribe for new Shares upon the terms and conditions in the manner as indicated in the Bye-Laws
“ESOS Committee”	:	The committee comprising such persons as may be appointed and authorised by the Board to administer the Proposed ESOS in accordance with the provisions of the Bye-Laws
“FYE”	:	Financial year ended/ending, as the case may be
“Grantee(s)”	:	The relevant grantee of the Options
“GDC”	:	Gross development cost
“GDV”	:	Gross development value
“Initial SPA”	:	Conditional sale and purchase agreement entered into between PID and Digital Halo dated 11 June 2024 in relation to the Proposed Disposal
“Interested Directors”	Executive	: The executive Directors who are deemed interested in the Proposed Allocation by virtue of their eligibility for the Options in their capacity as the executive Directors and in respect of their allocations as well as the allocations to persons connected with them (if any)
“JSA”	:	The Johor State Authority
“km”	:	kilometres
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“LPD”	:	6 August 2024, being the latest practicable date prior to the date of this Circular
“MFRS”	:	Malaysian Financial Reporting Standards

DEFINITIONS (CONT'D)

“MPSB”	:	Microsoft Payments (Malaysia) Sdn Bhd (Registration No. 201101042611 (970731-K))
“Nanda Digital” or the “Purchaser”	:	Nanda Digital Sdn Bhd (Registration No. 202401024863 (1570712-W)), a wholly-owned subsidiary of Digital Halo
“NA”	:	Net assets
“National Land Code”	:	National Land Code (Revised 2020)
“NBV”	:	Net book value
“NCIP”	:	Nusa Cemerlang Industrial Park
“Option(s)”	:	The right of a Grantee to subscribe for new Shares in accordance to the Bye-Laws under the Proposed ESOS
“PAT”	:	Profit after tax
“PID” or the “Vendor”	:	Panoramic Industrial Development Sdn Bhd (Registration No. 198501015925 (148382-K)), a wholly-owned subsidiary of CCB
“Proposals”	:	Collectively, the Proposed Disposal, the Proposed Share Split, the Proposed ESOS and the Proposed Allocation
“Proposed Allocation”	:	Proposed allocation of Options to the eligible executive Directors and persons connected to the eligible executive Directors pursuant to the Proposed ESOS
“Proposed Disposal”	:	Proposed disposal by PID of the Subject Property for the Disposal Consideration, which will be satisfied entirely in cash
“Proposed ESOS”	:	Proposed establishment of an ESOS of up 10% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the duration of the ESOS to be granted to the Eligible Executives
“Proposed Share Split”	:	Proposed share split involving the subdivision of every 1 existing CCB Share(s) held by the Entitled Shareholders on the Entitlement Date, into 3 Subdivided Shares
“Subdivided Share(s)”	:	Subdivided CCB Shares
“PN 17”	:	Practice Note 17
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“SPA”	:	Conditional sale and purchase agreement entered into between PID and Nanda Digital dated 12 July 2024 in relation to the Proposed Disposal
“STT GDC M”	:	STT GDC Malaysia 2 Sdn Bhd (Registration No. 202301030943 (1524866-V))
“sq ft”	:	Square feet
“Subject Property”	:	Land measuring approximately 20.463 acres or 891,368.28 sq ft held under H.S.(D) 629092 PTD 227197, Mukim of Pulai, District of Johor Bahru, State of Johor

DEFINITIONS (CONT'D)

“TESP”	:	Theoretical ex-split price
“TNB”	:	Tenaga Nasional Berhad
“Unconditional Date”	:	Date of the last of the Conditions Precedent having been fulfilled or waived in accordance with the terms of the SPA
“UOBKH” or the “Principal Adviser”	:	UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))
“USA”	:	United States of America
“VWAP”	:	Volume weighted average market price
“Valuation Certificate”	:	The valuation certificate on the Subject Property dated 10 June 2024 prepared by the Valuer, enclosed as Appendix II in this Circular
“Valuation Report”	:	The valuation report on the Subject Property dated 10 June 2024 prepared by the Valuer
“YASB”	:	Yu Ao Sdn Bhd (Registration No. 202301029352 (1523275-W))

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

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

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

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

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

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EXECUTIVE SUMMARY

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

Key information	Description	Reference to Circular
<p>Summary of the Proposals</p>	<p>Our Company proposed to undertake the following proposals:-</p> <p>(i) <u>Proposed Disposal</u></p> <p>The Proposed Disposal entails the disposal of the Subject Property by PID to Nanda Digital for the Disposal Consideration on an “as is where is” basis, free from all and any encumbrances and with vacant possession, subject to pre-vacant possession works and post-vacant possession works and other terms and conditions of the SPA.</p> <p>(ii) <u>Proposed Share Split</u></p> <p>The Proposed Share Split entails the subdivision of every 1 existing CCB Share held by the Entitled Shareholders on the Entitlement Date, into 3 Subdivided Shares.</p> <p>(iii) <u>Proposed ESOS</u></p> <p>The Proposed ESOS will involve granting of Options to the Eligible Executives who meet the criteria of eligibility for participation in the manner as indicated in the Bye-Laws. The Proposed ESOS will be administered by the ESOS Committee and shall be governed by the Bye-Laws.</p> <p>The maximum number of new CCB Shares to be allotted and issued pursuant to the exercise of the Options that may be granted under the Proposed ESOS shall not in aggregate exceed 10% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the duration of the Proposed ESOS as provided in the Bye-Laws.</p> <p>The Exercise Price payable for the CCB Shares upon the exercise of any Options granted pursuant to the Proposed ESOS shall be determined by the ESOS Committee provided that the Exercise Price shall not be at a discount of more than 10% from the 5-day VWAP of the CCB Shares transacted on the Bursa Securities preceding the Offer Date.</p> <p>(iv) <u>Proposed Allocation</u></p> <p>The Proposed Allocation involves the allocation of the Options granted under the Proposed ESOS to the Interested Executive Directors and persons connected with the Interested Executive Directors pursuant to the Proposed ESOS.</p>	<p>Sections 2.1, 2.2, 2.3 and 2.4</p>

EXECUTIVE SUMMARY (CONT'D)

Key information	Description	Reference to Circular												
Basis and justification of arriving at the Disposal Consideration	<p><u>Proposed Disposal</u></p> <p>The Disposal Consideration of RM115,877,876.40 (or RM130.00 per sq ft) was negotiated on a “willing-buyer willing-seller” basis after taking into consideration the following factors:-</p> <p>(i) PID’s recently announced disposals of land located within the vicinity of the Subject Property to various parties at a competitive price per sq ft ranges around RM120 per sq ft to RM127 per sq ft;</p> <p>(ii) the estimated net gain on disposal of RM71.21 million to be derived from the Proposed Disposal as further detailed in Section 2.1.8 of this Circular; and</p> <p>(iii) the rationale and justifications of the Proposed Disposal to monetise the value of the Subject Property as stated in Section 3.1 of this Circular.</p> <p>The Disposal Consideration is supported by the market value ascribed by the Valuer of RM116,000,000 derived from the comparison approach.</p>	Section 2.1.4												
Mode of settlement	<p>Pursuant to the terms of the SPA, the Disposal Consideration for the Subject Property is to be satisfied by cash in the following manner:-</p> <table border="1" data-bbox="432 947 1217 1400"> <thead> <tr> <th>Payment Term</th> <th>Timing of settlement</th> <th>Disposal Consideration (RM)</th> </tr> </thead> <tbody> <tr> <td>10.0% of Disposal Consideration</td> <td>2.0% already held by PID’s solicitors as stakeholder as at the date of the SPA, balance thereof shall be payable simultaneously with the execution of the SPA</td> <td>⁽ⁱ⁾11,587,787.64</td> </tr> <tr> <td>90.0% of Disposal Consideration</td> <td>Within 1 month commencing from the day immediately after the later of the following dates:- (i) the date the last condition precedent of the SPA is fulfilled or waived; or (ii) the expiry of 3 months from the date of the SPA.</td> <td>⁽ⁱⁱ⁾104,290,088.76</td> </tr> <tr> <td colspan="2">Total Disposal Consideration</td> <td>115,877,876.40</td> </tr> </tbody> </table> <p>Notes:-</p> <p>(i) <i>The 10% of the Disposal Consideration has been fully paid on 11 June 2024.</i></p> <p>(ii) <i>Subject to an extension of 5 months from the expiry of the Completion Period, with late payment interest of 8% per annum calculated on daily basis on the balance outstanding Disposal Consideration.</i></p>	Payment Term	Timing of settlement	Disposal Consideration (RM)	10.0% of Disposal Consideration	2.0% already held by PID’s solicitors as stakeholder as at the date of the SPA, balance thereof shall be payable simultaneously with the execution of the SPA	⁽ⁱ⁾ 11,587,787.64	90.0% of Disposal Consideration	Within 1 month commencing from the day immediately after the later of the following dates:- (i) the date the last condition precedent of the SPA is fulfilled or waived; or (ii) the expiry of 3 months from the date of the SPA.	⁽ⁱⁱ⁾ 104,290,088.76	Total Disposal Consideration		115,877,876.40	Section 2.1.5
Payment Term	Timing of settlement	Disposal Consideration (RM)												
10.0% of Disposal Consideration	2.0% already held by PID’s solicitors as stakeholder as at the date of the SPA, balance thereof shall be payable simultaneously with the execution of the SPA	⁽ⁱ⁾ 11,587,787.64												
90.0% of Disposal Consideration	Within 1 month commencing from the day immediately after the later of the following dates:- (i) the date the last condition precedent of the SPA is fulfilled or waived; or (ii) the expiry of 3 months from the date of the SPA.	⁽ⁱⁱ⁾ 104,290,088.76												
Total Disposal Consideration		115,877,876.40												
Rationale and justifications	<p><u>Proposed Disposal</u></p> <p>The Subject Property is a vacant industrial land which is currently not used for our Group business operations thus is not generating any cashflow for our Group. Similar to the series of land sales in the same vicinity of the Subject Property announced by our Group over the past 1 year, the Proposed Disposal will provide our Group with the opportunity to realise a gain on disposal and unlock the value of its investment in the Subject Property at the Disposal Consideration.</p> <p>Moving forward, our Group intends to focus its resources on six ongoing development projects and should opportunities arise, take advantage of land banking opportunities and joint ventures in other strategic locations. Our Group will have the flexibility and liquidity to pursue investment opportunities or projects requiring large capital expenditure, whilst strengthening our Group’s working capital position as stated in Section 4.1 of this Circular.</p>	Section 3												

EXECUTIVE SUMMARY (CONT'D)

Key information	Description	Reference to Circular
<p>Rationale and justifications (cont'd)</p>	<p><u>Proposed Share Split</u></p> <p>The Proposed Share Split aims to reward our existing shareholders for their loyalty and continuing support, by enabling them to have a greater participation in the equity of our Company in terms of number of CCB Shares held, whilst maintaining their percentage of equity interest. The Proposed Share Split is expected to improve the trading liquidity of CCB Shares on the Main Market of Bursa Securities by increasing the number of Shares in issue.</p> <p><u>Proposed ESOS</u></p> <p>The main objective of the Proposed ESOS is to align the interests of the Eligible Executives with the corporate goals of our Group. The Proposed ESOS will provide the Eligible Executives with an opportunity to have equity participation in our Company and thereby achieve the following:-</p> <ul style="list-style-type: none"> (i) to recognise the contribution of the Eligible Executives whose services are valued and considered vital to the operations and continued growth of our Group; (ii) to reward the Eligible Executives by allowing them to participate in our Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of CCB Shares, upon exercising of the Options; (iii) to increase the level of commitment, dedication and loyalty of the Eligible Executives by rewarding them with an equity stake in our Company; and (iv) to provide incentive for the Eligible Executives to participate more actively in the operations of our Group and encourage them to contribute to the future growth of our Group. 	<p>Section 3</p>
<p>Risk factors</p>	<p>The potential risk factors of the Proposed Disposal are as follows:-</p> <ul style="list-style-type: none"> (i) non-completion risk; (ii) financial risk; and (iii) opportunity cost. 	<p>Section 5</p>
<p>Approvals required/ obtained</p>	<p><u>Proposed Disposal</u></p> <p>The Proposed Disposal is subject to the following approvals being obtained:-</p> <ul style="list-style-type: none"> (i) from the shareholders of CCB, for the Proposed Disposal at the forthcoming EGM; and (ii) from the JSA in respect of the Purchaser's acquisition of the Subject Property pursuant to Section 433B of the National Land Code. <p><u>Proposed Share Split and Proposed ESOS</u></p> <p>The Proposed Share Split and Proposed ESOS are conditional upon the following approvals being obtained:-</p> <ul style="list-style-type: none"> (i) Bursa Securities, for the following which was obtained vide its letter dated 20 August 2024:- <ul style="list-style-type: none"> (a) listing of and quotation for up to 560,924,996 Subdivided Shares to be issued pursuant to the Proposed Share Split; and 	<p>Section 9</p>

EXECUTIVE SUMMARY (CONT'D)

Key information	Description	Reference to Circular
	<p>(b) listing of and quotation for such number of new CCB Shares, representing up to 10% of the total number of issued Shares (excluding treasury shares, if any), to be issued pursuant to the Proposed ESOS,</p> <p>subject to terms and conditions set out in Section 9 of this Circular; and</p> <p>(ii) the shareholders of CCB at the forthcoming EGM.</p>	
Conditionality of the Proposals	<p>The Proposed Disposal, Proposed Share Split and Proposed ESOS are not inter-conditional upon one another. The Proposed Allocation is conditional upon the Proposed ESOS but not vice versa and the Proposed Allocation is not conditional upon the Proposed Disposal and Proposed Share Split.</p> <p>The Proposals are not conditional upon any other corporate exercises undertaken or to be undertaken by our Company.</p>	Section 10
Interest of Directors, major shareholders and/or persons connected with them	<p><u>Proposed Disposal</u></p> <p>None of our directors, major shareholders of CCB and persons connected with them have any interest, direct or indirect, in the Proposed Disposal.</p> <p><u>Proposed Share Split</u></p> <p>None of our Directors, major shareholder or chief executive of our Company and/or persons connected with them has any interest, whether direct or indirect, in the Proposed Share Split, save for their respective entitlements as shareholders of our Company under the Proposed Share Split, which are also available to all other shareholders of our Company on a pro-rata basis.</p> <p><u>Proposed ESOS and Proposed Allocation</u></p> <p>All our executive Directors of CCB Group are eligible to participate in the Proposed ESOS and are therefore deemed interested in the Proposed ESOS to the extent of their respective allocations under the Proposed ESOS. Notwithstanding this, our Directors have deliberated on the Proposed ESOS, and have agreed to present the Proposed ESOS to our shareholders for their consideration and approval.</p> <p>In respect of any specific allocation of Options to our executive Directors under the Proposed ESOS, the respective executive Directors shall accordingly abstain from all Board deliberation and voting. In addition, the respective executive Directors shall also abstain from voting in respect of their direct and/or indirect shareholdings, if any, at the forthcoming EGM to be convened in respect of the resolutions to be tabled for their respective proposed allocation, if any, as well as the specific allocations to any persons connected with them under the Proposed ESOS.</p> <p>Further, all our executive Directors have undertaken that they will ensure that all persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in CCB, if any, on the relevant resolutions pertaining to the allocations of the respective executive Directors and the persons connected with them under the Proposed ESOS to be tabled at the forthcoming EGM.</p>	Section 11

EXECUTIVE SUMMARY (CONT'D)

Key information	Description	Reference to Circular
Directors' statement	<p>Our Board, having considered all aspects of the Proposals, including the rationale and effects (save for the executive Directors who have abstained from deliberations to the extent of their respective allocations of Options and allocation of Options to any persons connected with them) is of the opinion that the Proposals are in the best interest of our Company.</p> <p>Our executive Directors have abstained from giving any opinion or recommendation on their respective allocations of Options or the allocations of Options to persons connected with them, if any.</p> <p>Accordingly, our Board recommends that you vote in favour for the resolutions pertaining to the Proposals at the forthcoming EGM.</p>	Section 12

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CRESCENDO CORPORATION BERHAD

Registration No. 199501030544 (359750-D)
(Incorporated in Malaysia)

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

22 August 2024

Board of Directors

Gooi Seong Lim	<i>(Chairman and Managing Director)</i>
Gooi Seong Heen	<i>(Executive Director)</i>
Gooi Seong Chneh	<i>(Executive Director)</i>
Gooi Seong Gum	<i>(Executive Director)</i>
Yong Chung Sin	<i>(Senior Independent Non-Executive Director)</i>
Chew Ching Chong	<i>(Independent Non-Executive Director)</i>
Soh Ban Ting	<i>(Independent Non-Executive Director)</i>
Gooi Khai Shin	<i>(Alternate Director to Gooi Seong Lim)</i>
Gooi Chuen Howe	<i>(Alternate Director to Gooi Seong Heen)</i>

To: Our shareholders

Dear Sir/Madam,

- (I) PROPOSED DISPOSAL;**
 - (II) PROPOSED SHARE SPLIT;**
 - (III) PROPOSED ESOS; AND**
 - (IV) PROPOSED ALLOCATION,**
- (COLLECTIVELY REFERRED AS THE “PROPOSALS”)**

1. INTRODUCTION

On 11 June 2024, UOBKH had, on behalf of our Board, announced that PID, had on even date entered into the Initial SPA with Digital Halo for the Proposed Disposal.

Subsequently, on 12 July 2024, UOBKH had, on behalf of our Board, announced the following:-

- (i) at the request of Digital Halo, PID and Digital Halo had on even date entered into a Deed of Revocation to revoke the Initial SPA upon the terms and conditions contained therein; and
- (ii) in substitution thereof, PID had concurrently entered into the SPA with Nanda Digital for the Proposed Disposal at the Disposal Consideration.

On 22 July 2024, UOBKH had, on behalf of our Board, announced that the Company proposed to undertake the following:-

- (i) proposed subdivision of every 1 existing CCB Share held by the Entitled Shareholders on the Entitlement Date, into 3 Subdivided Shares; and
- (ii) proposed establishment of an ESOS involving up to 10% of the total number of issued CCB Shares (excluding treasury shares, if any) at any point in time during the duration of the ESOS to be granted to the Eligible Executives.

On 20 August 2024, UOBKH had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated on even date, approved the following:-

- (i) the listing of and quotation for up to 560,924,996 Subdivided Shares to be issued pursuant to the Proposed Share Split; and
- (ii) the listing of and quotation for such number of new CCB Shares, representing up to 10% of the total number of issued CCB Shares, to be issued pursuant to the Proposed ESOS,

subject to the terms and conditions set out **Section 9** of this Circular.

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

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

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

PURSUANT TO PARAGRAPH 10.12 AND PRACTICE NOTE 14 OF THE LISTING REQUIREMENTS, CCB IS REQUIRED TO DISCLOSE THE INFORMATION ON THE DISPOSAL TO MPSB, BEING THE TRANSACTION INVOLVING THE DISPOSAL OF VARIOUS PARCELS OF LAND CONTIGUOUS TO EACH OTHER WHICH TERMS WERE AGREED UPON WITHIN A PERIOD OF 12 MONTHS PRECEDING THE DATE OF THIS CIRCULAR. FOR THE AVOIDANCE OF DOUBT, THE INFORMATION ON THE DISPOSAL TO MPSB IS PROVIDED FOR YOUR INFORMATION ONLY AND DOES NOT REQUIRE YOUR APPROVAL.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Disposal

2.1.1 Background information on the Proposed Disposal

The Proposed Disposal entails the disposal of the Subject Property by PID to the Purchaser for the Disposal Consideration on an “as is where is” basis, free from all and any encumbrances and with vacant possession, subject to pre-vacant possession works and post-vacant possession works and other terms and conditions of the SPA. The details of the pre-vacant possession works and post-vacant possession works are set out in **Sections 5 and 6 of Appendix I** of this Circular. As at the LPD, the pre-vacant possession works are expected to complete by end of September 2024 while the post-vacant possession works are expected to commence by November 2024 and complete by May 2025.

The salient terms of the SPA are set out in **Appendix I** of this Circular.

2.1.2 Information on the Subject Property

The Subject Property is located within Mukim of Pulai, District of Johor Bahru, with a land size of approximately 20.463 acres or 891,368.28 sq ft. The Subject Property is strategically located within a prime and mature industrial estate in Mukim of Pulai, District of Johor Bahru, and surrounded by a mixture of residential, commercial and industrial developments.

The Subject Property, forms part of the notable industrial development named Taman Perindustrian Nusa Cemerlang (also known as NCIP) and is strategically located within Iskandar Puteri of Iskandar Malaysia development region.

Geographically, the Subject Property is sited approximately 3.0 km due east of Gelang Patah town and 25 km due south-west of Johor Bahru City Centre. The Subject Property is also sited about 20-minutes’ drive from Singapore via the Malaysia-Singapore Second Crossing Bridge.





(Aerial view of the Subject Property)

The details of the Subject Property are set out below:-

Registered proprietor	:	PID
Location	:	Mukim of Pulai, District of Johor Bahru
Title no.	:	H.S.(D) 629092 PTD 227197
Tenure	:	Freehold / Term in perpetuity
Approximate land area	:	20.463 acres or 891,368.28 sq ft
Category of land use	:	Perusahaan / Perindustrian
Encumbrances	:	Nil
Restriction in Interest	:	Tanah yang terkandung di dalam hakmilik ini tidak boleh dijual atau dipindahmilik dengan apa cara sekalipun kepada Bukan Warganegara/Syarikat Asing tanpa persetujuan Pihak Berkuasa Negeri.
Other endorsement	:	Nil
Express conditions	:	<p>(i) Tanah ini hendaklah digunakan sebagai Kawasan Industri Sederhana Sesebuah untuk tujuan Pusat Data dan kegunaan lain yang berkaitan dengannya, dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan.</p> <p>(ii) Segala kekotoran dan pencemaran akibat aktiviti ini hendaklah disalurkan ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa Berkenaan.</p> <p>(iii) Segala dasar dan syarat yang ditetapkan dan dikuatkuasakan dari semasa ke semasa oleh Pihak Berkuasa Berkenaan hendaklah dipatuhi.</p>
Existing use	:	Vacant and unoccupied as at the LPD

Date of inspection and valuation	:	7 June 2024
Estimated market value as at 7 June 2024	:	RM116,000,000 (Based on the comparison approach)
Audited NBV as at 31 January 2024	:	RM15.98 million

The Valuer has valued the Subject Property using the comparison approach as the valuation methodology.

The comparison approach entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, accessibility, terrain, size and shape of land, tenure, planning status, title restrictions if any and other relevant characteristics to arrive at the market value.

The Valuer has adopted the comparison approach as the only method of valuation considering that the Subject Property is a parcel of vacant industrial land without any planning approval granted. Furthermore, there are adequate sale comparable in the vicinity of the Subject Property which can be relied upon.

2.1.3 Information on the Purchaser

Nanda Digital is a private limited company duly incorporated in Malaysia under the Act on 21 June 2024 and having its registered office at Unit C-12-4, Level 12, Block C, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur, Wilayah Persekutuan. Nanda Digital is principally involved in the provision of infrastructure for hosting, data processing services and related services.

As at the LPD, Nanda Digital has a total issued share capital of RM1 comprising 1 ordinary share. Nanda Digital is a wholly-owned subsidiary of Digital Halo.

As at the LPD, the directors of Nanda Digital and their respective shareholdings in Nanda Digital are as follows:-

Name	Designation	Nationality	Shareholdings as at LPD			
			Direct		Indirect	
			No. of shares	%	No. of shares	%
Goh Chuen Kai (Wu Quankai)	Director	Singaporean	-	-	(1)1	(1)100.0
Selochana A/P Murugiah	Director	Malaysian	-	-	-	-

(Source: Based on the company profile of Nanda Digital extracted from the Companies Commission of Malaysia and the company profile of Digital Halo extracted from the Singapore Accounting and Corporate Regulatory Authority only).

Note:-

(1) Deemed interested by virtue of his direct interest in Digital Halo.

2.1.4 Basis and justification of arriving at the Disposal Consideration

The Disposal Consideration of RM115,877,876.40 (or RM130.00 per sq ft) was negotiated on a “willing-buyer willing-seller” basis after taking into consideration the following factors:-

- (i) PID’s recently announced disposals of land located within the vicinity of the Subject Property to the following parties:-

Purchaser	Comparative price per sq ft (RM)	Total disposal consideration (RM'mil)	Date of announcement/ Status as at the LPD
STT GDC M	120.00	117.02	7 November 2023/ Sale & purchase agreement 1 completed on 15 April 2024. Sale & purchase agreement 2 has completed on 18 June 2024
YASB	*127.00	112.77	15 November 2023/ Sales completed on 8 May 2024
MPSB	120.00	315.17	17 November 2023/ Sales completed on 21 February 2024
MPSB	120.00	132.47	4 April 2024/ Sales completed on 28 May 2024

Note:-

* *The price per sq ft for the disposal of lands to YASB was previously RM125.00 per sq ft and was subsequently adjusted to RM127.00 per sq ft. The subsequent adjustment to the price per sq ft was made after obtaining the waiver from TNB, of the requirement to dedicate a land area (within the disposed subject lands set out in the sale and purchase agreement dated 15 November 2023) for the setting up of a power main switching station.*

- (ii) the estimated net gain on disposal of RM71.21 million to be derived from the Proposed Disposal as further detailed in **Section 2.1.8** of this Circular; and
- (iii) the rationale and justifications of the Proposed Disposal to monetise the value of the Subject Property as stated in **Section 3.1** of this Circular.

The Disposal Consideration is subject to adjustments based on the agreed rate of RM130.00 per sq ft, in the event there is a difference between the land area stated in the SPA and the provisional area of the Subject Property pursuant to the land survey as may be conducted by the Purchaser and such difference is in excess of 1.0% of the provisional area.

It is noteworthy that the Disposal Consideration is supported by the market value ascribed by the Valuer of RM116,000,000 derived from the comparison approach and in their Valuation Certificate. The Disposal Consideration approximates the estimated market value of the Subject Property. Further details of the valuation are set out in **Section 2.1.2** of this Circular.

2.1.5 Mode of settlement

Pursuant to the terms of the SPA, the Disposal Consideration for the Subject Property is to be satisfied by cash in the following manner:-

Payment Term	Timing of settlement	Disposal Consideration (RM)
10.0% of Disposal Consideration	2.0% already held by PID's solicitors as stakeholder as at the date of the SPA, balance thereof shall be payable simultaneously with the execution of the SPA	⁽ⁱ⁾ 11,587,787.64
90.0% of Disposal Consideration	Within 1 month commencing from the day immediately after the later of the following dates:- (i) the date the last condition precedent of the SPA is fulfilled or waived; or (ii) the expiry of 3 months from the date of the SPA.	⁽ⁱⁱ⁾ 104,290,088.76
Total Disposal Consideration		115,877,876.40

Notes:-

- (i) The 10% of the Disposal Consideration has been fully paid on 11 June 2024.
- (ii) Subject to an extension of 5 months from the expiry of the Completion Period, with late payment interest of 8% per annum calculated on daily basis on the balance outstanding Disposal Consideration.

2.1.6 Original cost and date of investment

The original cost of investment by PID in the Subject Property is RM7.42 million and the date of investment is from 24 March 2005 to 28 February 2008. Based on the latest audited consolidated financial statements of CCB as at 31 January 2024, the total cost of investment, including transaction costs and development costs incurred and capitalised by PID on the Subject Property is RM15.98 million.

Duration of investment	Description	(RM'million)
March 2005 - February 2008	Acquisition of the land ("Land Acquisition")	7.42
March 2005 - January 2024	Incidental cost relating to the Land Acquisition ⁽ⁱ⁾	0.56
	Development cost incurred:-	
February 2007 - January 2010	Earthwork and drainage	1.33
March 2005 - January 2024	Others ⁽ⁱⁱ⁾	6.67
	Subtotal	8.00
	Total cost of investment	15.98

Notes:-

- (i) Includes, amongst others, solicitor fees and agent fees.
- (ii) Includes, amongst others, surrender and re-alienation expenses, mechanical and electrical consultancy and finance costs.

2.1.7 Liabilities to remain with CCB

Save for the obligations to be incurred for the pre-vacant possession works and post-vacant possession works on the Subject Property and liabilities stated in and arising from PID's default and/or breach of representations and warranties of the SPA which cannot be quantified at this juncture, there are no other liabilities, including contingent liabilities, which will remain with CCB pursuant to the Proposed Disposal. In addition, there is no guarantee given by CCB to the Purchaser in relation to the Proposed Disposal.

2.1.8 Expected gain arising from the Proposed Disposal

The Proposed Disposal is expected to result in a pro forma gain to CCB, details of which are set out below:-

	(RM'million)
Disposal Consideration	115.88
(Less): Audited NBV of the Subject Property as at 31 January 2024	(15.98)
Estimated expenses of the Proposed Disposal ⁽ⁱ⁾	(4.09)
Estimated cost of development in relation to the Proposed Disposal ⁽ⁱⁱ⁾	(2.11)
Estimated gross pro forma gain	93.70
(Less): Estimated income tax (based on the statutory corporate tax rate of 24.0%)	(22.49)
Estimated net pro forma gain from the Proposed Disposal*	71.21

Notes:-

* For information purposes, real property gain tax does not apply as PID is in the business of sale and purchase of immovable properties and hence is liable to income tax on the sale of the Subject Property.

(i) Estimated expenses of the Proposed Disposal

The estimated expenses to be incurred in relation to the Proposed Disposal are set out below:-

	(RM'million)
Professional fees and other direct expenses in relation to Proposed Disposal (i.e. principal adviser, solicitors, valuer, sales agency and other professional advisers)	4.08
Other incidental expenses in relation to the Proposed Disposal	0.01
Total	4.09

(ii) Estimated cost of development in relation to the Proposed Disposal

The estimated cost of development primarily relates to the estimated cost incurred by PID for the pre-vacant possession works and post-vacant possession works on the Subject Property for the Proposed Disposal based on the terms and conditions of the SPA as disclosed in **Section 5** and **Section 6** of **Appendix I** of this Circular.

2.1.9 Cash Company or PN 17 Company

Based on the audited consolidated financial statements of our Company for the FYE 31 January 2024, the Proposed Disposal is not expected to result in CCB becoming a Cash Company or a PN 17 Company.

2.2 Proposed Share Split

2.2.1 Basis and number of Subdivided Shares to be issued

The Proposed Share Split entails the subdivision of every 1 existing CCB Share held by the Entitled Shareholders on the Entitlement Date, into 3 Subdivided Shares.

As at the LPD, CCB has total number issued shares of 280,462,498 CCB Shares (including 938,800 treasury shares assuming that none of the treasury shares are sold or cancelled). Upon completion of the Proposed Share Split, the total number of issued share of CCB will comprise of 841,387,494 Subdivided Shares (including 2,816,400 treasury shares assuming that none of the treasury shares are sold or cancelled).

The entitlement basis for the Proposed Share Split was determined after taking into consideration the following:-

- (i) the dilutive effects arising from the issuance of the Subdivided Shares on the consolidated EPS and NA per Share of our Company; and
- (ii) compliance with Paragraph 6.30(1A) of the Listing Requirements which states that CCB must ensure that its share price adjusted for the Proposed Share Split is not less than RM0.50 based on the daily VWAP during the 3-month period before the application date.

Fractional entitlements of Subdivided Shares arising from the Proposed Share Split, if any, will be disregarded and dealt with in such manner as the Board may in its absolute discretion deem fit, expedient, and in the best interest of our Company.

The Proposed Share Split will be implemented in a single issuance and not on a staggered basis over a period of time.

Upon completion of the Proposed Share Split, the RM value of the issued share capital of our Company shall remain unchanged before and after the Proposed Share Split.

2.2.2 Adjustment to the market price of CCB Shares

The Proposed Share Split will result in an adjustment to the market price of the existing CCB Shares based on the formula below:-

$$T_x = P \times \frac{Y}{W}$$

where:-

T_x = Adjusted market price of CCB Shares or TESP (RM)

P = Closing price of CCB Shares (RM)

W = Subdivided Share after the Proposed Share Split (unit)

Y = Holding of existing CCB Share before the Proposed Share Split (unit)

For illustration purposes, the TESP of CCB Shares based on the closing price as at the LPD and the respective VWAPs after the Proposed Share Split is set out as follows:-

	Closing price/ VWAP (RM)	TESP (RM)
Closing price of CCB Shares as at the LPD	4.3500	1.4500
5-day VWAP up to and including the LPD	4.5223	1.5074
Lowest daily VWAP during the 3-month period up to and including 24 July 2024, being the date immediately prior to the submission of the application to Bursa Securities in respect of the Proposals	3.3257	1.1086

(Source: Bloomberg)

Based on the above, the Board confirms that the share price adjusted for the Proposed Share Split is not less than RM0.50 based on the daily VWAP of CCB Shares during the 3-month period before the application date in accordance with Paragraph 6.30(1A) of the Listing Requirements.

2.2.3 Ranking of the Subdivided Shares

The Subdivided Shares shall, upon allotment and issuance, rank equally in all respects with the existing CCB Shares, save and except that the Subdivided Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid prior to the date of allotment of the Subdivided Shares.

2.2.4 Listing of and quotation for the Subdivided Shares

CCB has received the approval from Bursa Securities for the listing of and quotation for the Subdivided Shares on the Main Market of Bursa Securities via its letter 20 August 2024, subject to the conditions as stated under **Section 9** of this Circular.

The Subdivided Shares will be listed and quoted on the Main Market of Bursa Securities on the next Market Day following the Entitlement Date. The notices of allotment for the Subdivided Shares will be issued and despatched to the Entitled Shareholders no later than 4 Market Days after the date of listing of and quotation for the Subdivided Shares.

2.3 Proposed ESOS

The Proposed ESOS involves the granting of Options to all the Eligible Executives who meet the criteria of eligibility for participation in the manner as indicated in the Bye-Laws. The Proposed ESOS will be administered by the ESOS Committee and shall be governed by the Bye-Laws. The ESOS Committee will comprise mainly of non-executive Directors who are also members of the Remuneration Committee and other key senior management appointed from time to time by the Board. At this juncture, the composition of the ESOS Committee has yet to be decided by the Board.

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

2.3.1 Maximum number of new CCB Shares available under the Proposed ESOS

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

2.3.2 Basis of allocation and maximum entitlement

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

- (i) the Eligible Executive who is also a member of the ESOS Committee, do not participate in the deliberation or discussion of their respective allocation of Options and the allocation of Options to any persons connected with them, if any;
- (ii) the allocation to an Eligible Executive who, either singly or collectively through persons connected to the Eligible Executive, holds 20% or more of the total number of issued CCB Shares (excluding treasury shares, if any), must not exceed 10% of the Maximum Scheme Shares; and
- (iii) not more than 70% of the Maximum Scheme Shares shall be allocated, in aggregate, to the executive Directors and senior management of our Group (excluding dormant subsidiaries) on the basis that they are crucial to the performance of our Group as determined by the ESOS Committee at their sole and absolute discretion.

2.3.3 Eligibility to participate in the Proposed ESOS

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

- (i) shall have attained the age of 18 years and is neither an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (ii) employed on a full time basis and has neither served a notice to resign nor received a notice of termination as an:-
 - (a) executive Director of CCB;
 - (b) executive Director of CCB's subsidiaries or an executive within CCB Group (excluding dormant subsidiaries):-
 - (aa) who is on the payroll of a company within CCB Group for a continuous period of at least 12 months (excluding probation period) after the confirmation of employment; and
 - (bb) whose employment is on fixed term employment or service contract will further subject to the following conditions:-
 - (A) for those who have reached retirement age and are re-employed by CCB Group on contract basis, the contract term must be of at least 2 years; or
 - (B) for those who do not fall within paragraph (A) above, the contract term must be of at least 3 years;

- (c) executive Director or executive of any newly acquired subsidiary of the Group and the said executive Director or executive has completed at least 12 months of continuous service following the date such company is deemed to be a subsidiary of the Group; or
- (d) of such other eligibility criteria as may be determined by the ESOS Committee at its sole and absolute discretion from time to time,

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

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

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

2.3.4 Duration of the Proposed ESOS

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

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

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

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

2.3.5 Exercise Price

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

2.3.6 Ranking of the new CCB Shares arising from the Proposed ESOS and rights of a Grantee

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

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

2.3.7 Listing of and quotation for the new CCB Shares arising from the exercise of Options

Bursa Securities has, vide its letter dated 20 August 2024, approved the listing of and quotation for such number of new CCB Shares, representing up to 10% of the total number of issued CCB Shares (excluding treasury shares, if any) to be issued pursuant to the exercise of the Options, subject to the conditions as stated under **Section 9** of this Circular.

2.3.8 Retention period

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

2.3.9 Vesting conditions

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

2.3.10 Amendment and/or modification to the Proposed ESOS

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

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

2.4 Proposed Allocation

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

No.	Name	Designation	Proposed Allocation
1.	Gooi Seong Lim	Chairman and Managing Director	Not more than 10% of the total Options awarded
2.	Gooi Seong Heen	Executive Director	Not more than 10% of the total Options awarded
3.	Gooi Seong Chneh	Executive Director	Not more than 10% of the total Options awarded
4.	Gooi Seong Gum	Executive Director	Not more than 10% of the total Options awarded
5.	Gooi Khai Shin ⁽¹⁾	Project Director	Not more than 10% of the total Options awarded
6.	Gooi Min Hsian Michelle ⁽²⁾	Investor Relations Manager	Not more than 10% of the total Options awarded

Notes:-

- (1) *He is the son of Gooi Seong Lim.*
- (2) *She is the daughter of Gooi Seong Chneh.*

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3. RATIONALE AND JUSTIFICATIONS

3.1 Proposed Disposal

The Subject Property is a vacant industrial land which is currently not used for our Group business operations thus is not generating any cashflow for our Group. Similar to the series of land sales in the same vicinity of the Subject Property announced by our Group over the past 1 year, the Proposed Disposal will provide our Group with the opportunity to realise a gain on disposal and unlock the value of its investment in the Subject Property at the Disposal Consideration.

Moving forward, our Group intends to:-

- (a) focus its resources on the following 2 development projects out of the 6 ongoing development projects* in Johor, namely Bandar Cemerlang and Desa Cemerlang. The details of the new launches in Bandar Cemerlang and Desa Cemerlang developments are as stated below:-

Project name	Location	Description	Estimated GDV (RM'million)	Estimated Profit Margin
Bandar Cemerlang	Ulu Tiram, Johor	167 units of mid to high-end market landed residential properties	135	20% to 30%
Desa Cemerlang	Ulu Tiram, Johor	57 units of shop offices	102	35% to 40%

Note:-

* For the remaining developments, we are unable to provide the estimated GDV, GDC and development timeline as we are developing them in stages. The types and units of the properties to be developed maybe revised from time to time depending on the prevailing market demands, our property development strategies and development opportunities at the relevant point in time.

Our Group expects the abovementioned developments to commence construction within 2 years from the LPD for the development and complete within 3 years from commencement of construction.

- (b) should opportunities arise, take advantage of land banking opportunities and joint ventures in other strategic locations. Our Group will have the flexibility and liquidity to pursue investment opportunities or projects requiring large capital expenditure, whilst strengthening our Group's working capital position as stated in **Section 4.1** of this Circular.

3.2 Proposed Share Split

The Proposed Share Split aims to reward our existing shareholders for their loyalty and continuing support, by enabling them to have a greater participation in the equity of our Company in terms of number of CCB Shares held, whilst maintaining their percentage of equity interest. The Proposed Share Split is expected to improve the trading liquidity of CCB Shares on the Main Market of Bursa Securities by increasing the number of Shares in issue.

3.3 Proposed ESOS

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

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

4. UTILISATION OF PROCEEDS

4.1 Proposed Disposal

The Proposed Disposal is expected to raise gross cash proceeds of RM115.88 million, of which RM2.11 million will be incurred for the Proposed Disposal in relation to the estimated cost of development as stated in **Section 2.1.8** of this Circular. The net cash proceeds of RM113.77 million is expected to be utilised in the following manner:-

Details of utilisation	(RM'million)	%	Estimated timeframe for utilisation upon completion of the Proposed Disposal
(i) Funding of ongoing projects ⁽ⁱ⁾	40.00	35.16	Within 24 months
(ii) Working capital ⁽ⁱⁱ⁾	69.68	61.25	Within 24 months
(iii) Estimated expenses in relation to the Proposed Disposal ⁽ⁱⁱⁱ⁾	4.09	3.59	Within 24 months
Total	113.77	100.00	

Notes:-

(i) **Funding of ongoing projects**

As at the LPD, there are six ongoing projects being developed by our Group. The proceeds from the Proposed Disposal are only intended to be used to fund the construction cost of one of our Group's development projects, namely Desa Cemerlang.

Desa Cemerlang is a self-contained matured township comprising residential and commercial properties located approximately 16 km away from Johor Bahru City Centre. Our Group intends to use the proceeds to partially fund the construction cost of 57 units of shop offices located at Desa Cemerlang.

In the event the funds needed for the abovementioned project are higher than budgeted, any deficit will be funded through our Group's internally generated funds. Conversely, if the amount required is less than estimated, the balance proceeds will be channelled towards general working capital requirements of our Group.

(ii) **Working capital**

Our Group intends to utilise up to RM69.68 million of the proceeds to pay the income tax arising from the expected gain arising from the Proposed Disposal as further detailed in **Section 2.1.8** of this Circular and support our Group's working capital requirements. The proceeds are expected to be channelled towards general administrative and daily operational expenses such as staff-related costs, utilities, statutory payments and other overhead expenditures. The breakdown of such proceeds has not been determined at this juncture and will be dependent on the operating and funding requirements at the time of utilisation.

Notwithstanding that, and on the best estimate basis, the percentage of the allocation to each component of the working capital are as follows:-

	Estimated allocation of proceeds	
	(RM'million)	%
Income tax arising from the Proposed Disposal (based on the statutory corporate tax rate of 24.0%, derived from the estimated gross pro forma gain as stated in Section 2.1.8 of this Circular)	22.49	32.28
Payment for general administrative and daily operational expenses:-		
• Staff-related costs;	27.88	40.00
• Utilities and statutory payments; and	6.97	10.00
• Other overhead expenditures.	12.34	17.72
Total	69.68	100.00

(iii) **Estimated expenses in relation to the Proposed Disposal**

The proceeds earmarked for estimated expenses in relation to the Proposed Disposal will be utilised as set out below:-

	(RM'million)
Professional fees and other direct expenses in relation to Proposed Disposal (i.e. principal adviser, solicitors, valuer, sales agency and other professional advisers)	4.08
Other incidental expenses in relation to the Proposed Disposal	0.01
Total	4.09

In the event the estimated expenses are higher than budgeted, any deficit will be funded through the portion of the proceeds allocated for working capital or through CCB Group's internally generated funds. Conversely, if the amount required is less than estimated, the balance proceeds will be channelled towards general working capital requirements of our Group.

Pending the utilisation of proceeds arising from the Proposed Disposal for the above purposes, the proceeds would be placed in deposits with financial institutions or short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of our Group.

4.2 Proposed ESOS

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

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

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

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

5. RISK FACTORS

The risk factors relating to the Proposed Disposal, which may not be exhaustive, are set out below:-

5.1 Non-completion risk

The completion of the Proposed Disposal is conditional upon the fulfilment of the conditions precedent in the SPA as disclosed in **Section 2 of Appendix I** of this Circular. In the event any of the conditions precedent in the SPA are not fulfilled or waived within the stipulated timeframe, the Proposed Disposal may be delayed or terminated, and the potential benefits arising from the proposed utilisation of proceeds as disclosed in **Section 4.1** of this Circular therefrom may be deferred or may not materialise.

Notwithstanding the above, we will take all reasonable steps to ensure the conditions are satisfied within the stipulated timeframe to ensure the completion of the Proposed Disposal.

5.2 Financial risk

Our Group may be subject to certain financial risks pursuant to the SPA such as development cost to be incurred for the pre-vacant possession works and post-vacant possession works on the Subject Property may exceed the budgeted cost if there is a delay in obtaining approvals from the regulators and unexpected circumstances. In this respect, our Group has ensured adequate work force has been allocated to the Proposed Disposal to ensure the agreed timeline is adhered to.

5.3 Opportunity cost

With the Proposed Disposal, our Group will be disposing of the Subject Property and will not be able to enjoy any future appreciation in the value of the Subject Property.

Nonetheless, the Proposed Disposal will result in a pro forma gain on disposal to CCB Group as detailed in **Section 2.1.8** of this Circular. The proceeds from the Proposed Disposal would be utilised for purposes set out in **Section 4.1** of this Circular, which is expected to strengthen CCB Group's principal business and be beneficial to the CCB Group.

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6. EFFECTS OF THE PROPOSALS

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

Minimum Scenario : Assuming none of the 2,816,400 treasury shares (after the Proposed Share Split) are resold to the open market prior to the implementation of the Proposed ESOS.

Maximum Scenario : Assuming all of the 2,816,400 treasury shares (after the Proposed Share Split) are resold to the open market prior to the implementation of the Proposed ESOS.

6.1 Issued share capital

As the Proposed Disposal does not involve any issuance of new CCB Shares, there will be no impact on the issued share capital of our Company.

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

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD	280,462,498	299,572,064	280,462,498	299,572,064
Subdivided Shares to be issued pursuant to the Proposed Share Split	560,924,996	-	560,924,996	-
After the Proposed Share Split (Less): treasury shares, at cost	841,387,494 (2,816,400)	299,572,064 (2,801,405)	841,387,494 -	299,572,064 -
New Shares to be issued assuming full exercise of the Options	⁽¹⁾ 83,857,109	⁽²⁾ 114,045,668	⁽¹⁾ 84,138,749	⁽²⁾ 114,428,699
Enlarged issued share capital after the Proposals	922,428,203	410,816,327	925,526,243	414,000,763

Notes:-

- (1) For the avoidance of doubt, the maximum number of new CCB Shares, which may be allotted and issued pursuant to the Proposed ESOS shall not in aggregate exceed 10% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the Scheme Period.
- (2) Assuming full exercise of the Options of up to 10% of the enlarged total number of issued shares in CCB at an illustrative Exercise Price of RM1.36 per Option, which represents a discount of 9.78% to the TESP of RM1.5074 per CCB Share, calculated based on the 5-day VWAP of CCB Shares up to and including the LPD of RM4.5223.

6.2

NA, NA per share and gearing

For illustrative purposes only, based on the latest audited consolidated financial statements of CCB as at 31 January 2024 on the assumption that the Proposals had been effected on that date, the pro forma effects of the Proposals on the audited consolidated NA per CCB Share and gearing of CCB Group are as follows:-

	Audited as at 31 January 2024 RM'000	(1) After adjustments for subsequent events RM'000	Pro forma I After the Proposed Disposal RM'000	Pro forma II After Pro forma I and the Proposed Share Split RM'000
Share capital	299,572	299,572	299,572	299,572
Treasury shares	(3,115)	(2,801)	(2,801)	(2,801)
Hedging reserves	(3)	(3)	(3)	(3)
Retained earnings	683,704	1,024,706	(2)1,095,916	(3)1,095,696
Shareholders' equity/NA	980,158	1,321,474	1,392,684	1,392,464
Non-controlling interests	53,247	53,247	53,247	53,247
Total equity	1,033,405	1,374,721	1,445,931	1,445,711
No. of CCB Shares in issue, excluding treasury shares ('000)*	279,418	279,523	279,523	(4)838,571
NA per CCB Share (RM)	3.51	4.73	4.98	1.66
Total borrowings (RM'000)	348,871	193,871	193,871	193,871
Gearing (times)⁽⁵⁾	0.36	0.15	0.14	0.14

Notes:-

* Excluding 938,800 treasury shares in CCB as at the LPD and 2,816,400 treasury shares in CCB after the Proposed Share Split.

(1) After adjusting for the following:-

- (i) the expected pro forma gain of approximately RM171.92 million arising from the disposal of lands to MPSB by PID, which was completed on 21 February 2024;
- (ii) the payment of special dividend of 13.00 sen per CCB Share which was declared on 27 March 2024 for the FYE 31 January 2024 and paid on 15 May 2024, amounting to approximately RM36.32 million;
- (iii) the payment of single tier interim dividend of 5.00 sen per CCB Share which was declared on 27 March 2024 for the FYE 31 January 2024 and paid on 15 May 2024, amounting to approximately RM13.97 million;
- (iv) the expected pro forma gain of approximately RM70.01 million arising from the disposal of lands to STT GDC M by PID which was completed on 15 April 2024 and 18 June 2024.
- (v) the expected pro forma gain of approximately RM68.33 million arising from the disposal of lands to YASB by PID which was completed on 8 May 2024;
- (vi) the expected pro forma gain of approximately RM80.83 million arising from the disposal of lands to MPSB by PID which was completed on 28 May 2024;
- (vii) the utilisation of proceeds received from the disposal of lands to MPSB of which RM95.00 million is earmarked for the partial repayment of loans and borrowings. As at the LPD, we have fully utilised the proceeds to repay the borrowings;
- (viii) the utilisation of proceeds received from the disposal of lands to MPSB of which RM50.00 million is earmarked for the partial repayment of loans and borrowings. As at the LPD, we have fully utilised the proceeds to repay the borrowings;
- (ix) the utilisation of proceeds received from the disposal of lands to STT GDC M of which RM5.00 million is earmarked for the partial repayment of loans and borrowings. As at the LPD, we have fully utilised the proceeds to repay the borrowings;
- (x) the utilisation of proceeds received from the disposal of lands to YASB of which RM5.00 million is earmarked for the partial repayment of loans and borrowings. As at the LPD, we have fully utilised the proceeds to repay the borrowings; and
- (xi) the resale of 50,000 and 55,000 treasury shares held by CCB to the open market on 31 July 2024 and 1 August 2024 respectively.

(2) After accounting for the pro forma gain of approximately RM71.21 million expected to arise from the Proposed Disposal as further detailed in **Section 2.1.8** of this Circular.

(3) After deducting an estimated expenses of approximately RM0.22 million in relation to the Proposed Share Split and Proposed ESOS.

(4) After the issuance of 560,924,996 Subdivided Shares pursuant to the Proposed Share Split.

(5) Computed based on total borrowings over by shareholders' equity/NA.

Save for the potential impact of MFRS 2 "Share-Based Payment" issued by the Malaysian Accounting Standards Board, details as set out in **Section 6.4.3** of this Circular, the Proposed ESOS is not expected to have an immediate effect on our Group's NA, NA per Share and gearing until such time that the Options are exercised. The effect on our Group's NA would depend on the number of Options granted and the fair value of the Options after taking into account, inter-alia, the Exercise Price as well as any vesting conditions. Whilst the granting of the Options under the Proposed ESOS is expected to result in recognition of a charge in the income statements of our Group pursuant to MFRS 2, the recognition of such MFRS 2 charge would not have any material impact on the NA of our Group as the corresponding amount will be classified as an equity reserve which forms part of the shareholders' equity.

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

6.3 Substantial shareholders' shareholdings

6.3.1 Proposed Disposal

As the Proposed Disposal does not involve any issuance of new CCB Shares, there will be no impact to the substantial shareholders' shareholdings of our Company.

6.3.2 Proposed Share Split and Proposed ESOS

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

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

Minimum Scenario

	As at the LPD				Pro forma I After the Proposed Share Split			
	Direct		Indirect		Direct		Indirect	
	No. of shares	(⁽¹⁾)(%)	No. of shares	(⁽¹⁾)(%)	No. of shares	(⁽²⁾)(%)	No. of shares	(⁽²⁾)(%)
Sharikat Kim Loong Sendirian Berhad ("SKL")	192,148,114	68.74	-	-	576,444,342	68.74	-	-
Gooi Seong Lim	1,300,452	0.47	(⁽³⁾)196,063,786	70.14	3,901,356	0.47	(⁽³⁾)588,191,358	70.14
Gooi Seong Heen	4,559,121	1.63	(⁽⁴⁾)192,216,114	68.77	13,677,363	1.63	(⁽⁴⁾)576,648,342	68.77
Gooi Seong Chneh	4,144,124	1.48	(⁽⁵⁾)192,148,114	68.74	12,432,372	1.48	(⁽⁵⁾)576,444,342	68.74
Gooi Seong Gum	40,000	0.01	(⁽⁶⁾)192,148,114	68.74	120,000	0.01	(⁽⁶⁾)576,444,342	68.74
Wilgain Prosperity Sdn Bhd ("WPSB")	-	-	(⁽⁷⁾)192,148,114	68.74	-	-	(⁽⁷⁾)576,444,342	68.74
Eternal Profits Worldwide Sdn Bhd ("EPW")	-	-	(⁽⁷⁾)192,148,114	68.74	-	-	(⁽⁷⁾)576,444,342	68.74
Ascendant Capital Sdn Bhd ("ACSB")	-	-	(⁽⁷⁾)192,148,114	68.74	-	-	(⁽⁷⁾)576,444,342	68.74
SG Gooi Holdings Sdn Bhd ("SGH")	-	-	(⁽⁷⁾)192,148,114	68.74	-	-	(⁽⁷⁾)576,444,342	68.74

	Pro forma II			
	After Pro forma I and after the Proposed ESOS ⁽⁸⁾		Indirect	
	Direct	(9)(%)	No. of shares	(9)(%)
SKL	576,444,342	62.49	-	-
Gooi Seong Lim	12,287,066	1.33	(3)588,191,358	63.77
Gooi Seong Heen	22,063,073	2.39	(4)576,648,342	62.51
Gooi Seong Chneh	20,818,082	2.26	(5)576,444,342	62.49
Gooi Seong Gum	8,505,710	0.92	(6)576,444,342	62.49
WPSB	-	-	(7)576,444,342	62.49
EPW	-	-	(7)576,444,342	62.49
ACSB	-	-	(7)576,444,342	62.49
SGH	-	-	(7)576,444,342	62.49

Notes:-

- (1) Based on the existing issued share capital comprising 279,523,698 Shares (excluding 938,800 treasury shares held by our Company) as at the LPD.
- (2) Based on the enlarged issued share capital comprising 838,571,094 Shares (excluding 2,816,400 treasury shares held by our Company) after the Proposed Share Split.
- (3) Deemed interest by virtue of his interest in WPSB which in turn has an interest in SKL, shareholdings in CCB held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. for Wilgain Holdings Pte. Ltd. of which Gooi Seong Lim is a director and major shareholder, and Lim Phaik Ean, being his spouse's shareholdings in CCB.
- (4) Deemed interest by virtue of his interest in EPW which in turn has an interest in SKL and Looi Kok Yean, being his spouse's shareholdings in CCB.
- (5) Deemed interest by virtue of his interest in ACSB which in turn has an interest in SKL.
- (6) Deemed interest by virtue of his interest in SGH which in turn has an interest in SKL.
- (7) Deemed interest by virtue of their interest in SKL.
- (8) Assuming Gooi Seong Lim, Gooi Seong Heen, Gooi Seong Chneh and Gooi Seong Gum are awarded the maximum allocation of 8,385,710 Options each, representing 10% of the Maximum Scheme Shares (in view that these individuals hold more than 20% of the total number of issued Shares respectively) and assuming they fully exercise such number of Options.
- (9) Based on the enlarged issued share capital comprising 922,428,203 Shares (excluding 2,816,400 treasury shares held by our Company) after the Proposed ESOS.

Maximum Scenario

	As at the LPD				Pro forma I After the Proposed Share Split			
	Direct		Indirect		Direct		Indirect	
	No. of shares	(⁽¹⁾)(%)	No. of shares	(⁽¹⁾)(%)	No. of shares	(⁽²⁾)(%)	No. of shares	(⁽²⁾)(%)
SKL	192,148,114	68.74	-	-	576,444,342	68.74	-	-
Gooi Seong Lim	1,300,452	0.47	(⁽³⁾)196,063,786	70.14	3,901,356	0.47	(⁽³⁾)588,191,358	70.14
Gooi Seong Heen	4,559,121	1.63	(⁽⁴⁾)192,216,114	68.77	13,677,363	1.63	(⁽⁴⁾)576,648,342	68.77
Gooi Seong Chneh	4,144,124	1.48	(⁽⁵⁾)192,148,114	68.74	12,432,372	1.48	(⁽⁵⁾)576,444,342	68.74
Gooi Seong Gum	40,000	0.01	(⁽⁶⁾)192,148,114	68.74	120,000	0.01	(⁽⁶⁾)576,444,342	68.74
WPSB	-	-	(⁽⁷⁾)192,148,114	68.74	-	-	(⁽⁷⁾)576,444,342	68.74
EPW	-	-	(⁽⁷⁾)192,148,114	68.74	-	-	(⁽⁷⁾)576,444,342	68.74
ACSB	-	-	(⁽⁷⁾)192,148,114	68.74	-	-	(⁽⁷⁾)576,444,342	68.74
SGH	-	-	(⁽⁷⁾)192,148,114	68.74	-	-	(⁽⁷⁾)576,444,342	68.74

	Pro forma II After Pro forma I and assuming all treasury shares are resold to the open market				Pro forma III After Pro forma II and the Proposed ESOS ⁽⁹⁾			
	Direct		Indirect		Direct		Indirect	
	No. of shares	(⁽⁸⁾)(%)	No. of shares	(⁽⁸⁾)(%)	No. of shares	(⁽¹⁰⁾)(%)	No. of shares	(⁽¹⁰⁾)(%)
SKL	576,444,342	68.51	-	-	576,444,342	62.28	-	-
Gooi Seong Lim	3,901,356	0.46	(⁽³⁾)588,191,358	69.91	12,315,230	1.33	(⁽³⁾)588,191,358	63.55
Gooi Seong Heen	13,677,363	1.63	(⁽⁴⁾)576,648,342	68.54	22,091,237	2.39	(⁽⁴⁾)576,648,342	62.30
Gooi Seong Chneh	12,432,372	1.48	(⁽⁵⁾)576,444,342	68.51	20,846,246	2.25	(⁽⁵⁾)576,444,342	62.28
Gooi Seong Gum	120,000	0.01	(⁽⁶⁾)576,444,342	68.51	8,533,874	0.92	(⁽⁶⁾)576,444,342	62.28
WPSB	-	-	(⁽⁷⁾)576,444,342	68.51	-	-	(⁽⁷⁾)576,444,342	62.28
EPW	-	-	(⁽⁷⁾)576,444,342	68.51	-	-	(⁽⁷⁾)576,444,342	62.28
ACSB	-	-	(⁽⁷⁾)576,444,342	68.51	-	-	(⁽⁷⁾)576,444,342	62.28
SGH	-	-	(⁽⁷⁾)576,444,342	68.51	-	-	(⁽⁷⁾)576,444,342	62.28

Notes:-

- (1) Based on the existing issued share capital comprising 279,523,698 Shares (excluding 938,800 treasury shares held by our Company) as at the LPD.
- (2) Based on the enlarged issued share capital comprising 838,571,094 Shares (excluding 2,816,400 treasury shares held by our Company) after the Proposed Share Split.
- (3) Deemed interest by virtue of his interest in WPSB which in turn has an interest in SKL, shareholdings in CCB held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. for Wilgain Holdings Pte. Ltd. of which Gooi Seong Lim is a director and major shareholder, and Lim Phaik Ean, being his spouse's shareholdings in CCB.
- (4) Deemed interest by virtue of his interest in EPW which in turn has an interest in SKL and Looi Kok Yean, being his spouse's shareholdings in CCB.
- (5) Deemed interest by virtue of his interest in ACSB which in turn has an interest in SKL.
- (6) Deemed interest by virtue of his interest in SGH which in turn has an interest in SKL.
- (7) Deemed interest by virtue of their interest in SKL.
- (8) Based on the enlarged issued share capital comprising 841,387,494 Shares assuming all 2,816,400 treasury shares are resold to the open market after the completion of the Proposed Share Split.
- (9) Assuming Gooi Seong Lim, Gooi Seong Heen, Gooi Seong Chneh and Gooi Seong Gum are awarded the maximum allocation of 8,413,874 Options each, representing 10% of the Maximum Scheme Shares (in view that these individuals hold more than 20% of the total number of issued Shares respectively) and assuming they fully exercise such number of Options.
- (10) Based on the enlarged issued share capital comprising 925,526,243 Shares after the Proposed ESOS.

6.4 Earnings and EPS**6.4.1 Proposed Disposal**

Save for the expected gain arising from the Proposed Disposal as further detailed in **Section 2.1.8** of this Circular, the Proposed Disposal is not expected to have any other material effect on the earnings of CCB for the FYE 31 January 2025.

For illustrative purposes only, based on the audited consolidated statements of profit or loss and other comprehensive income of CCB for the FYE 31 January 2024, and assuming that the Proposed Disposal had been effected on 1 February 2023, being the beginning of the FYE 31 January 2024, the pro forma effects of the Proposed Disposal on the earnings and EPS of our Group are as follows:-

	Audited as at 31 January 2024	Pro forma I ⁽¹⁾ After adjustments for subsequent events	Pro forma II After the Proposed Disposal
PAT attributable to the owners of our Company (RM'000)	56,669	56,669	⁽²⁾ 127,879
Total number of CCB Shares in issue, excluding treasury shares*	279,418,698	279,523,698	279,523,698
EPS (sen) ⁽³⁾	20.28	20.27	45.75

Notes:-

* Excluding 1,043,800 treasury shares in CCB as at 31 January 2024 and 938,800 treasury shares in CCB as at the LPD.

(1) After adjusting for the resale of 50,000 and 55,000 treasury shares held by CCB to the open market on 31 July 2024 and 1 August 2024 respectively.

(2) After accounting for the pro forma gain of approximately RM71.21 million expected to arise from the Proposed Disposal as further detailed in **Section 2.1.8** of this Circular.

(3) *Computed based on PAT attributable to the owners of our Company over the total number of CCB Shares in issue, excluding treasury shares.*

6.4.2 Proposed Share Split

The Proposed Share Split is not expected to have any material effect on the earnings of our Group for the FYE 31 January 2025. However, there will be a corresponding dilution in the EPS of our Group upon the completion of the Proposed Share Split.

6.4.3 Proposed ESOS

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

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

6.5 Convertible securities

We do not have any convertible securities as at the LPD.

6.6 Public shareholding spread

Pursuant to Paragraph 8.02(1) of the Listing Requirements, the Company will ensure that 25% of the total listed CCB Shares are in the hands of a minimum of 1,000 public shareholders holding not less than 100 CCB Shares. As at 21 August 2024, the public shareholding spread of CCB is at 25.78% comprising 4,630 shareholders. Upon completion of the Proposals, it is pertinent to note that CCB will remain in compliance with the minimum public shareholding spread requirements as the pro forma public shareholding spread of CCB will increase to 27.30% assuming maximum allocation of 8,413,874 Options each are allocated to the Directors and person connected with them and such Options are fully exercised as well as all other Eligible Executives fully exercise their Options based on the Maximum Scenario.

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7. HISTORICAL SHARE PRICES

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

	High (RM)	Low (RM)
2023		
August	1.379	1.218
September	1.389	1.284
October	1.332	1.256
November	1.845	1.256
December	2.216	1.779
2024		
January	2.806	2.178
February	2.654	2.359
March	2.882	2.369
April	3.900	2.854
May	3.690	3.300
June	3.950	3.440
July	4.910	3.600
Last transacted market price of CCB Shares as at 19 July 2024, being the last trading date prior to the announcement of the Proposed Share Split and Proposed ESOS (RM)		3.820
Last transacted market price of CCB Shares as at the LPD (RM)		4.350

(Source: Bloomberg)

8. HIGHEST PERCENTAGE RATIO APPLICABLE

The highest percentage ratio applicable to the Proposed Disposal pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 11.82%, calculated based on the latest audited consolidated financial statements of CCB (i.e. FYE 31 January 2024).

For information purposes, the aggregate highest percentage ratio applicable, pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 26.08% which is set out as below:-

Corporate exercise	Audited consolidated financial statements of CCB	(%)
Proposed Disposal	Based on FYE 31 January 2024	11.82
Disposal to MPSB, which did not require shareholders' approval	Based on FYE 31 January 2023	14.26
Total		26.08

9. APPROVALS REQUIRED/OBTAINED

9.1 Proposed Disposal

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

No	Approval being obtained from	Tentative deadline	Status as at the date of the Circular
(i)	Shareholders of CCB, for the Proposed Disposal at the forthcoming EGM	Friday, 6 September 2024	EGM to be held on Friday, 6 September 2024
(ii)	JSA in respect of the Purchaser's acquisition of the Subject Property (pursuant to Section 433B of the National Land Code)	Third quarter of 2024	The Purchaser has obtained approval from the JSA on 7 August 2024

9.2 Proposed Share Split and Proposed ESOS

The Proposed Share Split and Proposed ESOS are conditional upon the following approvals being obtained:-

- (i) Bursa Securities, for the following which was obtained vide its letter dated 20 August 2024:-
 - (a) listing of and quotation for up to 560,924,996 Subdivided Shares to be issued pursuant to the Proposed Share Split; and
 - (b) listing of and quotation for such number of new Shares, representing up to 10% of the total number of issued Shares (excluding treasury shares, if any), to be issued pursuant to the Proposed ESOS.

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

No.	Conditions	Status of compliance
(i)	CCB and UOBKH must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;	To be complied
(ii)	CCB/ UOBKH to furnish Bursa Securities with the certified true copy of the resolution passed by the shareholders at the EGM approving the Proposed Share Split;	To be complied
(iii)	CCB and UOBKH to inform Bursa Securities upon completion of the Proposed Share Split;	To be complied
(iv)	CCB and UOBKH to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Share Split is completed;	To be complied
(v)	CCB and UOBKH are required to make the relevant announcements pursuant to Paragraphs 6.35(2)(a)&(b) and 6.35(4) of the Listing Requirements;	To be complied

No.	Conditions	Status of compliance
(vi)	CCB must comply with the public security holding spread of at least 25% pursuant to Paragraph 8.02(1) of the Listing Requirements upon listing and quotation of the new CCB Shares pursuant to the Proposed ESOS;	To be complied
(vii)	UOBKH is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in a general meeting approving the Proposed ESOS and Proposed Allocation; and	To be complied
(viii)	CCB is required to furnish Bursa Securities on a quarterly basis a summary of the total number of CCB Shares listed pursuant to the Proposed ESOS as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

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

10. CONDITIONALITY OF THE PROPOSALS AND OUTSTANDING CORPORATE PROPOSALS

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

The Proposed Disposal, Proposed Share Split and Proposed ESOS are not inter-conditional upon one another. The Proposed Allocation is conditional upon the Proposed ESOS but not vice versa and the Proposed Allocation is not conditional upon the Proposed Disposal and Proposed Share Split. The Proposals are not conditional upon any other corporate exercises undertaken or to be undertaken by our Company.

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

11.1 Proposed Disposal

None of our directors, major shareholders of CCB and persons connected with them, have any interest, whether direct or indirect, in the Proposed Disposal.

11.2 Proposed Share Split

None of our Directors, major shareholder or chief executive of our Company and/or persons connected with them has any interest, whether direct or indirect, in the Proposed Share Split, save for their respective entitlements as shareholders of our Company under the Proposed Share Split, which are also available to all other shareholders of our Company on a pro-rata basis.

11.3 Proposed ESOS and Proposed Allocation

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

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

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

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

Name	As at the LPD			
	Direct		Indirect	
	No. of shares	⁽¹⁾ (%)	No. of shares	⁽¹⁾ (%)
<u>Interested Executive Directors</u>				
Gooi Seong Lim	1,300,452	0.47	⁽²⁾ 196,063,786	70.14
Gooi Seong Heen	4,559,121	1.63	⁽³⁾ 192,216,114	68.77
Gooi Seong Chneh	4,144,124	1.48	⁽⁴⁾ 192,148,114	68.74
Gooi Seong Gum	40,000	0.01	⁽⁵⁾ 192,148,114	68.74
<u>Person connected with the Interested Executive Directors</u>				
Gooi Khai Shin	-	-	⁽⁶⁾ 3,775,672	1.35
Gooi Min Hsian Michelle	-	-	-	-

Notes:-

- (1) Based on the existing issued share capital comprising 279,523,698 Shares (excluding 938,800 treasury shares held by our Company) as at the LPD.
- (2) Deemed interest by virtue of his interest in WPSB which in turn has an interest in SKL, shareholdings in CCB held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. for Wilgain Holdings Pte. Ltd. of which Gooi Seong Lim is a director and major shareholder, and Lim Phaik Ean, being his spouse's shareholdings in CCB.
- (3) Deemed interest by virtue of his interest in EPW which in turn has an interest in SKL and Looi Kok Yean, being his spouse's shareholdings in CCB.
- (4) Deemed interest by virtue of his interest in ACSB which in turn has an interest in SKL.
- (5) Deemed interest by virtue of his interest in SGH which in turn has an interest in SKL.
- (6) Deemed interest by virtue of his interest in 3,775,672 shares held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. for Wilgain Holdings Pte. Ltd. of which Gooi Khai Shin is a director and major shareholder.

12. DIRECTORS' STATEMENT

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

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

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

13. ESTIMATED TIMEFRAME FOR COMPLETION

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

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

Date	Event(s)
6 September 2024 Fourth quarter of 2024	<ul style="list-style-type: none">• EGM• Fulfilment of the Conditions Precedent in respect of the SPA• Announcement of the Subdivided Shares Entitlement Date• Subdivided Shares Entitlement Date• Listing of and quotation for the Subdivided Shares on the Main Market of Bursa Securities and the completion of the Proposed Share Split• Implementation of the Proposed ESOS• Completion of the Proposed Disposal

14. EGM

The resolutions in respect of the Proposals will be tabled at the EGM which will be held at Junior Ballroom, Level 11, DoubleTree by Hilton, No. 12, Jalan Ngee Heng, 80000 Johor Bahru, Johor Darul Takzim on Friday, 6 September 2024 at 2.00 p.m. or any adjournment thereof. The Notice of EGM together with the Form of Proxy are enclosed in this Circular. This Circular together with the Administrative Guide are also available at our Company's website at www.crescendo.com.my.

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

15. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board of
CRESCENDO CORPORATION BERHAD

GOOI SEONG LIM
Chairman and Managing Director

SALIENT TERMS OF THE SPA

1. Agreement to Sell

The Vendor agrees to sell and the Purchaser agrees to purchase the Subject Property on an “**as is where is**” basis together with infrastructure based on the existing approved plan, free from all encumbrances and with vacant possession at the Disposal Consideration. Any upgrade beyond the existing approved plan as the Purchaser may request, such as fibre and water pipe, shall be at the Purchaser’s cost.

2. Conditions Precedent**(a) Conditions Precedent**

The completion of the sale and purchase of the Subject Property shall be conditional upon the following conditions precedent (the “**Conditions Precedent**”) being fulfilled or waived (to the extent permitted by law) within the respective period(s) stipulated below or extension as may be mutually agreed by the parties (“**Conditional Period**”):-

- (i) the Vendor shall on or before 11 September 2024 procure CCB to convene an EGM for obtaining the resolution of CCB’s shareholders approving the Proposed Disposal (“**Vendor Shareholders’ Approval**”); and
- (ii) the Purchaser shall on or before 11 October 2024 obtain the JSA’s consent for the acquisition of the Subject Property pursuant to Section 433B of the NLC (“**Foreigner’s Consent**”). If the appropriate land registry or land office requires the submission of the Vendor Shareholders’ Approval for the application of the Foreigner’s Consent, the Conditional Period to obtain the Foreigner’s Consent shall be 4 months from the date of the Purchaser(s)’ solicitors receipt of the Vendor Shareholders’ Approval.

(b) Conditions Precedent Not Satisfied

If any of the Conditions Precedents is not satisfied or fulfilled or waived on or before the expiry of the Conditional Period, or unless otherwise mutually agreed to be extended by the parties, the SPA shall terminate in accordance with the terms in the SPA and the Deposit (as defined below) shall be refunded to the Purchaser, free of interest within 7 days from the expiry of the last Conditional Period.

(c) Unconditional Date

The SPA shall become unconditional on the date the last of the Conditions Precedent has been fulfilled or waived in accordance with the terms of the SPA (“**Unconditional Date**”).

3. Payment

- (a) As at the date of the SPA, the Purchaser has paid RM11,587,787.64 (the “**Deposit**”), and the Deposit has already been held by the Vendor’s solicitors as stakeholders who are authorised by the parties to release and pay the Deposit to the Vendor together with accrued interest on the Unconditional Date.

SALIENT TERMS OF THE SPA (CONT'D)

- (b) RM104,290,088.76 (“**Balance Disposal Consideration**”) shall be paid by the Purchaser to the Vendor’s solicitors or the Vendor within 1 month commencing from the day immediately after the later of the following dates:-
- (i) the Unconditional Date; or
 - (ii) the expiry of 3 months from the SPA.

The date of payment of the Balance Disposal Consideration in full shall be referred to as the “**Completion Date**”.

4. Delivery of Vacant Possession

- (a) At the written request of the Purchaser, the Vendor may deliver the vacant possession of the Subject Property to the Purchaser before the completion of the SPA to allow the Purchaser to carry out the construction work, subject to the Purchaser’s payment of a reinstatement deposit.
- (b) Unless delivered earlier pursuant to paragraph 4(a) above, vacant possession of the Subject Property, completed with the Vendor’s pre-vacant possession works detailed in paragraph 5 below, will be delivered to the Purchaser within 3 working days from the Completion Date.

5. Pre-Vacant Possession Works

The Vendor shall carry out the following pre-vacant possession works:-

- (a) clear the Subject Property of all vegetation, trees and debris and completed with basic earth protection after clearance; and
- (b) construct and complete a temporary limestone construction access road with the surface being reasonably even and levelled as a minimum requirement for the purpose of the construction on the Subject Property.

6. Post-Vacant Possession Works

The Vendor shall within 12 months from the date of the SPA carry out and complete the following works:-

- (a) all road and drainage systems for the entire Nusa Cemerlang Industrial Park in accordance with terms of the SPA, with the “Surat Perakuan Siap-Kerja” to be obtained by the Vendor or its relevant consultants;
- (b) all external street lighting for entire Nusa Cemerlang Industrial Park in accordance with terms of the SPA, with the “Surat Perakuan Siap-Kerja” to be obtained by the Vendor or its relevant consultants;
- (c) external sewerage systems for entire Nusa Cemerlang Industrial Park in accordance with the requirements of Indah Water Konsortium Sdn Bhd; and
- (d) the Persiaran Mega Road works.

SALIENT TERMS OF THE SPA (CONT'D)

7. Purchaser's Default

If the Purchaser defaults, the Vendor shall be entitled to terminate the SPA by serving a notice in writing to the Purchaser, whereupon the consequences of termination in the SPA would apply, and thereafter, the SPA will terminate and except for the surviving provisions, cease to be of any further effect, save for any antecedent breach.

8. Vendor's Default

If the Vendor defaults, the Purchaser shall be entitled to terminate the SPA by a notice in writing to the Vendor. If the Purchaser elects to terminate the SPA, the consequences of termination in the SPA would apply and thereafter, the SPA will terminate and except for the surviving provisions, cease to be of any further effect, save for any antecedent breach.

9. Limited Power of Attorney

The Vendor shall, at the Purchaser's cost, simultaneously with the execution of the SPA, grant a limited Power of Attorney to the Purchaser to empower the Purchaser to apply to the relevant authorities for the submission of application for the development order and building plan's approval.

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VALUATION CERTIFICATE OF THE SUBJECT PROPERTY



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)
(formerly known as C H Williams Talhar & Wong Sdn Bhd)

Unit 15B Level 15 Menara Ansar
 65 Jalan Trus P O Box 320
 80000 Johor Bahru
 Johor Darul Takzim
 Malaysia

Report and Valuation

Our ref : WTW/04/V/013657/24/SFT

10 June 2024

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 W www.cbre-wtw.com.my

PRIVATE & CONFIDENTIAL

The Board of Directors **CRESCENDO CORPORATION BERHAD**

Lot 18.02, 18th Floor
 Public Bank Tower
 No. 19, Jalan Wong Ah Fook
 80000 Johor Bahru
 Johor

Dear Sirs,

CERTIFICATE OF VALUATION
LOT NO. PTD 227197
MUKIM OF PULAI
DISTRICT OF JOHOR BAHRU, JOHOR (“SUBJECT PROPERTY”)
FOR SUBMISSION TO BURSA MALAYSIA SECURITIES BERHAD

We thank you for your instructions to carry out a formal valuation on the above-mentioned property and to provide our opinion of the Market Value of the Subject Property for the purpose of submission to Bursa Malaysia Securities Berhad in relation to the proposed disposal of the Subject Property by Panoramic Industrial Development Sdn Bhd (“PID”), a wholly owned subsidiary of Crescendo Corporation Berhad (“CCB”) (“Proposed Disposal”).

This Valuation Certificate is prepared for inclusion in the Circular in relation to the Proposed Disposal.

We have prepared and provided this Valuation Certificate which outlines key factors that have been considered in arriving at our opinion of Market Value and reflects all information known by us and based on present market conditions.

The valuation has been prepared in accordance with the requirements stipulated in the Asset Valuation Guidelines issued by the Securities Commission Malaysia and Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

The basis of the valuation is Market Value which is defined by the Malaysian Valuation Standards (MVS) to be “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

This Valuation Certificate should be read in conjunction with the full Report and Valuation.

VALUATION CERTIFICATE OF THE SUBJECT PROPERTY (CONT'D)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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TERMS OF REFERENCE

To assess the market value of the above captioned property for the purpose of submission to Bursa Malaysia Securities Berhad in relation to the Proposed Disposal.

Pursuant to the Sale and Purchase Agreement to be entered between Panoramic Industrial Development Sdn Bhd (“the Vendor”) and Nanda Digital Sdn Bhd (“the Purchaser”), the Vendor is the registered proprietor, legal and beneficial owner of the Subject Property (the “Said Land”).

The Vendor has agreed to sell and the Purchaser has agreed to purchase the Said Land for the purposes of the development and operation of a data centre by the Purchaser, on an “as is where is” basis with infrastructure based on the existing approved plan approved on 9 March 2014 (File No. MPJBT(PB/SWT)2/9(13)JLD.6(1)) by the Relevant Authorities, free from all Encumbrances, trespassers, occupiers, tenancy, squatters, encroachments, vegetation, buildings structures, land contamination or unlawful possessor, and with vacant possession, upon all the terms and subject to all the conditions thereafter contained.

Having regard to the foregoing, as instructed, the valuation is carried out based on the following **BASIS(S)**:-

THE INFRASTRUCTURE SERVING THE SUBJECT PROPERTY HAS BEEN COMPLETED IN ACCORDANCE WITH THE EXISTING APPROVED PLAN APPROVED ON 9 MARCH 2014 (FILE NO. MPJBT(PB/SWT)2/9(13)JLD.6(1)) BY THE RELEVANT AUTHORITIES AND FREE FROM ALL ENCUMBRANCES, TRESPASSERS, OCCUPIERS, TENANCY, SQUATTERS, ENCROACHMENTS, VEGETATION, BUILDINGS STRUCTURES, LAND CONTAMINATION OR UNLAWFUL POSSESSOR, AND WITH VACANT POSSESSION.

OUR VALUATION IS BASED ON THE ABOVE INFORMATION / DOCUMENTS PROVIDED TO US WHICH ARE PRESUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE INFORMATION / DOCUMENTS ARE INVALID / INCORRECT.

PROPERTY IDENTIFICATION

The Subject Property	:	A parcel of vacant medium industrial land designated for data centre use
Location	:	Located along Jalan Mega 1, Taman Perindustrian Nusa Cemerlang, Iskandar Puteri, Johor
Title No.	:	HSD 629092
Lot No.	:	PTD 227197, Mukim of Pulau, District of Johor Bahru, Johor
Land Area as per the Sale and Purchase Agreement	:	20.463 acres (891,368.28 square feet)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Panoramic Industrial Development Sdn Bhd
Category of Land Use	:	Industrial
Date of Valuation	:	7 June 2024

VALUATION CERTIFICATE OF THE SUBJECT PROPERTY (CONT'D)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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GENERAL DESCRIPTION

The Subject Property is a parcel of vacant medium industrial land located along Jalan Mega 1, Taman Perindustrian Nusa Cemerlang, Iskandar Puteri, Johor.

The Subject Property is rectangular in shape with a provisional land area of about 82,812.1 square metres (20.463 acres). It has frontage along its south-western boundary onto Jalan Mega 1 of about 265.35 metres (871 feet), a splayed corner of about 8.62 metres (28 feet) and a return frontage of about 298.96 metres (981 feet) onto Jalan Mega 2/8.

At the time of our inspection, we noted that the Subject Property was generally vacant and cleared.

We further noted that the overhead electricity supply lines are running near the northern boundary of the Subject Property.

The site boundaries are basically not demarcated by any form of fencing.

PLANNING PROVISION

The Subject Property is designated for medium industrial use as a data centre as per the Express Condition in the document of title.

METHOD OF VALUATION

In arriving at the market value of the Subject Property, we have adopted the Comparison Approach.

We have adopted the Comparison Approach as the only method of valuation considering that the Subject Property is a parcel of vacant medium industrial land without any planning approval granted. Furthermore, there are adequate sale comparables in the vicinity of the Subject Property which can be relied upon.

VALUATION CERTIFICATE OF THE SUBJECT PROPERTY (CONT'D)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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VALUE CONSIDERATION

In arriving at the market value of the subject property, we have considered the following market evidences:-

Details	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Source	Bursa Malaysia Company Announcement			Valuation and Property Service Department (JPPH)
Lot No., Mukim, District and State	Lot 169185 to Lot 169188 & Lot 169193 to Lot 169195 (Land 1) & Lot 169189 to Lot 169192 (Land 2), Mukim of Pulai, District of Johor Bahru, Johor	PTD 227193	Part of lands held under PTD 209486 (Land 1) & PTD 224339 to PTD 224344 (Land 2) & other lands being the open space identified as PTD 224345 and reserved road (Land 3), Mukim of Pulai, District of Johor Bahru, Johor	PTD 4479, Mukim of Tanjung Kupang, District of Johor Bahru, Johor
Location	Located in i-Tech Valley within Phase 3 of SiLC, Iskandar Puteri, Johor	Along Jalan Mega 2, Nusa Cemerlang Industrial Park, Iskandar Puteri, Johor	Along Jalan Mega 2, Nusa Cemerlang Industrial Park, Iskandar Puteri, Johor	Along Jalan Persiaran Sentral, Taman Teknologi Nusajaya, Iskandar Puteri, Johor
Type	Vacant industrial land			Vacant commercial land
Tenure	Freehold / Term in Perpetuity			
Land Area (sq. m)	141,269.61 sq. m	102,558.30 sq. m	243,998.96 sq. m	41,290.10 sq. m
Land Area (sq. ft)	1,520,612 sq. ft	1,103,927 sq. ft	2,626,380 sq. ft	444,443 sq. ft
Land Area (ac)	34.908 ac	25.343 ac	60.293 ac	10.203 ac
Date	13/05/2024	04/04/2024	17/11/2023	02/12/2022
Vendor(s)	Pentagon Land Sdn Bhd & Greenhill SiLC Sdn Bhd	Panoramic Industrial Development Sdn Bhd	Panoramic Industrial Development Sdn Bhd	Nusajaya Tech Park Sdn Bhd
Purchaser	Digital Hyperspace Malaysia Sdn Bhd	Microsoft Payments (Malaysia) Sdn Bhd	Microsoft Payments (Malaysia) Sdn Bhd	GDS IDC Services (Malaysia) Sdn Bhd
Consideration	RM209,844,456/-	RM132,471,276/-	RM315,165,649/-	RM57,777,548/-
Analysis (RM psm)	RM1,485 psm	RM1,292 psm	RM1,292 psm	RM1,399 psm
Analysis (RM psf)	RM138 psf	RM120 psf	RM120 psf	RM130 psf
Adjustments	Adjustments are made on time/market condition and size			
Adjusted Land Value (RM psf)	RM138 psf	RM120 psf	RM139 psf	RM136 psf

Notes: "psm" denotes per square metre
"psf" denotes per square foot

The adjusted land values derived from the above comparables range from RM120 to RM139 per square foot. We have considered Comparable Nos. 1 to 3 as the good comparable by reason of they are the latest sales transactions and located in close vicinity to the Subject Property. We have also considered Comparable No. 4 as the transaction has completed.

We are of the opinion that although the transaction of Comparable No. 1 has not been completed yet subject to the fulfilment of the conditions precedent, the transacted price aligns well with the market leading us to consider it a good and reliable comparable whilst Comparables No. 2 and 3 are completed transactions. Furthermore, we have made an upward time adjustment of 10% for both Comparables No. 3 and 4 as the market shows an increase demand in data centre sector.

We have adopted the land value at RM130 per square foot for the Subject Property as a fair representation.

VALUATION CERTIFICATE OF THE SUBJECT PROPERTY (CONT'D)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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VALUATION

Taking into consideration the above factors, we therefore assess the market value of the Subject Property **ON THE BASIS(S) AND PROVISO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** with permission to sell, transfer and free from all encumbrances at **RM116,000,000/- (Ringgit Malaysia : One Hundred And Sixteen Million Only).**

Yours faithfully
for and on behalf of
CBRE WTW Valuation & Advisory Sdn Bhd
(formerly known as C H Williams Talhar & Wong Sdn Bhd)

Sr LO KIN WENG

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DRAFT BYE-LAWS OF THE PROPOSED ESOS

CRESCENDO CORPORATION BERHAD (199501030544 (359750-D))
BYE-LAWS OF THE EXECUTIVES' SHARE OPTION SCHEME ("ESOS") FOR ELIGIBLE DIRECTORS AND EXECUTIVES OF CRESCENDO CORPORATION BERHAD

1. DEFINITIONS

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

"Act"	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
"Board"	:	Board of directors of the Company
"Board Lot"	:	A parcel of Shares comprising 100 units or any other number of shares permitted to be traded by Bursa Securities as a board lot
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"Bye-Laws"	:	These Bye-Laws of ESOS, as amended from time to time
"CCB" or "Company"	:	Crescendo Corporation Berhad (199501030544 (359750-D)) and where the context admits, includes its successors in title
"Constitution"	:	Constitution of the Company, as amended from time to time
"CDS Account"	:	Central Depository System Account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities
"Date of Offer"	:	The date on which an Offer is made by the ESOS Committee in writing to an Eligible Executive
"Director"	:	Has the same meaning as given in Section 2(1) of the Capital Markets and Services Act 2007 and being a natural person that: <ul style="list-style-type: none"> (i) occupies or acts in the position of director; (ii) is in accordance with whose directors or instructions the directors of a corporation are accustomed to act; or (iii) is an alternate or substitute director, in any Member of the Group

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“Disciplinary Proceeding”	:	Proceedings instituted by the employer of an Option Holder against an Option Holder for any alleged misbehaviour, misconduct or any other acts of an Option Holder or deemed to be unacceptable by that employer whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Option Holder
“Effective Date”	:	Has the meaning set out in Bye-Law 21.1
“Eligible Executive”	:	Any person who is eligible to participate in the ESOS pursuant to Bye-Law 4.1
“ESOS” or “Scheme”	:	The executive share option scheme established by these Bye-Laws, as may be modified or altered from time to time
“ESOS Committee”	:	The committee comprising the Director(s) and/or senior management of the Group to be approved by the Board pursuant to Bye-Law 2 to implement and administer the Scheme in accordance with these Bye-Laws
“Exercise Price”	:	The exercise price for Shares set out in an Option Certificate as determined by the ESOS Committee under Bye-Law 11
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time
“Market Day”	:	Any day which Bursa Securities is open for trading of securities
“Maximum Aggregate”	:	Has the meaning ascribed to that term in Bye-Law 3.6
“Member of the Group”	:	CCB or any of its subsidiaries, which are not dormant
“Offer(s)”	:	An offer made in writing by the ESOS Committee to an Eligible Executive to participate in the ESOS in the manner provided in these Bye-Laws
“Option(s)”	:	An option contract, by whatever name called, between the Company and the relevant Option Holder, the exercise of which may be conditional or unconditional as determined by the ESOS Committee, constituted by the issuance of an Option Certificate after the acceptance of an Offer
“Option Certificate”	:	A certificate or letter for an Option issued by the Company in relation to an accepted Offer
“Option Exercise Period”	:	The period within the Scheme Period during which an Option may be exercised as determined by the ESOS Committee and specified in an Option Certificate

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

“Option Holder”	:	An Eligible Executive who is the holder of a valid Option Certificate
“Principal Adviser”	:	A corporate finance adviser that may act as a principal adviser under the Securities Commission Malaysia’s Principal Adviser Guidelines (as amended from time to time)
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“Scheme Period”	:	The period of the Scheme as set out in Bye-Law 21.1
“Shares” or “CCB Shares”	:	Fully paid ordinary shares in the issued share capital of CCB

- 1.2 In these Bye-Laws, unless the context requires otherwise, words denoting the singular number include the plural number and words denoting one gender include the other gender.
- 1.3 The headings in these Bye-Laws are for convenience only and not to be taken into account in the interpretation of these Bye-Laws.
- 1.4 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day.

2. ADMINISTRATION

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

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

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

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

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

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

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

4. ELIGIBILITY

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

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

For the avoidance of doubt:

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

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

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

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

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

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

5. MAXIMUM ALLOWABLE ALLOCATION

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

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

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

6. RIGHTS ATTACHING TO THE SHARES

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

7. LISTING OF AND QUOTATION FOR NEW SHARES

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

8. OPTION OFFERS

- 8.1 The ESOS Committee may at its absolute discretion at any time and from time to time as it deems fit make one or more Offers to an Eligible Executive under or pursuant to the ESOS. An Offer may be made upon such terms and conditions as the ESOS Committee may, at its absolute discretion, decide from time to time, and shall be in such form and substance as determined by the ESOS Committee.

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

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

9. ACCEPTANCE OF OFFERS

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

10. RETENTION PERIOD

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

11. EXERCISE PRICE

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

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

12. EXERCISE OF OPTIONS

- 12.1 Except where it is otherwise specifically allowed under these Bye-Laws, the Option offered to an Option Holder under the ESOS is exercisable by that Option Holder only during his employment or directorship with the Group, within the Option Exercise Period and subject to any other terms and conditions as may be contained in the Option Certificate. The minimum period which an Option must be held before it can be exercised, if any, may be determined by the ESOS Committee at its absolute discretion.
- 12.2 Subject to Bye-Law 12.3, an Option offered under the ESOS is only capable of being exercised on a Market Day within the Option Exercise Period.
- 12.3 An Option Holder may, in a particular period, exercise his Option up to such maximum number of Shares as determined by the ESOS Committee and specified in the Option Certificate.
- 12.4 All Options must be exercised by the end of the Scheme Period, failing which all remaining unexercised Options will automatically lapse and be null and void and of no further effect.
- 12.5 An Option Holder must notify the Company in writing of his intention to exercise his Option in such form as may be prescribed by the ESOS Committee. The Option or the balance thereof may be exercised in full (subject to any prescribed limit) or in respect of such lesser number of Shares as the Option Holder may decide to exercise provided that such lesser number must be in multiples of and not less than a Board Lot.
- 12.6 Every notice of exercise of an Option must be accompanied by the relevant Option Certificate, and remittance for the full amount payable in relation to the number of Shares in respect of which the Option is being exercised and the Option Holder must provide the relevant Company with his CDS Account number. An Option is deemed to be exercised upon the receipt by the Company of the said notice duly completed, the Option Certificate and the full amount of the exercise price in the manner as specified by the ESOS Committee for the exercise of the Option.
- 12.7 Subject to any approval of any competent authority as may be necessary, the Bye-Laws and provisions of the Constitution, the Company must:
- (a) within 8 Market Days (or such other period as may be prescribed in the Listing Requirements) of receiving such notice, issue and allot or procure the issuance and allotment of the relevant number of Shares and despatch the notice of allotment to the Option Holder; and/or
 - (b) as soon as practicable upon receiving such notice, transfer or procure the transfer of the relevant number of treasury Shares or other existing Shares and despatch the notice of transfer to the Option Holder.
- No physical share certificate will be issued.
- 12.8 Where an Option is exercised only in part, the Option Certificate will be endorsed by the ESOS Committee stating, inter-alia, the number of Shares comprised in the Option which remain capable of exercise.

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

- 12.9 Notwithstanding anything to the contrary contained in these Bye-Laws, the ESOS Committee has the absolute discretion, by notice in writing to an Option Holder who is being subjected to any Disciplinary Proceeding to suspend his rights to exercise his Option pending the outcome of such Disciplinary Proceeding. In addition to this right of suspension, the ESOS Committee may impose such terms and conditions as it deems appropriate, in its absolute discretion, on the right of exercise of the Option having regard to the nature of the charges made or brought against such Option Holder, provided always that:
- (a) in the event such Option Holder is found not guilty of the charges which gave rise to such Disciplinary Proceeding at the end of its proceedings, the ESOS Committee will reinstate the rights of such Option Holder to exercise his Option as if such Disciplinary Proceeding had not been instituted in the first place;
 - (b) in the event the Disciplinary Proceeding resulted in a recommendation for the dismissal or termination of service of such Option Holder, the Option will immediately lapse and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of service of such Option Holder notwithstanding that such recommendation may be subsequently challenged by the Option Holder in any other forum; and
 - (c) in the event such Option Holder is found guilty but no dismissal or termination of service is recommended, the ESOS Committee has the right to determine at its absolute discretion whether or not the Option Holder may continue to exercise his Option and if so, to impose such limits, terms and conditions as the ESOS Committee deems appropriate, on such exercise.

13. TAKE-OVER

- 13.1 Notwithstanding Bye-Law 12, in the event of a takeover offer being made for the Company by a general offer or otherwise and resulting in a change of control or in the event of a general offer being made for the Company and leading to or resulting in the shares of the Company no longer being listed or quoted on the Bursa Securities (which will be notified by the Company or the ESOS Committee) and upon such offer becoming or being declared unconditional, the ESOS Committee may at its absolute discretion allow any Option Holder, within such period as may be determined by the ESOS Committee, to exercise in whole or in part the Option remaining unexercised and any Options remaining unexercised will, unless the ESOS Committee in its absolute discretion otherwise determines, lapse and be null and void.
- 13.2 In addition, if any person becomes entitled or bound to exercise rights of compulsory acquisition of the Shares of the Company under the provisions of the Act or the Capital Markets and Services Act 2007 and gives notice to an Option Holder that it intends to exercise such rights on a specific date, the ESOS Committee may at its absolute discretion allow any Option Holder to exercise in whole or in part the Option remaining unexercised until the expiry of such specified date and any Options remaining unexercised will, unless the ESOS Committee in its absolute discretion otherwise determines, lapse and be null and void.
- 13.3 Notwithstanding Bye-Laws 13.1 and 13.2, the exercise of Options must nevertheless be within the Option Exercise Period.

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

14. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC

Notwithstanding Bye-Law 12, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company under Section 366 of the Act or its amalgamation with any other company or companies under Section 370 of the Act or pursuant to any other applicable laws, the ESOS Committee may at its absolute discretion allow any Option Holder to exercise all or any part of his Option remaining unexercised at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending on the date upon which, in the opinion of the ESOS Committee, it has been fully implemented, or on any other date specified by the ESOS Committee within the Option Exercise Period, failing which any unexercised Options and any Options remaining unexercised will, unless the ESOS Committee in its absolute discretion otherwise determine, lapse and be null and void.

15. TERMINATION OF OPTIONS

15.1 Upon the cessation of employment of an Option Holder with any Member of the Group for any reason whatsoever prior to the exercise of his Option or any part thereof, any outstanding Option will forthwith cease and become incapable of exercise as if the same had never been granted in the first place unless the ESOS Committee decides otherwise.

15.2 Where the Option Holder ceases his employment with any Member of the Group by reason of:

- (a) ill-health, injury or disability;
- (b) other reasons or circumstances which are acceptable to the ESOS Committee,

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

15.3 Where an Option Holder retires and is immediately re-employed by any Member of the Group, upon his re-employment, the ESOS Committee may at its absolute discretion allow the Option Holder to either:

- (a) exercise in whole or in part his unexercised Option within such period as the ESOS Committee may allow; or
- (b) continue with the Option, subject to these Bye-Laws as if that Option Holder has never ceased employment.

15.4 With effect from the date of adjudication of bankruptcy of an Option Holder, any and all unexercised portion of the Option will immediately become null and void and of no further effect as if the same had never been granted in the first place.

15.5 In the event that an Option Holder dies before exercising the Option in full, such Option will automatically lapse and become null and void at the date of his death, unless otherwise decided by the ESOS Committee. If the ESOS Committee, at its absolute discretion so permits, the Option may be exercised by the duly appointed personal representative of the Option Holder to its full extent within such period as may be determined by the ESOS Committee.

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

- 15.6 If an Option lapses in accordance with the terms of its Option Certificate, any and all unexercised portion of that Option will immediately become null and void and of no further effect as if the same had never been granted in the first place.
- 15.7 The number of Shares comprised in unexercised Options which becomes null and void under this Bye-Law 15 will not form part of the Maximum Aggregate and continue to be available under the ESOS.

16. ALTERATION OF SHARE CAPITAL AND ADJUSTMENT

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

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

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

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

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

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

$$\text{Additional number of Shares} = T \times \left[\frac{V}{U} \right] - T$$

where

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

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

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

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

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

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

where

- A = the aggregate number of issued and fully paid-up Shares immediately before such bonus issue or capitalisation issue;
 B = the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of Company credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund); and
 T = as T above.

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

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

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

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

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

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

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

where

- C = the Current Market Price (as defined in Bye-Law 16.4(h) below) of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation;
- D = (aa) in the case of an offer or invitation to acquire or subscribe for Company Shares by way of rights under Bye-Law 16.4(c)(ii) above or for securities convertible into Shares or securities with rights to acquire or subscribe for Shares under Bye-Law 16.4(c)(iii) above, the value of rights attributable to 1 Share (as defined below); or
- (bb) in the case of any other transaction falling within Bye-Law 16.4(c) hereof, the fair market value, as determined by an auditor of Company, of that portion of the Capital Distribution attributable to 1 Share.

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

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

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

where

C = as C above;

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

F = the number of Shares necessary for a shareholder of the Company to hold in order to be offered or invited to acquire or subscribe for 1 additional Share or security convertible into rights to acquire or subscribe for 1 additional Share; and

D* = the value of rights attributable to 1 Share (as defined below); and

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

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

where

C = as C above;

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

F* = the number of Shares necessary for a shareholder of the Company to hold in order to be offered or invited to acquire or subscribe for 1 additional Share.

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

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

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

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

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

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

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

Additional number of Shares:

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

where

B = as B above;

C = as C above;

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

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

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

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

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

T = as T above.

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

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

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

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

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

Additional number of Shares

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

where

- C = as C above;
- G = as G above;
- H = as H above;
- H* = as H* above;
- I = as I above;
- I* = as I* above;
- J = the aggregate number of Shares to be issued to its ordinary shareholders of Company upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders of Company;
- K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for 1 additional Share; and
- T = as T above.

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

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

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

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

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

Additional number of Shares

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

where

B = as B above;

C = as C above;

G = as G above;

H = as H above;

H* = as H* above;

I = as I above;

I* = as I* above;

J = as J above;

K = as K above; and

T = as T above.

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

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

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

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

where

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

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

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

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

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

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

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

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

17. TRANSFER TO OTHER COMPANIES NOT WITHIN THE GROUP

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

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

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

- 18.1 The ESOS Committee may at any time and from time to time recommend to the Board any additions, amendments and/or modifications to and/or deletions of these Bye-Laws as it shall in its sole and absolute discretion think fit and the Board shall at any time and from time to time have the power by resolution to add to, amend, modify and/or delete all or any part of these Bye-Laws upon such recommendation.
- 18.2 The approval of the shareholders of the Company in a general meeting shall not be required in respect of additions, amendments and/or modifications to or deletions of these Bye-Laws save and except if such additions, amendments, modifications and/or deletions would:
- (a) prejudice any rights then accrued to any Option Holder(s) without the prior consent or sanction of that Option Holder(s) (as the case may be);
 - (b) increase the number of CCB Shares available under the ESOS beyond the Maximum Aggregate as set out in Bye-Law 3 above;
 - (c) prejudice any rights of the shareholders of the Company without the prior approval of the Company's shareholders in a general meeting; or
 - (d) alter to the advantage of any Eligible Executive and/or Option Holder in respect of any matters which are required to be contained in the Bye-Laws by virtue of paragraphs (1) to (8) of the Appendix 6E of the Listing Requirements, without the prior approval of the Company's shareholders in a general meeting unless allowed otherwise by the provisions of the Listing Requirements.
- 18.3 Any amendments/modifications to the Bye-Laws shall not contravene any of the provisions stipulated under the Listing Requirements and/or any other relevant regulatory authority in relation to share issuance schemes and/or share grant schemes.
- 18.4 Upon amending and/or modifying all or any of the provisions of the ESOS, the Company shall within 5 Market Days after the effective date of the amendments caused to be submitted to Bursa Securities the amended Bye-Laws and a confirmation letter in the form required under the Listing Requirements that the said amendments and/or modifications complies and does not contravene any of the provisions of the Listing Requirements on share issuance schemes and/or share grant schemes (as the case may be) and the Rules of Bursa Depository.
- 18.5 The ESOS Committee shall within 5 Market Days of any amendments and/or modifications made pursuant to these Bye-Laws notify the Option Holder in writing of any amendments and/or modifications made pursuant to these Bye-Laws.
- 18.6 The decision of the Board as to the amendments or modifications of the provisions of the ESOS and these Bye-Laws is final, conclusive and binding.

19. DIVESTMENT FROM THE GROUP

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

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

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

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

20. LIQUIDATION OF THE COMPANY

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

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

21. DURATION AND TERMINATION OF THE ESOS

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

- (a) submission of the final copy of the Bye-Laws to Bursa Securities together with a letter of compliance pursuant to Paragraph 2.12 and to Paragraph 6.42 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;
- (b) the receipt of approval-in-principle for the listing of and quotation for the Shares to be issued under the ESOS from Bursa Securities;
- (c) procurement of approval of shareholders of the Company for the ESOS at a general meeting to be convened;
- (d) receipt of approval of any other relevant authorities, where applicable; and
- (e) fulfillment of all conditions attached to the aforesaid approvals, if any.

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

21.3 On or before the expiry of the Scheme Period, the Scheme may be extended at the sole and absolute discretion of the Board upon recommendation of the ESOS Committee, without having to obtain approval from the shareholders of the Company in a general meeting, for a further period of up to 5 years immediately from the expiry of the Scheme Period, but will not in aggregate exceed 10 years from the Effective Date. In the event that the Scheme is extended, the Company shall serve appropriate notices on each Option Holder within 30 days prior to the expiry of the Scheme Period.

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

- 21.4 The Scheme may be terminated by the Board at its sole and absolute discretion upon recommendation by the ESOS Committee at any time during the Scheme Period by written notice to the affected Option Holders, without obtaining the approvals from the Option Holder or the approval from the shareholders of the Company in a general meeting for the termination of the Scheme, provided the ESOS Committee may in its sole and absolute discretion, continue to fulfill its contractual obligation to all Option Holders. Upon termination of the Scheme:
- (a) no further Offers can be made by the Company;
 - (b) all Offers which have yet to be accepted by the Eligible Executives will automatically lapse and be null and void; and
 - (c) all unexercised Options will be automatically terminated and be null and void.

22. TAXES

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

23. COSTS AND EXPENSES

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

24. DELAY OF PERFORMANCE AND DISCLAIMER OF LIABILITY

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

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

25. DISPUTES

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

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

26. NO RIGHT TO COMPENSATION / NOT TERM OF EMPLOYMENT

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

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

27. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

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

28. NOTICE

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

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

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

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

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

29. CONSTITUTION

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

30. INTERPRETATION

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

31. TRUSTEES AND FINANCIAL ASSISTANCE

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

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

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

32. SEVERABILITY

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

33. GOVERNING LAW

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

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DETAILS OF THE DISPOSAL TO MPSB

For the avoidance of doubt, the information on the Disposal to MPSB is provided for your information only and does not require your approval. The defined terms used herein are for reference in this Appendix IV only.

1. INTRODUCTION ON THE DISPOSAL TO MPSB

On 4 April 2024, the Board announced that PID, our wholly-owned subsidiary, had on even date entered into the Disposal to MPSB SPA for the Disposal to MPSB.

The Disposal to MPSB entailed the disposal of all that piece of land held under H.S.(D) 629088, PTD 227193, Mukim of Pulai, District of Johor Bahru, State of Johor measuring approximately 102,558.3 square meters or 1,103,927.3 sq ft (“**Land**”) by PID (“**Seller**”) to MPSB (“**Buyer**”) for a cash consideration of RM132,471,276.00 only or RM120.00 per sq ft (“**Disposal to MPSB Consideration**”).

The Disposal to MPSB was completed on 28 May 2024.

2. DETAILS OF THE DISPOSAL TO MPSB

2.1 Background information on the Disposal to MPSB

The Disposal to MPSB entailed the disposal of the Land by PID to MPSB for the Disposal to MPSB Consideration on an “as is where is” basis, free from all and any encumbrances and with vacant possession, subject to pre-closing works, post-closing works and other terms and conditions of the Disposal to MPSB SPA.

2.2 Information on the Land

The Land is located in Mukim of Pulai, District of Johor Bahru, with a land size of approximately 102,558.3 square meters or 1,103,927.3 sq ft. The Land is strategically located within a prime and mature industrial estate in Mukim of Pulai, District of Johor Bahru, and surrounded by a mixture of residential, commercial and industrial developments.

The details of the Land are set out below:-

Category of land use	:	Industrial
Tenure	:	Freehold
Express conditions	:	<ul style="list-style-type: none"> (i) This land can only be used for a medium industry area for the purposes of data centre and other uses in relation thereto, constructed in accordance with the plans approved by the authority. (ii) All dirt and pollutants from this activity must be channelled to areas which have been determined by the relevant authority. (iii) All terms and conditions determined and enforced from time to time by the relevant authority must be adhered to.
Encumbrances	:	Nil
Restriction-in-Interests	:	This land cannot be sold or transferred in any way whatsoever to a Non-Citizen/Foreign Company without the approval of the State Authority.

DETAILS OF THE DISPOSAL TO MPSB (CONT'D)

For the avoidance of doubt, the information on the Disposal to MPSB is provided for your information only and does not require your approval. The defined terms used herein are for reference in this Appendix IV only.

2.3 Basis and justification Disposal to MPSB Consideration

The Disposal to MPSB Consideration of RM132,471,276.00 or RM120.00 per sq ft was negotiated on a “willing-buyer willing-seller” basis. PID has not commissioned any independent valuation of the Land prior to entering into the Disposal to MPSB SPA. However, our Board is of the view that the Disposal to MPSB Consideration is fair and reasonable after considering the following:-

- (i) PID’s announced sale of two parcels of adjoining vacant lands to STT GDC M for RM120 per sq ft, equivalent to approximately RM117.02 million. This transaction was announced on 7 November 2023 and the lands are located within the vicinity of the Land. This transaction was completed on 15 April 2024 and 18 June 2024 respectively;
- (ii) PID’s announced sale of nine parcels of adjoining vacant lands to YASB for RM125 per sq ft (which is revised to RM127.00 per sq ft when TNB power main switching station waiver is obtained), equivalent to approximately RM111 million. This transaction was announced on 15 November 2023 and the lands are located within the vicinity of the Land. This transaction was completed on 8 May 2024; and
- (iii) PID’s sale of vacant lands to MPSB for RM120 per sq ft equivalent to approximately RM315.17 million, supported by the market value ascribed by the valuer of RM315 million. This transaction was announced on 17 November 2023 and the lands are located within the vicinity of the Land. This transaction was completed on 21 February 2024.

2.4 Salient terms of the Disposal to MPSB SPA

The salient terms of the Disposal to MPSB SPA are set out in **Appendix V** of this Circular.

2.5 Expected gains or losses to our Group

The Disposal to MPSB SPA is expected to result in a pro forma gain to our Group, details of which are set out below:-

	(RM'million)
Disposal to MPSB Consideration	132.47
(Less): Audited NBV of the Land as at 31 January 2023	17.06
Estimated expenses of the Disposal to MPSB	4.29
Estimated cost of development in relation to the Disposal to MPSB	4.77
Estimated income tax (based on the statutory corporate income tax rate of 24.0%)	25.52
Estimated net pro forma gain from the Disposal to MPSB	80.83

DETAILS OF THE DISPOSAL TO MPSB (CONT'D)

For the avoidance of doubt, the information on the Disposal to MPSB is provided for your information only and does not require your approval. The defined terms used herein are for reference in this Appendix IV only.

2.6 Utilisation of proceeds

The Disposal to MPSB Consideration is expected to raise a gross cash proceeds of RM132.47 million, of which RM4.77 million will be incurred for the Disposal to MPSB in relation to the cost of development. The net cash proceeds of RM127.70 million is intended to be utilised in the following manner within 24 months from the completion of the Disposal to MPSB:-

Details of utilisation	(RM'million)	%	Estimated timeframe for utilisation upon completion of the Disposal to MPSB
(i) Repayment of loans and borrowings	50.00	39.1	Within 24 months
(ii) Working capital*	73.41	57.5	Within 24 months
(iii) Estimated expenses in relation to the Disposal to MPSB	4.29	3.4	Within 24 months
Total	127.70	100.0	

Note:-

* Inclusive of income tax of approximately RM25.52 million.

2.7 Liabilities or Guarantees

There are no liabilities, including contingent liabilities in relation to the Disposal to MPSB which remain with our Group.

There are no guarantees given by our Group to MPSB.

2.8 Original date and cost of investment

The original cost of investment by PID in the Land is RM11.02 million and the date of investment was on 14 December 2009. Based on the latest audited consolidated financial statements of CCB as at 31 January 2023, the total cost of investment, including transaction costs and development costs incurred and capitalised by PID on the Land is RM17.06 million.

2.9 Cash Company or PN 17 Company

The Disposal to MPSB is not expected to result in CCB becoming a cash company or PN 17 company.

3. INFORMATION ON PID

PID is a private limited company incorporated in Malaysia under the Companies Act 1965 on 12 December 1985. The issued and fully paid up capital of PID is RM8,820,002.00 consisting of 8,820,002 ordinary shares. The principal business activities of PID are those of light industrial estate development and investment holding.

The existing Directors of PID are Mr. Gooi Seong Lim, Mr. Gooi Seong Heen, Mr. Gooi Seong Chneh and Mr. Gooi Seong Gum and Mr. Gooi Khai Shin, who is an Alternate Director to Mr. Gooi Seong Lim.

DETAILS OF THE DISPOSAL TO MPSB (CONT'D)

For the avoidance of doubt, the information on the Disposal to MPSB is provided for your information only and does not require your approval. The defined terms used herein are for reference in this Appendix IV only.

4. INFORMATION ON MPSB

MPSB (Registration No. 201101042611 (970731-K)) is a private limited company duly incorporated in Malaysia under the Companies Act 1965 on 6 December 2011 and having its registered office at Level 25, Menara Hong Leong, No. 6, Jalan Damanela, Bukit Damansara, 50490 Kuala Lumpur.

As at 2 April 2024, being the latest practicable date prior to the announcement of Disposal to MPSB (“**LPD**”), MPSB has a total issued share capital of RM100,000 comprising of 100,000 ordinary shares. MPSB is a wholly-owned subsidiary of Microsoft Ireland Operations Limited. MPSB is principally engaged in the business of provision of data centre services.

As at the LPD, the directors of MPSB are Keith Ranger Dolliver (USA), Benjamin Owen Orndorff (USA), Chew Phye Keat (Malaysian) and K. Raman A/L G. Kesawannair (Malaysian).

5. RATIONALE AND BENEFITS OF THE DISPOSAL TO MPSB

The rationale and benefits of the Disposal to MPSB are as follows:–

- (i) To provide for the CCB Group to unlock the value of the Land at a reasonable price after taking into consideration the marketability and prospects of the Land and the challenges in negotiating terms and securing buyer with strong credentials and financial capability to complete the sale of such sizeable land expeditiously;
- (ii) To generate cash flows for repayment of the borrowings of our Group; and
- (iii) The Disposal to MPSB will lead to value creation and pull factor for the surrounding lands owned by our Group given the spillover effect from MPSB’s long term investment in the Land.

6. RISKS FACTORS

The Disposal is subject to among others the availability of utilities as agreed between PID and MPSB to be supplied and connected to the Land. Approvals from various relevant authorities for the development, construction, operation and maintenance as a Data Centre are also required. In the event of the failure to fulfil the conditions precedent under the Disposal to MPSB SPA, this will result in non-completion of the Disposal to MPSB SPA due to non-fulfilment of the conditions precedent contained therein.

7. FINANCIAL EFFECTS OF THE DISPOSAL TO MPSB**7.1 Share capital and shareholdings of substantial shareholders**

The Disposal to MPSB will not have any effect on the issued and paid-up share capital and the shareholdings of the substantial shareholders of CCB as they do not involve any issuance of CCB Shares.

DETAILS OF THE DISPOSAL TO MPSB (CONT'D)

For the avoidance of doubt, the information on the Disposal to MPSB is provided for your information only and does not require your approval. The defined terms used herein are for reference in this Appendix IV only.

7.2 Earnings

For illustrative purposes only, based on the audited consolidated statements of profit or loss and other comprehensive income of CCB for the FYE 31 January 2023, and assuming that the Disposal had been effected on 1 February 2022, being the beginning of the FYE 31 January 2023, the pro forma effects of the Disposal on the earnings and EPS of our Group are as follows:-

	Audited as at 31 January 2023	Pro forma I After the Disposal to MPSB
PAT attributable to the owners of our Company (RM'000)	24,525	⁽¹⁾ 105,355
Total number of CCB Shares in issue, excluding treasury shares	279,418,698	279,418,698
EPS (sen) ⁽²⁾	8.78	37.70

Notes:-

- (1) *After accounting for the pro forma gain of approximately RM80.83 million expected to arise from the Disposal to MPSB.*
- (2) *Computed based on PAT attributable to the owners of our Company over the total number of CCB Shares in issue, excluding treasury shares.*

7.3 Net assets and gearing

For illustrative purposes only, based on the latest audited consolidated financial statements of CCB as at 31 January 2023 on the assumption that the Disposal to MPSB had been effected on that date, the pro forma effects of the Disposal to MPSB on the audited consolidated NA per CCB Share and gearing of CCB Group are as follows:-

	Audited as at 31 January 2023 RM'000	Pro forma I After the Disposal to MPSB RM'000
Share capital	299,572	299,572
Treasury shares	(3,115)	(3,115)
Hedging reserves	(40)	(40)
Retained earnings	632,624	⁽¹⁾ 713,454
Shareholders' equity/NA	929,041	1,009,871
Non-controlling interest	52,490	52,490
Total equity	981,531	1,062,361
No. of CCB Shares in issue, excluding treasury shares ('000)	279,418	279,418
NA per CCB Share (RM)	3.32	3.61
Cash and bank balances (RM'000)	86,248	⁽²⁾⁽³⁾⁽⁴⁾ 159,658
Total borrowings (RM'000)	285,072	⁽⁴⁾ 235.072
Gearing (times)	0.31	0.23

Notes:-

- (1) *After accounting for the pro forma gain of approximately RM80.83 million expected to arise from the Disposal to MPSB.*

DETAILS OF THE DISPOSAL TO MPSB (CONT'D)

For the avoidance of doubt, the information on the Disposal to MPSB is provided for your information only and does not require your approval. The defined terms used herein are for reference in this Appendix IV only.

- (2) *After deducting the estimated expenses of approximately RM4.29 million in relation to the Disposal to MPSB.*
- (3) *After accounting for approximately RM127.7 million of the Disposal to MPSB Consideration.*
- (4) *After adjusting for the utilisation of proceeds pursuant to the Disposal to MPSB of which RM50.00 million is earmarked for the repayment of loans and borrowings.*

8. APPROVALS REQUIRED AND CONDITIONALITY

The Disposal to MPSB subject to the following confirmation/approval being obtained:-

- (i) Written confirmation from the Equity Development Division of the Ministry of Economy (“MOE”); and
- (ii) Written approval from the JSA in respect of MPSB’s acquisition of the Land pursuant to Section 433B of the National Land Code.

The Disposal is not subject to the approval by the shareholders of CCB and also not conditional upon any other corporate exercises undertaken or to be undertaken by CCB as the Disposal to MPSB has been completed on 28 May 2024.

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

None of our directors, major shareholders of CCB and persons connected with them, have any interest, whether direct or indirect, in the Disposal to MPSB.

10. DIRECTORS’ STATEMENT

Our Board is of the opinion that the terms and conditions of the Disposal to MPSB SPA are fair and reasonable and the Disposal to MPSB is in the best interest of our Group.

11. PERCENTAGE RATIOS

The highest percentage ratio applicable to the Disposal pursuant to Paragraph 10.02(g) of the Listing Requirements is 14.26% based on the latest audited financial statements of CCB as of 31 January 2023.

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SALIENT TERMS OF THE DISPOSAL TO MPSB SPA

For the avoidance of doubt, the information on the Disposal to MPSB is provided for your information only and does not require your approval. The defined terms used herein are for reference in this Appendix V only.

Unless otherwise defined herein, all terms used herein shall have the same meanings as ascribed in Disposal to MPSB SPA.

The salient terms of the Disposal to MPSB SPA are as follows:-

1. Agreement to Sell

The Seller agrees to sell and the Buyer agrees to purchase all that piece of vacant land held under H.S.(D) 629088, PTD 227193, Mukim of Pulai, District of Johor Bahru, State of Johor measuring approximately 102,558.3 square meters or 1,103,927.3 square feet ("**Land**"), at the Purchase Price of RM132,471,276.00, on an "as is where is" basis and free from encumbrances and any pending or threatened disputes in relation to the ownership, interest, rights, use or boundaries of the Land, subject to the terms and conditions of the Disposal to MPSB SPA.

2. Conditions precedent

- (i) The completion of the sale and purchase of the Land is conditional upon the following conditions (collectively, "**Conditions Precedent**" and each, a "**Condition Precedent**") being fulfilled by the Buyer at its own costs and expenses within three (3) months from the date of the SPA ("**Effective Date**") or such extended period as may be mutually agreed to by the Parties ("**Conditions Precedent Fulfilment Period**"):-
 - (a) where applicable, the written confirmation issued by the MOE confirming that the purchase of the Land by the Buyer is not subject to the approval from MOE and the Buyer is not required to comply with any equity condition provided under the MOE Guidelines on terms acceptable to the Buyer ("**MOE Confirmation**"); and
 - (b) the written confirmation issued by the Appropriate Authority confirming that the Buyer has obtained the approval of the State Authority to acquire the Land pursuant to Section 433B of the National Land Code ("**State Authority Approval**").
- (ii) If the Buyer is unable to fulfil any of the Conditions Precedent within the Conditions Precedent Fulfilment Period, then the Buyer will be entitled to an automatic extension of 1 month to fulfil the outstanding Conditions Precedent.
- (iii) The SPA shall become unconditional on the date the last of the Conditions Precedent having been fulfilled or waived in accordance with the terms of the SPA ("**Unconditional Date**").

3. Disposal to MPSB Consideration and Schedule of Payment

- (i) Within 14 days after the Effective Date and subject to the Buyer's receipt of an invoice for payment of the Deposit from the Seller, the Buyer shall pay to and deposit RM6,623,563.80 ("**Deposit**") with the Buyer's solicitors as stakeholders, who are authorised by the parties to release and pay the Deposit to the Seller together with all interest accrued thereon within 14 days from the Unconditional Date.

SALIENT TERMS OF THE DISPOSAL TO MPSB SPA (CONT'D)

For the avoidance of doubt, the information on the Disposal to MPSB is provided for your information only and does not require your approval. The defined terms used herein are for reference in this Appendix V only.

- (ii) RM125,847,712.20 ("**Balance Purchase Price**") shall be paid by the Buyer to the Buyer's solicitors as stakeholder who are authorised to deal with the monies in accordance with the terms of the SPA within 3 months commencing from the Unconditional Date ("**Completion Period**"), with an extension of 1 month from the expiry of the Completion Period ("**Extended Completion Period**") subject to the Buyer paying to the Seller late payment interest at the rate of 5% per annum calculated on daily basis on the outstanding Balance Purchase Price.

4. Pre-Closing Works

The Seller shall carry out and complete the preliminary works including clearance, levelling, basic earth control, providing discharge point, maintaining existing infrastructure for water and power connection, written approval in respect of traffic impact assessment and plan for the Buyer's proposed development on the Land (collectively, "**Pre-Closing Works**") on or before the completion date of the Disposal to MPSB SPA ("**Completion Date**"), at the Seller's costs and expense in accordance with the specifications, terms and conditions set forth in Schedule 6 to the Disposal to MPSB SPA.

5. Post-Closing Undertakings

The Seller undertakes to carry out the following:-

- (i) **Post-closing works:** By 17 September 2024, as its own costs and expenses, to construct and complete a temporary limestone construction access road and the parties will sign a tenancy or license agreement in respect of a laydown area to be used by the Buyer;
- (ii) **General infra works:** By 17 June 2025, as its own costs and expenses, to construct and complete the general infra works including road and drainage systems, external street lighting, external underground sewer crossing, external sewerage systems and the road works along Persiaran Mega, all in accordance with the specifications, terms and conditions set forth in Schedule 7 to the Disposal to MPSB SPA;
- (iii) **Water infra works:** By 1 September 2027, at its best effort, to apply and obtain additional water supply capacity from Ranhill SAJ Sdn. Bhd. ("**SAJ**") which is required for the development of Buyer's proposed development on the Land and to construct and install the required water infrastructure pursuant to the approval given by SAJ, whereby a portion of the costs and expenses shall be borne by the Buyer, in accordance with the specifications, terms and conditions set forth in Schedule 7 of the Disposal to MPSB SPA.

6. Buyer's default

If the Buyer defaults, the Seller shall have the right to terminate the Disposal to MPSB SPA by serving a notice in writing to the Buyer, whereupon the consequences of termination in the Disposal to MPSB SPA would apply, and thereafter, the Seller shall be entitled to deal with or otherwise dispose of the Land in such manner as the Seller shall see fit as if the Disposal to MPSB SPA had not been entered into.

SALIENT TERMS OF THE DISPOSAL TO MPSB SPA (CONT'D)

For the avoidance of doubt, the information on the Disposal to MPSB is provided for your information only and does not require your approval. The defined terms used herein are for reference in this Appendix V only.

7. Seller's default

If the Seller defaults, the Buyer shall be entitled to seek specific performance against the Seller or to terminate the Disposal to MPSB SPA by a notice in writing to the Seller. If the Buyer elects to terminate the Disposal to MPSB SPA, the consequences of termination under the Disposal to MPSB SPA would apply and thereafter, the Seller shall be entitled to deal with or otherwise dispose of the Land in such manner as the Seller shall see fit as if the Disposal to MPSB SPA had not been entered into.

8. Completion and Vacant Possession

- (i) Subject to fulfilment of the Conditions Precedent, the Buyer shall complete the purchase of the Land upon:-
 - (a) a joint inspection conducted by the parties and the Buyer has issued a written notice that the Buyer is satisfied that the Land is in compliance with the state and condition which the Seller is obliged to deliver under the Disposal to MPSB SPA i.e. the completion of the Pre-Closing Works; and
 - (b) there being no existing breach of the Seller's obligations, undertakings, representations, warranties and covenants in respect of the completion of the Nusa Cemerlang Industrial Park Infrastructure and other post-closing works or covenants as contemplated under the Sale and Purchase Agreement dated 17 November 2023 made between the Seller and the Buyer in respect of that parcel of land measuring approximately 60.29 acres or 2,626,380.4056 square feet held under H.S.(D) 629089, PTD 227194 (previously held under H.S.(D) 585174, PTD 209486; H.S.(D) 624546, PTD 224339; H.S.(D) 624547, PTD 224340; H.S.(D) 624548, PTD 224341; H.S.(D) 624549, PTD 224342; H.S.(D) 624550, PTD 224343; and H.S.(D) 624551, PTD 224344), Mukim of Pulai, District of Johor Bahru, State of Johor.
- (ii) The vacant possession is to be delivered to the Buyer and the outgoings will be apportioned as at the Date of Delivery of Vacant Possession.

9. Limited Power of Attorney

The Seller will grant a limited Power of Attorney to the Buyer to empower the Buyer to sign and submit applications for the planning permission, approval for building plans and other development approvals in respect of the Land, at the cost and expenses of the Buyer.

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT**2.1 UOBKH**

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

2.2 CBRE WTW

CBRE WTW, being the Valuer for the Proposed Disposal, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, Valuation Certificate and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTERESTS**3.1 UOBKH**

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

3.2 CBRE WTW

CBRE WTW has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Valuer for the Subject Property.

4. MATERIAL LITIGATION

As at the LPD, the Vendor confirmed that there are no material litigations, claims and/or arbitration involving the Subject Property, and the Vendor confirmed that there is no proceeding, pending or threatened, involving the Subject Property.

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

FURTHER INFORMATION (CONT'D)

JOHOR BAHRU HIGH COURT CIVIL SUIT NO. JA-22NCVC-52-04/2023

On 27 April 2023, Crescendo Education Sdn. Bhd. (“**CESB**”), Crescendo International College Sdn. Bhd. (“**CICSB**”) and 5 others (collectively “**the Plaintiffs**”) commenced an action against KTC Human Resource Consultants Sdn. Bhd. (“**KTC**”), Chong Chai Pin (“**CCP**”) and Allan Gan Chee Haur (“**AGCH**”) (collectively “**the Defendants**”) by way of a Writ of Summons endorsed with a Statement of Claim in the Johor Bahru High Court. The causes of action pleaded by the Plaintiffs were defamation, malicious falsehood and conspiracy to injure by unlawful means, in relation to the publication of the contents of the six letters shared to University of London, United Kingdom (“**UOL**”) on 15 November 2022.

The orders and reliefs sought were, among others, an interim injunction that the Defendants are restrained from repeating The Impugned Words (as defined in the Statement of Claim) until this judgment, and a permanent injunction to that effect from the date of this judgment, an order that the Defendants shall write to UOL to retract the said e-mail dated 15 November 2022 (including its attachments) and apologise to UOL, general damages, and special, aggravated and exemplary damages in the sum of approximately RM51.5 million.

In September 2023, two interlocutory applications were filed by the Defendants, which have been dealt with as follows:-

- (i) on 11 September 2023, AGCH filed an application to cease to be a party to the suit. At the hearing of the application on 11 December 2023, the court dismissed the application with costs of RM3,000.00. AGCH remains as a defendant in this suit.
- (ii) on 21 September 2023, CCP and KTC filed an application to amend their defence. As agreed between the parties and directed by the court, the Defendants filed its amended defence. Accordingly, the Plaintiffs had filed an amended reply to the amended defence.

The case management has been fixed on 29 August 2024 to update the court on the filing of the pre-trial documents.

Trial is scheduled to be held on 9 March 2025 to 12 March 2025 at the Johor Bahru High Court.

The Plaintiffs have been advised that they have a reasonable prospect of succeeding in their claim against the Defendants for defamation, among others.

JOHOR BAHRU HIGH COURT CIVIL SUIT NO. JA-22NCVC-3-01/2024

KTC and CCP (collectively “**The Plaintiffs for the 2nd Suit**”) commenced an action against CESB, CICSB and 7 others (collectively “**the Defendants for the 2nd Suit**”) by way of an Originating Summons dated 14 September 2023 in the Johor Bahru High Court pursuant to Section 346 of the Act.

The Originating Summons was filed for, among others, an interim injunction order that the Defendants for the 2nd Suit are restrained from continuing the construction works of the second wing of the college building of Crescendo International College until the disposal of the proceedings of this action, general damages and exemplary and/or compensatory damages as assessed by the court.

On 10 November 2023, an application was filed on behalf of the Defendants for the 2nd Suit for an order that the Originating Summons be continued as if the action had been begun by a Writ of Summons and further directions be given as to the conduct of the action thereto, among others. At the hearing of the application on 20 December 2023, the application was allowed by the court.

FURTHER INFORMATION (CONT'D)

Following the court's order on 20 December 2023, the parties have filed their pleadings under the Writ of Summons action. The Plaintiffs for the 2nd Suit, through a Statement of Claim filed, has sought for, among others, the following orders and reliefs:-

- (i) that CICSB be wound up by the Court under the provisions of the Act;
- (ii) that the Official Receiver of Malaysia can be appointed as the liquidator for CICSB;
- (iii) interim injunction orders to restrain the Defendants for the 2nd Suit from continuing the construction works of the Second Wing which is being carried out on No. 3, Jalan Lebu Cemerlang, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor, PTD 204100 and from issuing any payment of money from any bank accounts of the Defendants for the 2nd Suit for the said construction works until the disposal of the proceedings of this action;
- (iv) an order for a special audit process held through the appointment of an independent auditor proposed by the Plaintiffs for the 2nd Suit in relation to the issue of building costs, the amount of rent charged by CESB to CICSB and bank loan payment interest for construction works of the Second Wing; and
- (v) all loss of profit and loss of opportunity for CICSB and KTC to generate profits for CICSB and KTC on the dealings of the purchase of land from UEM Land Bhd and the purchase of land from Danga Bay project that has caused CICSB loss of profits to be interpreted and paid to the Plaintiffs for the 2nd Suit.

The next case management is fixed on 19 August 2024 at which the parties will obtain pre-trial directions from the court. The said case management has been postponed to 9 October 2024.

CESB and CICSB have been advised that they have a reasonable prospect of succeeding to resist the Plaintiffs for the 2nd Suit's claim pursuant to Section 346 of the Act.

JOHOR BAHRU HIGH COURT CIVIL SUIT NO. JA-22NCVC-6-01/2024

CESB commenced an action against KTC and CICSB by way of Writ of Summons dated 24 January 2024 and Amended Statement of Claim dated 1 February 2024 in the Johor Bahru High Court, claiming for, among others, the following orders and reliefs:

- (i) a declaration that KTC had breached the Joint Venture Agreement dated 11 December 1998 ("**JVA**") between CESB and KTC;
- (ii) an order for specific performance that KTC shall sell and transfer their 350,000 shares in CICSB to CESB at the price of RM2,079,000 within 7 days of the judgment;
- (iii) an order for specific performance that KTC shall take all the necessary action to sell and transfer its 350,000 shares in CICSB to CESB; and
- (iv) an order for specific performance as against CICSB to take all the necessary action to recognise the sale and transfer of KTC's 350,000 shares in CICSB to CESB, and to reflect the same in all of its relevant official records and documents including informing third parties of the same.

CICSB is named as defendant in this suit because its shares form the subject matter of this suit and it is necessary for the orders made by the court to bind it directly.

On 6 February 2024, CESB filed an application for a summary judgment pursuant to Order 81, Rule 1 of the Rules of Court, 2012 ("**Order 81 Application**").

FURTHER INFORMATION (CONT'D)

Subsequently, KTC filed an application supported by an affidavit affirmed by CCP ("**Stay Application**") to stay the proceedings of the Writ action and the Order 81 Application until the disposal of the Stay Application on the basis that the disputes between the parties concerning the JVA should be referred to arbitration.

On 6 May 2024, KTC through their solicitors wrote to court proposing that parties resolve the issues through mediation and asked for a stay of all the proceedings under this suit pending the outcome of the proposed mediation.

At the case management on 13 May 2024, the court had fixed the hearing for the Order 81 Application on 25 June 2024. The hearing for the Order 81 Application was then postponed to 1 August 2024. The said hearing has taken place on 1 August 2024 and the court has fixed the date to deliver the decision on 14 October 2024. The court will fix a date for the hearing of the Stay Application and give directions in regard to KTC's proposal for mediation after the Order 81 Application has been heard and decided on.

CESB has been advised that they have a reasonable prospect of succeeding against the Defendants for an order for specific performance in respect of the sale and transfer of KTC's shares in CICSB to CESB.

5. MATERIAL COMMITMENTS

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

6. CONTINGENT LIABILITIES

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

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FURTHER INFORMATION (CONT'D)

7. DOCUMENTS AVAILABLE FOR INSPECTION

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

- (i) the constitution of our Company;
- (ii) the SPA;
- (iii) the Valuation Report and Valuation Certificate referred to in **Appendix II** of this Circular pertaining to the valuation of the Subject Property issued by CBRE WTW;
- (iv) the draft Bye-Laws as set out in **Appendix III** of this Circular;
- (v) the letters of consent and declaration of conflict of interest referred to in **Sections 2 and 3** of this **Appendix VI**;
- (vi) the cause papers in respect to the material litigation referred to in **Section 4** of this **Appendix VI**;
- (vii) the audited consolidated financial statements of our Group for the past 2 FYEs 31 January 2023 and 31 January 2024; and
- (viii) the latest unaudited quarterly results of our Group for the 3-month financial period ended 30 April 2024.

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CRESCENDO CORPORATION BERHAD

(Registration No. 199501030544 (359750-D))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting (“**EGM**”) of Crescendo Corporation Berhad (“**CCB**” or the “**Company**”) will be held at the Junior Ballroom, Level 11, DoubleTree by Hilton, No. 12, Jalan Ngee Heng, 80000 Johor Bahru, Johor Darul Takzim on Friday, 6 September 2024 at 2.00 p.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:-

ORDINARY RESOLUTION 1

PROPOSED DISPOSAL BY PANORAMIC INDUSTRIAL DEVELOPMENT SDN BHD (“PID”), A WHOLLY-OWNED SUBSIDIARY OF CCB, OF A VACANT INDUSTRIAL LAND LOCATED IN THE MUKIM OF PULAI, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR FOR A TOTAL CASH CONSIDERATION OF RM115,877,876.40 (“PROPOSED DISPOSAL”)

“**THAT** subject to the relevant approvals being obtained, approval be and is hereby given to PID, a wholly-owned subsidiary of the Company, to undertake the disposal of vacant land measuring approximately 20.463 acres or 891,368.28 square feet (“**sq ft**”), held under H.S.(D) 629092 PTD 227197, in the Mukim of Pulai, District of Johor Bahru, State of Johor for a total cash consideration of RM115,877,876.40 (details of which are set out in the circular to the shareholders of CCB dated 22 August 2024 (“**Circular**”)) in accordance with the terms and conditions as stipulated in the conditional sale and purchase agreement entered into between PID and Nanda Digital Sdn Bhd dated 12 July 2024 (salient terms of which are set out in **Appendix I** of the Circular) (“**SPA**”) and such other terms and conditions as the parties to the SPA may mutually agree upon in writing or which are imposed by the relevant authorities;

AND THAT the Board of Directors of the Company (“**Board**”) be and is hereby authorised to act, for and on behalf of the Company, and to take all such steps and do all such acts, matters and things as the Board deems fit or may consider necessary, desirable, appropriate or expedient to implement, finalise and give full effect to the Proposed Disposal and all agreements entered into pursuant to the Proposed Disposal with full power to give all or any notices, directions, consents and authorisations in respect of any matter arising under or in connection with the Proposed Disposal, and to assent to any condition, modification, variation and/or amendment relating to the Proposed Disposal as may be approved/required by the relevant regulatory authorities and/or as the Board deems fit.”

ORDINARY RESOLUTION 2

PROPOSED SHARE SPLIT INVOLVING THE SUBDIVISION OF EVERY 1 EXISTING ORDINARY SHARE IN CCB (“CCB SHARE(S)” OR “SHARE(S)”) HELD BY THE SHAREHOLDERS OF CCB WHOSE NAMES APPEAR IN THE COMPANY’S RECORD OF DEPOSITORS ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER, INTO 3 SUBDIVIDED SHARES (“PROPOSED SHARE SPLIT”)

THAT subject to the approvals of all relevant authorities or parties, the Directors of the Company be and are hereby authorised to subdivide 1 CCB Share held by the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Directors (“**Entitlement Date**”), into 3 subdivided shares (“**Subdivided Shares**”);

THAT the fractional entitlements arising from the Proposed Share Split, if any, shall be disregarded and dealt with in such manner as the Directors in their absolute discretion deem fit, expedient and in the best interest of the Company;

THAT the Subdivided Shares shall, upon completion of the Proposed Share Split, rank equally in all respects with the then existing ordinary shares, save and except that the Subdivided Shares will not be entitled to any dividends, rights, allotment and/or any other distribution that may be declared, made or paid to the shareholders of the Company, the entitlement date of which is before the date of allotment of the Subdivided Shares;

AND THAT the Directors be and are hereby authorised with full power to do all such acts, deeds and things and to execute and deliver on behalf of the Company all such documents and/or agreements as they may deem fit, necessary or expedient or appropriate in the best interest of the Company, in order to finalise, implement and/or give full effect to the Proposed Share Split with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities.”

ORDINARY RESOLUTION 3

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

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

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

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

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

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

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

ORDINARY RESOLUTIONS 4 TO 9

PROPOSED ALLOCATION OF OPTIONS TO THE ELIGIBLE EXECUTIVE DIRECTORS AND PERSONS CONNECTED TO THE ELIGIBLE EXECUTIVE DIRECTORS PURSUANT TO THE PROPOSED ESOS ("PROPOSED ALLOCATION")

"**THAT** subject to the passing of Ordinary Resolution 3 as well as the approvals of all relevant authorities, and for so long as this approval remains in force, approval be and is hereby given to the Board to authorise the ESOS Committee, to offer and grant Options at any time and from time to time during the duration of the Proposed ESOS as provided in the Bye-Laws, to each of the Directors of CCB and the persons connected with them as named therein below:-

No.	Name	No. of Options to be awarded	Ordinary Resolution
(i)	Gooi Seong Lim (Chairman and Managing Director)	Up to 8,413,874	Ordinary Resolution 4
(ii)	Gooi Seong Heen (Executive Director)	Up to 8,413,874	Ordinary Resolution 5
(iii)	Gooi Seong Chneh (Executive Director)	Up to 8,413,874	Ordinary Resolution 6
(iv)	Gooi Seong Gum (Executive Director)	Up to 8,413,874	Ordinary Resolution 7
(v)	Gooi Khai Shin (Person connected with Gooi Seong Lim)	Up to 8,413,874	Ordinary Resolution 8
(vi)	Gooi Min Hsian Michelle (Person connected with Gooi Seong Chneh)	Up to 8,413,874	Ordinary Resolution 9

provided always that:-

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

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

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

By Order of the Board,
CRESCENDO CORPORATION BERHAD

CHONG FOOK SIN

CCM PC No. 202008000484
(MACS 00681)

KAN CHEE JING

CCM PC No. 202008000596
(MAICSA 7019764)

CHUA YOKE BEE

CCM PC No. 202008000604
(MAICSA 7014578)
Company Secretaries

Petaling Jaya
22 August 2024

NOTES:

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

(2) **Proxy-**

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



Crescendo Corporation Berhad
199501030544 (359750-D)

FORM OF PROXY

CDS Account No.	
Contact No.	

I/We, _____
 Company No./NRIC No. (new) _____ (old) _____
 of _____
 being (a) member(s) of Crescendo Corporation Berhad do hereby appoint: _____
 _____ NRIC No. (new) _____ (old) _____
 of _____
 and/or failing whom _____ NRIC No. (new) _____
 (old) _____ of _____

or failing whom the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at the Junior Ballroom, Level 11, DoubleTree by Hilton, No. 12, Jalan Ngee Heng, 80000 Johor Bahru, Johor Darul Takzim on Friday, 6 September 2024 at 2.00 p.m. or at any adjournment thereof in the manner as indicated below:-

No.	Ordinary Resolution	For	Against
1.	Proposed Disposal		
2.	Proposed Share Split		
3.	Proposed ESOS		
4.	Proposed allocation of Options to Gooi Seong Lim (Chairman and Managing Director)		
5.	Proposed allocation of Options to Gooi Seong Heen (Executive Director)		
6.	Proposed allocation of Options to Gooi Seong Chneh (Executive Director)		
7.	Proposed allocation of Options to Gooi Seong Gum (Executive Director)		
8.	Proposed allocation of Options to Gooi Khai Shin (Person connected with Gooi Seong Lim)		
9.	Proposed allocation of Options to Gooi Min Hsian Michelle (Person connected with Gooi Seong Chneh)		

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

Dated this day _____ day of _____ 2024

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

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

NOTES:

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

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

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

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



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AFFIX
STAMP

The Secretary
CRESCENDO CORPORATION BERHAD
Unit No. 203, 2nd Floor, Block C,
Damansara Intan,
No. 1, Jalan SS 20/27,
47400 Petaling Jaya,
Selangor Darul Ehsan.

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