

THIS CIRCULAR TO SHAREHOLDERS OF CNERGENZ BERHAD ("CNERGENZ" OR THE "COMPANY") ("CIRCULAR") 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.

The admission of Cnergenz to the Official List of Bursa Malaysia Securities Berhad ("**Bursa Securities**") was sponsored by UOB Kay Hian Securities (M) Sdn Bhd. This Circular has been reviewed by UOB Kay Hian Securities (M) Sdn Bhd as the Sponsor to Cnergenz and Adviser to Cnergenz for the Proposed ESOS (as defined herein). Bursa Securities has conducted a limited review of this Circular pursuant to Guidance Note 22 of the ACE Market Listing Requirements of Bursa Securities.

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

CNERGENZ

CNERGENZ BERHAD

(Registration No. 202101026123 (1426423-D))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

- (I) **PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF CNERGENZ (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT IN TIME ("PROPOSED ESOS"); AND**
- (II) **PROPOSED ALLOCATION OF ESOS OPTIONS TO THE DIRECTORS OF CNERGENZ PURSUANT TO THE PROPOSED ESOS**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

UOBKayHian

UOB KAY HIAN SECURITIES (M) SDN BHD

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

The Extraordinary General Meeting ("**EGM**") of Cnergenz will be held at Macalister Ballroom, Level 5, Victory Annexe, Eastern & Oriental Hotel, 10, Lebuh Farquhar, 10200 George Town, Penang on Wednesday, 24 May 2023 at 11.00 a.m., or immediately following the conclusion or adjournment of the Second Annual General Meeting ("**2nd AGM**") of the Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is later.

The appointment of a proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the Form of Proxy must be deposited/submitted at the registered office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang. In the case of electronic form, the Form of Proxy must be submitted through facsimile at +604 226 5860 or emailed to ir@cnergenz.com.

All Forms of Proxy submitted must be received by the Company not less than twenty-four (24) hours before the appointed time for the EGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you subsequently wish to do so. The last date and time for lodging the Form of Proxy is on Tuesday, 23 May 2023 at 11.00 a.m.

Last date and time for lodging the Form of Proxy	:	Tuesday, 23 May 2023 at 11.00 a.m.
Date and time of the EGM	:	Wednesday, 24 May 2023 at 11.00 a.m. or immediately following the conclusion or adjournment of the 2 nd AGM of the Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is later

This Circular is dated 5 May 2023

DEFINITIONS

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

“Act”	:	Companies Act 2016
“Board”	:	Board of Directors of Cnergenz
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
“By-Laws”	:	The by-laws governing the Proposed ESOS, the draft of which is set out in Appendix I of this Circular, as may be amended, varied or supplemented from time to time
“CDS”	:	Central Depository System
“CDS Account(s)”	:	Securities account(s) established by Bursa Malaysia Depository Sdn Bhd for a depositor pursuant to the Securities Industry (Central Depositories) Act 1991 and the rules of Bursa Malaysia Depository Sdn Bhd for the recording of deposits of securities and dealings in such securities by the depositor
“Chief Executive”	:	Shall have the same meaning given in Rule 1.01 of the Listing Requirements
“Circular”	:	This circular to shareholders of Cnergenz dated 5 May 2023 in relation to the Proposed ESOS and Proposed Allocation
“Cnergenz” or the “Company”	:	Cnergenz Berhad (Registration No. 202101026123 (1426423-D))
“Cnergenz Group” or the “Group”	:	Collectively, Cnergenz and its subsidiaries which are not dormant
“Cnergenz Share(s)” or “Share(s)”	:	Ordinary share(s) in Cnergenz
“Constitution”	:	The constitution of Cnergenz
“Director(s)”	:	The director(s) of Cnergenz and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
“Effective Date”	:	The date on which the Proposed ESOS takes effect, to be determined following full compliance with the relevant requirements of the Listing Requirements and the By-Laws
“EGM”	:	Extraordinary General Meeting of the Company
“Eligible Person(s)”	:	The eligible Director(s) and employee(s) of Cnergenz Group who meet the criteria of eligibility to participate in the Proposed ESOS as indicated in the By-Laws
“EPS”	:	Earnings per Share
“ESOS”	:	Employees’ Share Option Scheme
“ESOS Committee”	:	The committee appointed and duly authorised by our Board to administer the Proposed ESOS in the manner as indicated in the By-Laws

DEFINITIONS (CONT'D)

“ESOS Option(s)”	: The right of a Participant to subscribe for Cnergenz Shares pursuant to the contract constituted by the acceptance of an Offer as set out in the By-Laws
“Exercise Price”	: The exercise price payable for Cnergenz Share(s) upon exercise of any ESOS Option(s)
“FYE”	: Financial year ended/ending, as the case may be
“Listing Requirements”	: ACE Market Listing Requirements of Bursa Securities
“LPD”	: 25 April 2023, being the latest practicable date prior to the printing and despatch of this Circular
“Major Shareholder(s)”	: Shall have the same meaning given in Rule 1.01 of the Listing Requirements
“Maximum Scheme Shares”	: The maximum number of Cnergenz Shares which may be allotted and issued and/or transferred pursuant to the Proposed ESOS, which shall not in aggregate exceed 10% of the total number of issued Cnergenz Shares (excluding treasury shares, if any) at any point in time throughout the duration of the Proposed ESOS as provided in the By-Laws
“MFRS 2”	: Malaysian Financial Reporting Standards 2 on “Share-Based Payment” issued by the Malaysian Accounting Standards Board
“NA”	: Net assets
“Offer”	: An offer made in writing by the ESOS Committee to an Eligible Person
“Participant”	: An Eligible Person who has accepted an Offer
“Proposed Allocation”	: Proposed allocation of ESOS Options to the Directors pursuant to the Proposed ESOS
“Proposed ESOS”	: Proposed establishment of an ESOS of up to 10% of the total number of issued Cnergenz Shares (excluding treasury shares, if any) at any point in time throughout the duration of the Proposed ESOS to be granted to the Eligible Person(s)
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“Scheme Period”	: The period of the Proposed ESOS from the Effective Date as disclosed in Section 2.4 of this Circular
“Unexercised Options”	: The number of ESOS Options which have not been fully exercised at the relevant time and in respect of which the ESOS Option period has not expired
“UOBKH” or the “Adviser”	: UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))
“VWAP”	: Volume weighted average market price

DEFINITIONS (CONT'D)

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

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 Cnergenz’s plans and objectives will be achieved.

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EXECUTIVE SUMMARY

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

Key Information	Description	Reference to Circular
Details of the Proposed ESOS	<p>The Proposed ESOS involves granting of the ESOS Options to all the Eligible Persons in the manner as indicated in the By-Laws. The Proposed ESOS will be administered by the ESOS Committee and shall be governed by the By-Laws.</p> <p>The maximum number of Cnergiz Shares which may be allotted and issued and/or existing Cnergiz Shares (which are held as treasury shares, if any) which may be transferred by our Company to the Participants pursuant to the Proposed ESOS shall not in aggregate exceed 10% of the total number of issued Cnergiz Shares (excluding treasury shares, if any), at any point in time throughout the Scheme Period as provided in the By-Laws.</p>	Section 2
Rationale and justifications for the Proposed ESOS	<p>The Proposed ESOS will provide the Eligible Persons 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 Persons whose services are valued and considered vital to the operations and continued growth of our Group; (ii) to reward the Eligible Persons 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 Cnergiz Shares, upon exercising of the ESOS Options; (iii) to stimulate a greater sense of belonging, loyalty and dedication of the Eligible Persons by rewarding them with an equity stake in our Company; (iv) to encourage the Eligible Persons to remain with our Group thus ensuring that any loss of key personnel is kept to a minimum; (v) to provide incentive for the Eligible Persons to participate more actively in the operations of our Group and encourage them to contribute to the future growth of our Group; and (vi) to make our Group's remuneration scheme more competitive to attract more skilled and experienced individuals to join our Group and contribute to our continued growth. <p>The Proposed ESOS is also extended to the non-executive Directors as they provide valuable experience and views to our Board, whilst at the same time carry out the important function of monitoring the performance of the management.</p>	Section 4

EXECUTIVE SUMMARY (CONT'D)

Key Information	Description	Reference to Circular
Interest of Directors, Major Shareholders, Chief Executive and/or persons connected to them	<p>All our Directors are Eligible Persons under the Proposed ESOS, and are therefore deemed interested to the extent of their respective allocations under the Proposed ESOS as well as the potential allocations to persons connected to them. Notwithstanding that, 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>Accordingly, our Directors have abstained and will continue to abstain from deliberating, expressing an opinion and making any recommendations at all relevant Board meetings in relation to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed ESOS. Our Directors will also abstain from voting in respect of their respective direct and/or indirect shareholdings in our Company on the relevant ordinary resolutions pertaining to the respective proposed allocations to them as well as the respective proposed allocations to persons connected to them under the Proposed ESOS, if any, to be tabled at the forthcoming EGM. They have also undertaken to ensure that persons connected to them, if any, will abstain from voting in respect of their respective direct and/or indirect shareholdings in our Company on the relevant ordinary resolutions pertaining to the relevant proposed allocations to the interested Directors and persons connected to them under the Proposed ESOS, if any, to be tabled at the forthcoming EGM.</p>	Section 8
Approvals required/obtained	<p>The Proposed ESOS is subject to the following approvals being obtained:-</p> <ul style="list-style-type: none"> (i) Bursa Securities, for the listing of and quotation for the new Cnergenz Shares to be allotted and issued pursuant to the exercise of the ESOS Options on the ACE Market of Bursa Securities, which was obtained vide its letter dated 26 April 2023, subject to the conditions as set out in Section 7 of this Circular; (ii) the shareholders of Cnergenz for the Proposed ESOS at the forthcoming EGM; and (iii) any other relevant authorities and/or approvals, if required. <p>The Proposed ESOS is not conditional upon any other proposals undertaken or to be undertaken by our Company.</p>	Section 7

EXECUTIVE SUMMARY (CONT'D)

Key Information	Description	Reference to Circular
Directors' statement/ recommendation	<p>Our Board (save for the respective interested Directors who have abstained from forming any opinion and making any recommendations relating to their respective allocations as well as allocations to persons connected to them, if any), after considering all aspects of the Proposed ESOS such as the rationale and the effects of the Proposed ESOS, is of the opinion that the Proposed ESOS and the proposed allocations to our Directors as well as proposed allocations to persons connected to them, if any, are in the best interest of our Company.</p> <p>Our Board (save for the respective interested Directors who have abstained from forming any opinion and making any recommendations relating to their respective allocations as well as allocations to persons connected to them, if any) recommends that you vote in favour of the resolutions pertaining to the Proposed ESOS and the proposed allocations to our Directors as well as proposed allocations to persons connected to them, if any, to be tabled at the forthcoming EGM.</p>	Section 11

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CNERGENZ

CNERGENZ BERHAD

(Registration No. 202101026123 (1426423-D))
(Incorporated in Malaysia)

Registered Office

170-09-01, Livingston Tower
Jalan Argyll
10050 George Town
Pulau Pinang

5 May 2023

Board of Directors

Dato' Azman Bin Mahmud

(Independent Non-Executive Chairman)

Lye Yhin Choy

(Chief Executive Officer/Executive Director)

Kong Chia Liang

(Chief Operating Officer/Executive Director)

Lye Thim Loong

(Chief Corporate Officer/Executive Director)

Ooi Ley Ching

(Independent Non-Executive Director)

Alwizah Al-Yafii Binti Ahmad Kamal

(Independent Non-Executive Director)

Yeat Soo Ching

(Independent Non-Executive Director)

To: The shareholders of Cnergenz

Dear Sir/Madam,

(I) **PROPOSED ESOS; AND**

(II) **PROPOSED ALLOCATION**

1. INTRODUCTION

On 7 April 2023, UOBKH had, on behalf of our Board, announced that our Company proposes to establish an ESOS of up to 10% of the total number of issued Cnergenz Shares (excluding treasury shares, if any) at any point in time throughout the duration of the Proposed ESOS as provided in the By-Laws to the Eligible Person(s).

Subsequently, on 26 April 2023, UOBKH had, on behalf of our Board, announced that Bursa Securities had vide its letter on even date, approved the listing of and quotation for such number of new Cnergenz Shares, representing up to 10% of the total number of issued Cnergenz Shares (excluding treasury shares, if any), to be issued pursuant to the exercise of the ESOS Options under the Proposed ESOS, subject to the conditions as set out in **Section 7** of this Circular.

You should note that the Proposed ESOS is the first corporate exercise undertaken by our Company since our listing on the ACE Market of Bursa Securities on 24 May 2022, and the main objective of the Proposed ESOS is to align the interests of the Eligible Persons with the corporate goals, financial performance and operational objectives of our Group.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED ESOS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED ESOS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF 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 PROPOSED ESOS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED ESOS

The Proposed ESOS involves the granting of the ESOS Options to all the Eligible Persons in the manner as indicated in the By-Laws.

The Proposed ESOS will be administered by the ESOS Committee and shall be governed by the By-Laws.

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

2.1 Maximum number of Cnenergiz Shares available under the Proposed ESOS

The maximum number of Cnenergiz Shares which may be allotted and issued and/or existing Cnenergiz Shares (which are held as treasury shares, if any) which may be transferred by our Company to the Participants pursuant to the Proposed ESOS shall not in aggregate exceed 10% of the total number of issued Cnenergiz Shares (excluding treasury shares, if any), at any point in time throughout the Scheme Period as provided in the By-Laws.

The total number of issued Cnenergiz Shares is 498,000,000 Cnenergiz Shares as at the LPD. Our Company does not hold any treasury shares as at the LPD. For illustrative purposes, based on the total number of issued Cnenergiz Shares as at the LPD, a total of up to 49,800,000 Cnenergiz Shares may be allotted and issued and/or transferred under the Proposed ESOS.

2.2 Basis of allotment and maximum allowable allotment

Subject to any adjustments which may be made under the By-Laws, the maximum number of Cnenergiz Shares that may be offered to an Eligible Person under the Proposed ESOS shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst others and where relevant, the performance, contribution, employment grade, seniority and/or length of service of the Eligible Person and shall be subject to the following:-

- (i) the Directors and senior management of our Group do not participate in the deliberation or discussion of their own allocation of ESOS Options and the allocation of ESOS Options to any persons connected with them; and
- (ii) the allocation to an Eligible Person who, either singly or collectively through persons connected to the Eligible Person, holds 20% or more of the total number of issued Cnenergiz Shares (excluding treasury shares, if any), must not exceed 10% of the Maximum Scheme Shares.

At any point in time during the Scheme Period, not more than 70% of the ESOS Options available under the Proposed ESOS shall be allocated, in aggregate, to the Directors and senior management of our Group who are the Eligible Persons, on the basis that they are crucial to the performance of our Group. Such allocation was determined after taking into consideration, amongst others, the number of Directors and senior management, their degree of influence on the prospects of our Group as well as their ranking, seniority, length of services and contribution to our Group.

For avoidance of doubt, the ESOS Committee shall have sole and absolute discretion in determining whether the granting of the ESOS Options to the Eligible Persons will be granted on staggered basis over the Scheme Period or in a single grant and/or whether the ESOS Options will be subject to any vesting period or vesting conditions. The ESOS Committee shall only deliberate and determine the staggering of the allocation of the ESOS Options, if any, to the Eligible Persons over the Scheme Period at a later date. Hence, as at this juncture, our Company is unable to determine the maximum allocation of the ESOS Options (which are to be granted to the Eligible Persons on staggered basis over the Scheme Period, if any) for each financial year.

As at the LPD, our Company has yet to ascertain any vesting period and performance target and/or criteria, which will take into consideration, amongst others, our Group's financial performance and the Eligible Person's individual performance over the vesting period that must be achieved prior to the vesting or the exercise of the ESOS Options. In any event, such vesting period and performance target/criteria will be determined by the ESOS Committee, in its sole and absolute discretion.

2.3 Eligibility to participate in the Proposed ESOS

Subject to the discretion of the ESOS Committee, any Eligible Person who fulfils the following criteria shall be eligible to participate in the Proposed ESOS:-

- (i) if he/she has attained the age of at least 18 years old or older and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (ii) if he/she is an employee or executive Director, he/she is employed on a full-time basis or is serving in a specific designation under an employment contract for a fixed duration of not less than 1 year and is on the payroll of any corporation (not being dormant) in our Group and has not served a notice to resign or received a notice of termination; and
- (iii) if he/she is an employee or executive Director, his/her employment has been confirmed in writing and is not under any probationary period.

In the case where an Eligible Person is a Director, Major Shareholder or Chief Executive, or a person connected with such Director, Major Shareholder or Chief Executive, any specific allocation to the said Eligible Person under the Proposed ESOS must be approved by our shareholders at a general meeting.

2.4 Duration of the Proposed ESOS

The Proposed ESOS, when implemented, shall be in force for a period of 5 years from the Effective Date.

On or before the expiry of the above initial Scheme Period of 5 years from the Effective Date ("**Date of Expiry**"), we may, if our Board deems fit and upon the recommendation of the ESOS Committee, extend the Proposed ESOS for a further period of up to 5 years, commencing from the day after the Date of Expiry, but will not in aggregate exceed 10 years from the Effective Date or such longer period as may be allowed by the relevant authorities.

Unless otherwise required by the relevant authorities, no further approvals (including approvals from our shareholders) shall be required for the extension of the Proposed ESOS. In the event the Proposed ESOS is extended, our Company shall serve appropriate notices on each Participants within 30 days prior to the Date of Expiry.

2.5 Basis of determining the Exercise Price

Subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the Exercise Price shall be based on the 5-day VWAP of Cnergenz Shares immediately preceding the date of the Offer, with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time during the Scheme Period, at the ESOS Committee's discretion.

2.6 Ranking of the ESOS Options and Cnergenz Shares to be allotted and issued and/or transferred arising from the exercise of the ESOS Options

The Participants will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in our Company until and unless such Participants exercise their ESOS Options into Cnergenz Shares.

The Cnergenz Shares to be allotted and issued and/or transferred arising from the exercise of the ESOS Options shall be subject to our Constitution and such amendments thereafter, if any, and rank equally in all respects with the existing issued Cnergenz Shares.

Further, the Participants shall not be entitled to any dividends, rights, allotment and/or other forms of distribution:-

- (i) that may be declared, made or paid to our shareholders for which the entitlement date precedes the date on which the Cnergenz Shares are credited into the Participants' CDS Account; and/or
- (ii) attached to the Cnergenz Shares prior to the date on which the Cnergenz Shares are credited into the Participants' CDS Account.

2.7 Retention Period

Pursuant to Rule 8.22 of the Listing Requirements, an eligible non-executive Director shall not sell, transfer or assign the Cnergenz Shares obtained through the exercise of the ESOS Options offered to him/her within 1 year from the date of Offer, or such other retention period as may be prescribed by Bursa Securities or any other relevant authorities from time to time.

Save for the non-executive Directors, the new Cnergenz Shares to be allotted and issued and/or existing Cnergenz Shares (which are held as treasury shares, if any) to be transferred by our Company to the Participants pursuant to the exercise of the ESOS Options under the Proposed ESOS will not be subject to any retention period or restriction on transfer, disposal and/or assignment, unless otherwise determined by the ESOS Committee on the date of the Offer at its sole and absolute discretion.

However, the Participants are encouraged to hold the Cnergenz Shares to be issued pursuant to the exercise of the ESOS Options as long-term investment and not for any speculative and/or realisation of immediate gain to yield profit. Notwithstanding the foregoing, the ESOS Committee shall be entitled to prescribe or impose, in relation to any Offer, any condition relating to any retention period or restriction on transfer in its sole and absolute discretion.

2.8 Listing of and quotation for the new Cnergenz Shares to be issued arising from the exercise of the ESOS Options

Bursa Securities has, vide its letter dated 26 April 2023 approved the listing of and quotation for such number of new Cnergenz Shares, representing up to 10% of the total number of issued Cnergenz Shares (excluding treasury shares, if any) to be issued pursuant to the exercise of the ESOS Options, subject to the conditions as stated under **Section 7** of this Circular.

2.9 Amendments and/or modification to the Proposed ESOS

Subject to the By-Laws and compliance with the Listing Requirements and the approvals of any other authorities (if required), the ESOS Committee may at any time and from time to time recommend to our Board any additions, amendments and/or modifications to and/or deletions of the By-Laws as it shall, in its sole and absolute discretion think fit. Our Board shall have the power at any time and from time to time by resolution and without shareholders' approval to add to, amend, modify and/or delete all or any part of the By-Laws upon such recommendation and subject to us submitting the amended By-Laws and a letter of compliance to Bursa Securities each time any addition, amendment and/or modification is made, stating that the said addition, amendment and/or modification is in compliance with the provisions of the Listing Requirements pertaining to the Proposed ESOS and Rules of Bursa Malaysia Depository Sdn Bhd pursuant to Rule 2.12 of the Listing Requirements.

2.10 Alteration of capital

In the event of any alteration in the capital structure of Cnergengz during the Scheme Period, whether by way of rights issue, bonus issue or other capitalisation issues, subdivision or consolidation of Cnergengz 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 Participants would result from such alteration in the capital structure of Cnergengz during the Scheme Period and if it so determined, adjustments in:-

- (i) the Exercise Price; and/or
- (ii) the number of Unexercised Options,

shall be made in order to prevent dilution or enlargement provided that no adjustments shall be made in the event of any alteration in the capital structure of Cnergengz in respect of the ESOS Options which have been exercised and of which rights/benefits arising therefrom are accrued to the Shares allotted and issued and/or transferred pursuant to the provisions of the By-Laws.

2.11 Termination of the Proposed ESOS

Subject to compliance with the requirements of Bursa Securities and any other applicable laws, our Board may terminate the Proposed ESOS 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 Participants without obtaining the approvals from the Participants or the approval from the shareholders of Cnergengz in a general meeting for the termination of the Proposed ESOS, whereupon no further ESOS Options shall be vested, no further Offers shall be made by the ESOS Committee and any unaccepted Offer, and Unexercised Options shall be deemed to have been terminated and cancelled and be null and void on the date specified in the notice of termination. In the event of termination, we shall make the necessary announcements to Bursa Securities in accordance with Rule 9.19(50) of the Listing Requirements, stating the following information:-

- (i) the effective date of termination;
- (ii) the number of ESOS Options exercised or Cnergengz Shares vested; and
- (iii) the reasons for termination.

3. UTILISATION OF PROCEEDS

The actual amount of proceeds to be raised from the Proposed ESOS cannot be determined at this juncture and will depend on the number of ESOS Options granted and exercised at the relevant point in time and the Exercise Price.

The proceeds arising from the exercise of the ESOS Options will be utilised for the working capital requirements of our Group, as and when received during the tenure of the Proposed ESOS. Our Board envisages that the proceeds will be utilised within 12 months from the relevant date(s) of receipt of funds.

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

Pending the utilisation of proceeds raised as and when the ESOS Options are exercised, such proceeds will be placed in deposits with financial institutions or short-term money market instruments as our 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 additional working capital to fund our Group's day-to-day operations which includes, amongst others, payment to trade creditors, staff-related expenses, as well as general and administrative expenses (such as utilities, maintenance and upkeep of our office).

4. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED ESOS

The Proposed ESOS will provide the Eligible Persons with an opportunity to have equity participation in our Company and thereby achieve the following:-

- (i) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of our Group;
- (ii) to reward the Eligible Persons 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 Cnnergz Shares, upon exercising of the ESOS Options;
- (iii) to stimulate a greater sense of belonging, loyalty and dedication of the Eligible Persons by rewarding them with an equity stake in our Company;
- (iv) to encourage the Eligible Persons to remain with our Group thus ensuring that any loss of key personnel is kept to a minimum;
- (v) to provide incentive for the Eligible Persons to participate more actively in the operations of our Group and encourage them to contribute to the future growth of our Group; and
- (vi) to make our Group's remuneration scheme more competitive to attract more skilled and experienced individuals to join our Group and contribute to our continued growth.

The Proposed ESOS is also extended to the non-executive Directors as they provide valuable experience and views to our Board, whilst at the same time carry out the important function of monitoring the performance of the management.

5. EFFECTS OF THE PROPOSED ESOS

5.1 Issued share capital

The Proposed ESOS is not expected to have an immediate effect on the existing issued share capital of our Company until such time when the ESOS Options to be granted under the Proposed ESOS are exercised. The issued share capital of our Company will increase progressively depending on the number of new Cnergenz Shares to be allotted and issued arising from the exercise of the ESOS Options granted under the Proposed ESOS.

For illustrative purposes, the pro forma effects of the Proposed ESOS on the issued share capital of our Company based on the assumption that the number of ESOS Options granted amounts to 10% of the total number of issued Cnergenz Shares as at the LPD, are set out below:-

	No. of Shares	RM
Issued share capital as at the LPD	498,000,000	122,474,910
New Cnergenz Shares to be issued assuming full exercise of the ESOS Options granted	⁽¹⁾ 49,800,000	⁽²⁾ 41,832,000
Enlarged issued share capital	547,800,000	164,306,910

Notes:-

(1) For the avoidance of doubt, the maximum number of Cnergenz Shares, which may be allotted and issued and/or transferred pursuant to the Proposed ESOS shall not in aggregate exceed 10% of the total number of issued Cnergenz Shares (excluding treasury shares, if any) at any point in time during the tenure of the Proposed ESOS.

(2) For illustrative purpose only, calculated based on the indicative exercise price of RM0.84, being approximately 9.68% discount to the 5-day VWAP of Cnergenz Shares up to and including the LPD of RM0.93 per Cnergenz Share.

5.2 NA, NA per Share and gearing

Save for the potential impact of the MFRS 2 on share-based payment as well as the estimated expenses relating to the Proposed ESOS (which includes advisory fees for the professionals appointed for the Proposed ESOS and fees payable to Bursa Securities) amounting to approximately RM0.12 million (which are to be fully funded via our internally generated funds), the Proposed ESOS is not expected to have an immediate effect on the NA per Share and gearing of our Group until such time the new Cnergenz Shares are issued pursuant to the Proposed ESOS.

The effects on the NA per Share and gearing of our Group will depend on, amongst others, the Exercise Price of the ESOS Options, the number of new Cnergenz Shares to be allotted and issued upon the exercise of the ESOS Options and the potential effect on the future earnings of our Group arising from the adoption of the MFRS 2.

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

- (i) increase if the Exercise Price is higher than the NA per Share of our Group; or
- (ii) decrease if the Exercise Price is lower than the NA per Share of our Group,

at such point of exercise of the ESOS Options.

5.3 Earnings and EPS

The Proposed ESOS may have an effect on the earnings of our Group for the FYE 31 December 2023 and throughout the Scheme Period due to the possible impact of the MFRS 2. However, any potential effect on the EPS of our Group in the future would depend on the number of ESOS Options granted and exercised, duration of the ESOS and the Exercise Price, as well as the impact of the MFRS 2.

Under the MFRS 2, the cost arising from the issuance of the ESOS Options is measured by the fair value of the ESOS Options and is recognised in the statement of comprehensive income upon vesting of each Offer, thereby reducing the earnings of our Group. The fair value of the ESOS Options is determined after taking into consideration, amongst others, the historical volatility of our Shares, the risk-free rate, the Exercise Price and the time to maturity of the ESOS Options from the vesting date of the ESOS Options. However, such expense recognised does not represent a cash outflow as it is merely an accounting treatment.

Nevertheless, we have taken note of the potential impact of the MFRS 2 on our Group's future earnings and shall take into consideration such impact on the allocation and granting of ESOS Options to the Eligible Persons.

Further, the EPS of our Group may be diluted as a result of the increase in total number of issued Cnergenz Shares as and when the ESOS Options are exercised into new Cnergenz Shares, depending on the number of new Cnergenz Shares issued and/or existing Cnergenz Shares (held as treasury shares, if any) transferred to the Participants arising from the exercise of the ESOS Options.

5.4 Convertible securities

Our Company does not have any convertible securities as at the LPD.

5.5 Substantial shareholders' shareholdings

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

The pro forma effects of the Proposed ESOS on the substantial shareholders' shareholdings are set out as follows:-

	Shareholdings as at the LPD				Assuming the maximum ESOS Options are granted, vested and exercised into Cnergenz Shares ⁽²⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	%	No. of Shares	(3)%	No. of Shares	%
Lye Yhin Choy	221,710,000	44.52	-	-	226,690,000	41.38	-	-
Kong Chia Liang	116,340,000	23.36	-	-	121,320,000	22.15	-	-

Notes:-

(1) Based on the existing issued share capital comprising 498,000,000 Shares as at the LPD.

(2) Assuming Lye Yhin Choy and Kong Chia Liang are awarded the maximum allocation of 4,980,000 ESOS Options each, representing 10% of the Maximum Scheme Shares (in view that both individuals hold more than 20% of the total number of issued Shares of our Company respectively) and assuming they fully exercise such number of ESOS Options.

(3) Based on the enlarged issued share capital comprising 547,800,000 Shares.

6. HISTORICAL SHARE PRICES

The monthly highest and lowest transacted prices of Cnergenz Shares traded on the ACE Market of Bursa Securities for the past 12 months from May 2022 to April 2023 are as follows:-

	High (RM)	Low (RM)
<u>2022</u>		
May	0.699	0.552
June	0.665	0.552
July	0.616	0.443
August	1.034	0.576
September	1.133	0.813
October	1.054	0.798
November	0.882	0.758
December	0.995	0.778
<u>2023</u>		
January	0.967	0.783
February	1.011	0.803
March	0.952	0.790
April	0.980	0.855
The last transacted price of Cnergenz Shares as at 6 April 2023, being the last trading date prior to the announcement of the Proposed ESOS		0.870
Last transacted market price of Cnergenz Shares as at the LPD		0.925

(Source: Bloomberg)

7. APPROVALS REQUIRED/OBTAINED

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

- (i) Bursa Securities, for the listing of and quotation for the new Cnergenz Shares to be allotted and issued pursuant to the exercise of the ESOS Options on the ACE Market of Bursa Securities.

The approval of Bursa Securities was obtained vide its letter dated 26 April 2023 and subject to the following conditions:-

Conditions	Status of compliance
(a) UOBKH is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Rule 6.44(1) of the Listing Requirements and stating the effective date of implementation;	To be complied
(b) UOBKH is required to submit a certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed ESOS; and	To be complied
(c) Cnergenz is required to furnish Bursa Securities on a quarterly basis a summary of the total number of 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 Cnergenz for the Proposed ESOS at the forthcoming EGM*; and
- (iii) any other relevant authorities and/or approvals, if required.

The Proposed ESOS is not conditional upon any other proposals undertaken or to be undertaken by our Company.

The voting on the resolutions pertaining to the Proposed ESOS at the forthcoming EGM will be taken on a poll.

Note:-

* Section 85(1) of the Act ("**Section 85(1)**") provides that:-

"Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

It should be noted that Section 85(1) in substance provides that the constitution of a company is allowed to have provisions other than those set out in Section 85 of the Act, and accordingly, allows a company to issue shares otherwise than pro-rata to its existing shareholders if the constitution of the company provides for such share issuance. Clause 13.2 of our Constitution has expressly disappplied the statutory pre-emptive right in Section 85 of the Act, and allows any non-proportionate issue of new Cnergenz Shares that is approved by the shareholders of our Company. The extract of Clause 13.2 of our Constitution is as follows:-

"Section 85 of the Act shall not apply to the Company. Subject to any direction to the contrary that may be given by the Company in a meeting of Members, all new shares or other convertible securities of whatever kind, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of meetings of Members in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered and limiting a time within which the offer, if not accepted shall be deemed to be declined and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Board may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Board may also dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Board, be conveniently offered under this Article."

Accordingly, "Ordinary Resolution 1" in respect of the Proposed ESOS which is to be tabled at our forthcoming EGM, if passed by the shareholders of our Company would amount to a "direction to the contrary given by the Company in a meeting of members" for the purposes of Clause 13.2 of our Constitution. In addition, the approval of the shareholders of our Company in respect of "Ordinary Resolution 1" shall mean that the shareholders are waiving their pre-emptive rights under Clause 13.2 of our Constitution in respect of the new Cnergenz Shares to be issued arising from the exercise of the ESOS Options allocated to the Participants pursuant to the Proposed ESOS (which may result in a dilution of their shareholding in our Company). Please refer to the Notice of EGM (which is enclosed in this Circular) for details on "Ordinary Resolution 1" in respect of the Proposed ESOS.

8. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM

All our Directors are Eligible Persons under the Proposed ESOS, and are therefore deemed interested to the extent of their respective allocations under the Proposed ESOS as well as the potential allocations to persons connected to them. Notwithstanding that, our Directors have deliberated on the Proposed ESOS, and have agreed to present the Proposed ESOS to our shareholders for their consideration and approval.

Accordingly, our Directors have abstained and will continue to abstain from deliberating, expressing an opinion and making any recommendations at all relevant Board meetings in relation to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed ESOS. Our Directors will also abstain from voting in respect of their respective direct and/or indirect shareholdings in our Company on the relevant ordinary resolutions pertaining to the respective proposed allocations to them as well as the respective proposed allocations to persons connected to them under the Proposed ESOS, if any, to be tabled at the forthcoming EGM. They have also undertaken to ensure that persons connected to them, if any, will abstain from voting in respect of their respective direct and/or indirect shareholdings in our Company on the relevant ordinary resolutions pertaining to the relevant proposed allocations to the interested Directors and persons connected to them under the Proposed ESOS, if any, to be tabled at the forthcoming EGM.

Save as disclosed above, none of our other Directors and Major Shareholders and/or persons connected to them have any interest, direct or indirect, in the Proposed ESOS.

The details of shareholdings of our Directors, Major Shareholders and Chief Executive in Cnenergiz as at the LPD are set out as follows:-

	Shareholdings as at the LPD			
	Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	%
<u>Directors</u>				
Dato' Azman Bin Mahmud	500,000	0.10	-	-
Lye Thim Loong	10,116,000	2.03	-	-
Ooi Ley Ching	300,000	0.06	-	-
Alwizah Al-Yafii Binti Ahmad Kamal	120,000	0.02	-	-
Yeat Soo Ching	300,000	0.06	-	-
<u>Director, Major Shareholder and Chief Executive</u>				
Lye Yhin Choy	221,710,000	44.52	-	-
<u>Director and Major Shareholder</u>				
Kong Chia Liang	116,340,000	23.36	-	-

Note:-

(1) Based on the existing issued share capital comprising 498,000,000 Shares as at the LPD.

9. TENTATIVE TIMEFRAME FOR IMPLEMENTATION

Barring any unforeseen circumstances, the Proposed ESOS is expected to be implemented by the 3rd quarter of 2023.

The tentative timetable in relation to the Proposed ESOS is set out below:-

Date(s)	Events
24 May 2023	EGM (which is held in conjunction with the Annual General Meeting of the Company held on even date) to obtain the approval of our shareholders for the Proposed ESOS
August 2023	Effective Date for implementation of the Proposed ESOS

10. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed ESOS (being the subject matter of this Circular), there are no other corporate exercises that have been announced but not yet completed as at the LPD.

11. DIRECTORS' STATEMENT/RECOMMENDATION

Our Board (save for the respective interested Directors who have abstained from forming any opinion and making any recommendations relating to their respective allocations as well as allocations to persons connected to them, if any), after considering all aspects of the Proposed ESOS such as the rationale and the effects of the Proposed ESOS, is of the opinion that the Proposed ESOS and the proposed allocations to our Directors as well as proposed allocations to persons connected to them, if any, are in the best interest of our Company.

Our Board (save for the respective interested Directors who have abstained from forming any opinion and making any recommendations relating to their respective allocations as well as allocations to persons connected to them, if any) recommends that you vote in favour of the resolutions pertaining to the Proposed ESOS and the proposed allocations to our Directors as well as proposed allocations to persons connected to them, if any, to be tabled at the forthcoming EGM.

12. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Macalister Ballroom, Level 5, Victory Annexe, Eastern & Oriental Hotel, 10, Lebuh Farquhar, 10200 George Town, Penang on Wednesday, 24 May 2023 at 11.00 a.m., or immediately following the conclusion or adjournment of the Second Annual General Meeting of Cnergenz which will be held at the same venue and on the same day at 10.00 a.m., whichever is later, for the purpose of considering and, if thought fit, passing with or without modifications the resolutions so as to give effect to the Proposed ESOS and Proposed Allocation.

If you are unable to attend and vote in person at the EGM and wish to appoint a proxy instead, you should complete and return the Form of Proxy in accordance with the instructions provided therein. The appointment of a proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the Form of Proxy must be deposited/submitted at the registered office of our Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang. In the case of electronic form, the Form of Proxy must be submitted through facsimile at +604 226 5860 or emailed to ir@cnergenz.com.

13. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board of
CNERGENZ BERHAD

DATO' AZMAN BIN MAHMUD
Independent Non-Executive Chairman

DRAFT BY-LAWS OF THE PROPOSED ESOS

By-Laws of Cnergenz Employees' Share Option Scheme

CNERGENZ BERHAD**("Company" or "Cnergenz")****BY-LAWS OF CNERGENZ BERHAD EMPLOYEES' SHARE OPTION SCHEME****1. DEFINITIONS**

1.1 In these By-Laws, except where the context otherwise requires, the following expressions shall have the following meanings:

"Adviser"	: A person who is permitted to carry on the regulated activity of advising corporate finance under the Capital Markets and Services Act 2007
"Affected Participant"	: Has the meaning given in By-Law 28.1
"Board"	: The board of directors for the time being of Cnergenz
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
"Bursa Securities"	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"By-Laws"	: These By-Laws governing the Scheme as may be amended, modified and/or supplemented from time to time in accordance with By-Law 22
"CDS"	: The Central Depository System governed under the Securities Industry (Central Depositories) Act, 1991 as amended from time to time
"CDS Account"	: The account established by Bursa Depository for a depositor for the recording of deposits and withdrawal of securities and dealings in such securities by that depositor
"chief executive"	: Shall have the same meaning given in paragraph 1.01 of the Listing Requirements
"Cnergenz" or the "Company"	: Cnergenz Berhad (Registration No. 202101026123 (1426423-D))
"Cnergenz Group" or "Group"	: Cnergenz and its Subsidiaries
"Cnergenz Share(s)" or "Share(s)"	: Ordinary share(s) in Cnergenz
"Companies Act"	: Companies Act 2016, and any amendments made thereto from time to time and includes any re-enactment thereof
"Director"	: A natural person that occupies or acts in the position of director in Cnergenz and/or any of its Subsidiaries

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

By-Laws of Cnergenz Employees' Share Option Scheme

“Disciplinary Action”	: An action instituted by Cnergenz or any of its Subsidiaries against an Eligible Person or Participant, as the case may be, in writing for an alleged misbehaviour, misconduct and/or any other act deemed to be unacceptable in the course of that Eligible Person's or Participant's employment, whether or not such action may give rise to a dismissal or termination of the employment contract and/or contract of service of such Eligible Person or Participant
“Effective Date”	: The date on which this Scheme takes effect as shall be determined in accordance with By-Law 6.1
“Eligible Person”	: Has the meaning given in By-Law 4.1
“Entitlement Date”	: The date as at the close of business on which the names of the shareholders of Cnergenz must appear on Cnergenz's record of depositors maintained at Bursa Depository in order to participate in any dividends, rights, allotments or other distributions
“ESOS Committee”	: The committee duly appointed and approved by the Board pursuant to By-Law 20 to implement and administer the Scheme in accordance with these By-Laws
“Executive Director”	: A Director who holds a directorship in an executive capacity on the Offer Date and is involved in the day-to-day management of Cnergenz and/or any of its Subsidiaries
“Exercise Price”	: The price at which a Participant is entitled to subscribe for Cnergenz Shares pursuant to the exercise of an Option
“Listing Requirements”	: The Listing Requirements of Bursa Securities which are applicable to Cnergenz at any time, including any amendments thereto that may be made from time to time
“Market Day”	: A day on which the stock market of Bursa Securities is open for trading in securities
“Maximum Scheme Shares”	: Has the meaning given in By-Law 3.1
“Non-Executive Director”	: A Director of Cnergenz and/or any of its Subsidiaries who is not an Executive Director
“Notice of Exercise”	: Has the meaning given in By-Law 13.1
“Offer”	: An offer made in writing by the ESOS Committee to an Eligible Person
“Offer Date”	: The date on which an Offer is made or is deemed to be made by the ESOS Committee to an Eligible Person, which shall be the date the Offer is served in accordance with By-Law 32
“Offeror”	: Has the meaning given in By-Law 16.1(a)

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

By-Laws of Cnergenz Employees' Share Option Scheme

“Offer Period”	: The period of thirty (30) days from the Offer Date or such other period as may be determined by the ESOS Committee having regard to the Terms of Reference, and specified in the Offer during which an Offer may be accepted
“Option(s)”	: The right of a Participant to subscribe for Cnergenz Shares at the Exercise Price on the terms and subject to the conditions of these By-Laws
“Option Period”	: The period during which an Option may be exercised as may be specified in the Offer, unless terminated in accordance with these By-Laws
“Participant”	: An Eligible Person who has duly accepted an Offer in accordance with these By-Laws and “Participants” shall be construed accordingly
“Performance Period”	: The period during which the Performance Targets as may be stipulated by the ESOS Committee and set out in the Offer are required to be performed
“Performance Targets”	: The performance targets and/or criteria approved by the ESOS Committee, as may be stipulated by the ESOS Committee and set out in an Offer, which are to be achieved during the Performance Period
“persons connected”	: Shall have the same meaning given in paragraph 1.01 of the Listing Requirements
“RM” and “sen”	: Ringgit Malaysia and sen respectively, the lawful currency of Malaysia
“SC”	: Securities Commission Malaysia
“Scheme”	: The employees' share option scheme for the grant of Options established and governed under these By-Laws and known as the Cnergenz Berhad Employees' Share Option Scheme
“Scheme Period”	: The period of the Scheme as set out in By-Law 6.1
“Senior Management”	: Such employees as the ESOS Committee may in its sole and absolute discretion determine to be senior management of Cnergenz Group
“Service Period”	: The period as may be determined by the ESOS Committee and stipulated in the Offer during which a Participant: <ul style="list-style-type: none"> (i) must remain in continuous employment and/or service with any corporation in the Cnergenz Group; and (ii) must not have given a notice to resign or received a notice of termination

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

By-Laws of Cnergenz Employees' Share Option Scheme

- “Subsidiaries” : Subsidiaries of Cnergenz as defined in the Companies Act which are not dormant and shall include such subsidiaries which are existing as at the Effective Date and those subsequently acquired or incorporated at any time during the Scheme Period but exclude:
- (i) subsidiaries which have been divested in the manner provided in By-Law 27; and
 - (ii) any such subsidiary of Cnergenz which, the Board and/or the ESOS Committee, in its sole and absolute discretion determine shall not fall within this expression.
- “Termination Date” : Has the meaning given in By-Law 6.3
- “Terms of Reference” : The terms of reference which the Board may establish to regulate and govern the ESOS Committee's functions and/or responsibilities under these By-Laws, as amended from time to time
- “Unexercised Option(s)” : Options and any part thereof which have not been fully exercised at the relevant time and in respect of which the Option Period has not expired
- “Vesting Date(s)” : The date or dates on which the Options or any part or proportion thereof granted shall vest in the Participant, as stipulated by the ESOS Committee in the Offer

1.2 In these By-Laws:

- (a) the headings and sub-headings herein are inserted for convenience only and shall not affect the interpretation of these By-Laws;
- (b) any reference to a statutory provision or an applicable law shall include a reference to:
 - (i) any and all subsidiary legislation made from time to time under that provision or law;
 - (ii) any and all Listing Requirements, policies and/or guidelines of Bursa Securities and/or the SC (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed by Bursa Securities and/or the SC);
 - (iii) that provision as from time to time modified or re-enacted, whether before or after the date of these By-Laws, so far as such modification or re-enactment applies or is capable of applying to any Offer made, offered and/or accepted within the duration of the Scheme Period; and
 - (iv) any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
- (c) any liberty, power or discretion which may be exercised or any decision or determination which may be made hereunder by the ESOS Committee (including any selection) may be exercised in the ESOS Committee's sole and absolute discretion having regard only to the Terms of Reference (where applicable) and the ESOS Committee shall not be under any obligation to give any reasons therefor, except as may be required by the relevant authorities;

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

By-Laws of Cnergenz Employees' Share Option Scheme

- (d) if an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day; and
- (e) words denoting one gender include all other genders and words denoting the singular include the plural and vice versa.

2. THE SCHEME

- 2.1 The Scheme shall be called the **"Cnergenz Berhad Employees' Share Option Scheme"**.

3. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME

- 3.1 Subject to By-Law 3.2, the maximum number of new Cnergenz Shares to be allotted and issued and/or existing Cnergenz Shares (held as treasury shares, if any) to be transferred pursuant to the Scheme shall not, at any point in time, when aggregated with the total number of new Cnergenz Shares allotted and issued and/or existing Cnergenz Shares (held as treasury shares, if any) transferred and/or to be allotted and issued and/or transferred under any other share issuance scheme involving new issuance of Cnergenz Shares and/or transfer of existing Cnergenz Shares (held as treasury shares, if any) which may be implemented from time to time by Cnergenz, exceed ten percent (10%) of the total number of issued ordinary shares of Cnergenz (excluding treasury shares, if any) or such other percentage of the total number of issued ordinary shares of Cnergenz (excluding treasury shares, if any) that may be permitted by Bursa Securities or any other relevant authorities from time to time during the Scheme Period (**"Maximum Scheme Shares"**).
- 3.2 In the event Cnergenz purchases or cancels its own shares in accordance with the Companies Act or otherwise howsoever or undertakes any other corporate proposal resulting in the reduction of its total number of issued ordinary shares (excluding treasury shares, if any), the following provisions shall apply in respect of future Offers (provided that all the valid Offers which are pending acceptances, and Options that have not been vested and/or Options that have been vested, prior to such purchase and/or reduction of the total number of issued ordinary shares of Cnergenz shall remain valid or exercisable in accordance with the provisions of the Scheme as if that reduction/adjustment had not occurred):
 - (a) if, after such purchase, cancellation and/or reduction, the aggregate number of Cnergenz Shares in respect of the Options granted (whether or not exercised) by Cnergenz as at the date of purchase, cancellation and/or reduction of Shares is greater than the Maximum Scheme Shares, no further Offers shall be made by the ESOS Committee until such aggregate number of Cnergenz Shares to be issued under the Scheme falls below the Maximum Scheme Shares; and
 - (b) if, after such purchase, cancellation and/or reduction, the aggregate number of Cnergenz Shares in respect of the Options granted (whether or not exercised) by Cnergenz as at the date of purchase, cancellation and/or reduction of Shares is less than the Maximum Scheme Shares, the ESOS Committee may make further Offers but only until such aggregate number of Cnergenz Shares to be issued under the Scheme is equivalent to the Maximum Scheme Shares after such purchase, cancellation and/or reduction.

4. ELIGIBILITY

- 4.1 Any person who is:
 - (a) A Director; and/or
 - (b) an employee of a corporation in the Cnergenz Group,

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

By-Laws of Cnergenz Employees' Share Option Scheme

who meets the following criteria as at the Offer Date shall be eligible for consideration and selection by the ESOS Committee ("**Eligible Person**"):

- (aa) if he/she is either:
 - (i) employed on a full time basis; or
 - (ii) serving in a specific designation under an employment contract for a fixed duration of not less than 1 year,

and is on the payroll of any corporation (not being dormant) in the Cnergenz Group and has not served a notice to resign or received a notice of termination;
- (bb) if his/her employment has been confirmed in writing and not under a probationary period;
- (cc) if he/she has attained the age of at least eighteen (18) years or older, and is not an undischarged bankrupt nor subject to any bankruptcy proceedings; and
- (dd) if he/she fulfils any other criteria and/or falls within such category as may be determined by the ESOS Committee at its sole and absolute discretion from time to time.

- 4.2 Notwithstanding By-Law 4.1, the specific allocations of Options granted by Cnergenz to any Eligible Person who is a Director or chief executive of Cnergenz or persons connected with them under the Scheme, shall be subject to the approval of the shareholders of Cnergenz at a general meeting.
- 4.3 Notwithstanding By-Law 4.1, the ESOS Committee may from time to time, at its sole and absolute discretion select and identify suitable persons to be offered the Options. In the event any Eligible Persons is a member of the ESOS Committee, then such Eligible Person shall not participate in the deliberation or discussion of his/her own respective selection and allocation of Options to himself/herself or any person connected with him/her.
- 4.4 Eligibility for consideration under the Scheme does not confer a Director or employee with any rights whatsoever under or to participate in the Scheme.
- 4.5 The selection of any Director or employee for participation in the Scheme shall be made by the ESOS Committee at its sole and absolute discretion and whose decision shall be final and binding.

5. BASIS OF ALLOCATION AND MAXIMUM ALLOWABLE ALLOCATION

- 5.1 Subject to any adjustments which may be made under By-Law 18, the aggregate maximum number of Cnergenz Shares that may be granted to an Eligible Person pursuant to the Scheme shall be determined entirely at the sole and absolute discretion of the ESOS Committee ("**Maximum Allowable Allocation**") provided that:
 - (a) the Directors and Senior Management do not participate in the deliberation or discussion of their own allocation and the allocation to any persons connected with them; and
 - (b) no allocation of more than ten percent (10%) of the Maximum Scheme Shares shall be made to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds twenty percent (20%) or more of the total number of issued Cnergenz Shares (excluding treasury shares, if any).

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

By-Laws of Cnergenz Employees' Share Option Scheme

- 5.2 Subject to By-Law 5.1 and any adjustments which may be made under By-Law 18, the ESOS Committee shall determine, at its sole and absolute discretion, the actual number of Options to be allocated to an Eligible Person and the vesting period (if any) after taking into consideration, amongst others, the provisions of the Listing Requirements or other applicable regulatory requirements prevailing during the duration of the Scheme Period relating to employees' and/or director's share issuance scheme and various factors pertaining to the Eligible Person such as position, ranking, performance, seniority, the length of service, contribution and potential contribution to the continued success of the Group and any other factors deemed appropriate by the ESOS Committee. At any point in time during the Scheme Period, not more than 70% of the Options available under the Scheme shall be allocated, in aggregate, to the Directors and Senior Management who are Eligible Persons, on the basis that they are crucial to the performance of the Group.
- 5.3 In the event an Eligible Person is promoted, such promoted Eligible Person may be eligible for consideration for additional Options to be decided by the ESOS Committee at its sole and absolute discretion provided that the Maximum Scheme Shares has not been exceeded. The ESOS Committee, however, has the sole and absolute discretion not to make any further Offer in the event the balance of the Cnergenz Shares available is inadequate to make a meaningful additional allotment.
- 5.4 In the event an Eligible Person is demoted to a lower grade for any reason whatsoever, such Eligible Person shall only be entitled to the allocation of that lower grade unless an Offer has been made and accepted by him/her before such demotion. Where he/she has accepted an Offer which exceeds the Maximum Allowable Allocation applicable to that lower grade, he/she shall not be entitled to any further allocation.

6. SCHEME DURATION AND TERMINATION OF THE SCHEME

- 6.1 The effective date on which the Scheme takes effect shall be such date after all of the following conditions have been fulfilled or satisfied ("**Effective Date**"):
- (a) receipt of the approval or approval-in-principle, as the case may be, of Bursa Securities for the listing of and quotation for the new Cnergenz Shares to be allotted and issued arising from the exercise of the Options on Bursa Securities;
 - (b) approval of the shareholders of Cnergenz in a general meeting for the Scheme;
 - (c) the submission to Bursa Securities of the final copy of the By-Laws;
 - (d) receipt of approval of any other relevant authorities, where applicable; and
 - (e) fulfilment or waiver (as the case may be) of all conditions attached to any of the above mentioned approvals (if any).

The Scheme shall take effect on the Effective Date and shall continue to be in force for a period of five (5) years ("**Scheme Period**"). On or before the expiry of the Scheme Period ("**Date of Expiry**"), 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 Cnergenz in a general meeting, for a further period of up to five (5) years commencing from the day after the Date of Expiry, but will not in aggregate exceed ten (10) years from the Effective Date or such longer period as may be allowed by Bursa Securities and or any other relevant authorities. In the event that the Scheme is extended, Cnergenz shall serve appropriate notices on each Participant within thirty (30) days prior to the Date of Expiry.

- 6.2 Within five (5) Market Days from the Effective Date, Cnergenz shall through the Adviser submit a confirmation letter to Bursa Securities of full compliance with approvals and/or conditions set out in By-Law 6.1 stating the Effective Date of the Scheme, together with a certified true copy of the relevant resolution passed by the shareholders of Cnergenz in the general meeting approving the Scheme.

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

By-Laws of Cnergiz Employees' Share Option Scheme

- 6.3 Notwithstanding anything set out in these By-Laws and subject always to compliance with Bursa Securities and any other applicable law, 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 Participants, without obtaining the approvals from the Participants or the approval from the shareholders of Cnergiz in a general meeting for the termination of the Scheme, whereupon no further Options shall be vested, no further Offer shall be made by the ESOS Committee and any unaccepted Offer, and Unexercised Options shall be deemed to have been terminated and cancelled and be null and void on the date specified in the notice of termination ("**Termination Date**") provided that the ESOS Committee may in its sole and absolute discretion, permit the vesting of any Options to the Participant, the acceptance of any outstanding Offer by the Eligible Person, and/or the exercise of any Unexercised Options by the Participant at any time prior to the Termination Date subject to such terms and conditions as may be prescribed notwithstanding that:
- (a) the Vesting Date is not due or has not occurred;
 - (b) the Option Period has not commenced; and/or
 - (c) other terms and conditions set out in the Offer has not been fulfilled/satisfied.
- 6.4 The Scheme may be terminated by the Company at any time during the duration of the Scheme and the Company shall make an announcement immediately to Bursa Securities and comply with the requirements of Bursa Securities or any other relevant authorities. The announcement shall include:
- (a) the effective date of termination;
 - (b) the number of Options exercised or Cnergiz Shares vested; and
 - (c) the reasons for termination.

7. RETENTION PERIOD

- 7.1 Subject to By-Law 7.2, the new Cnergiz Shares to be allotted and issued and/or existing Cnergiz Shares (held as treasury shares, if any) to be transferred to a Participant pursuant to the Scheme will not be subject to any retention period and/or such other restrictions of transfer.
- 7.2 In the case of a Non-Executive Director, the Cnergiz Shares allotted and issued and/or transferred to such Non-Executive Director pursuant to the Scheme shall be subject to a retention period of one (1) year commencing from the date of the Offer or such other retention period as may be prescribed by Bursa Securities or any other relevant authorities from time to time.
- 7.3 The expression "retention period" referred to in By-Law 7.1 shall mean the period in which the Cnergiz Shares allotted and issued and/or transferred, pursuant to this Scheme must not be sold, transferred, assigned or otherwise disposed of by the Participant.
- 7.4 Notwithstanding the above, the ESOS Committee shall be entitled to prescribe or impose, in relation to any Offer, any condition relating to retention period and/or such other restrictions on transfer in its sole and absolute discretion.

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

By-Laws of Cnergenz Employees' Share Option Scheme

8. OFFER UNDER THE SCHEME

- 8.1 The ESOS Committee may from time to time during the Scheme Period, make an Offer to an Eligible Person to participate in the Scheme. The ESOS Committee shall have the sole and absolute discretion in determining whether the Options to the Eligible Person will be granted on a staggered basis during the Scheme Period or in a single grant and/or whether the Options will be subject to any vesting period or vesting conditions.
- 8.2 Nothing herein shall prevent the ESOS Committee from making more than one (1) Offer to any Eligible Person provided always that the aggregate number of Cnergenz Shares in respect of the Options granted shall not exceed the Maximum Allowable Allocation.
- 8.3 In the event the ESOS Committee decides to make more than one (1) Offer to an Eligible Person, the number of Options to be offered in each Offer shall be decided by the ESOS Committee at its sole and absolute discretion. Each Offer shall be separate and independent from the other.

9. TERMS OF THE OFFER

- 9.1 The ESOS Committee may stipulate any terms and conditions it deems appropriate in an Offer and the terms and conditions of each Offer may differ.
- 9.2 The terms and conditions set out in the letter of the Offer may include the following, where applicable:
- (a) Exercise Price;
 - (b) number of Cnergenz Shares entitled to be received upon the exercise of the Option;
 - (c) Option Period;
 - (d) Offer Period;
 - (e) Vesting Date(s);
 - (f) Performance Targets;
 - (g) Performance Period; and
 - (h) Service Period,

and may include such/any other information and/or conditions as may be deemed necessary by the ESOS Committee.

- 9.3 In the event of any error in the stating of any particulars referred to in By-Law 9.2 or otherwise in the Offer, the ESOS Committee may, to the extent permitted by law, issue a supplemental letter of Offer stating the correct particulars and the revised particulars of the Offer shall take effect on the date of the revised letter of Offer and shall not affect Options which have already been exercised as at the date of the revised letter of Offer.

10. EXERCISE PRICE

- 10.1 Subject to the Listing Requirements and to any adjustment which may be made under By-Law 18, the Exercise Price shall be determined by the ESOS Committee based on the volume weighted average market price of the Cnergenz Shares for the five (5) Market Days immediately preceding the Offer Date with a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time during the Scheme Period.

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

By-Laws of Cnergenz Employees' Share Option Scheme

11. ACCEPTANCE OF THE OFFER

- 11.1 An Offer may only be accepted by the Eligible Person during the Offer Period in such form and manner as may be prescribed in the Offer and shall be accompanied by a non-refundable consideration sum of Ringgit Malaysia One (RM1.00) only payable to Cnergenz (regardless of the number of Options comprised therein).
- 11.2 The date of receipt by Cnergenz of such form together with the consideration sum of Ringgit Malaysia One (RM1.00) shall be the date of acceptance of the Offer by the Eligible Person, provided that the Scheme is not terminated pursuant to By-Law 6.3.
- 11.3 Unless the ESOS Committee otherwise decides, in the event the Eligible Person fails to accept the Offer in the manner prescribed within the Offer Period, the Offer shall automatically lapse and shall then be null and void, and the Offer may, at the sole and absolute discretion of the ESOS Committee, be re-offered to other Eligible Persons in accordance with these By-Laws provided that the ESOS Committee shall not be precluded from making a fresh Offer to the Eligible Person subsequently.
- 11.4 The number of Cnergenz Shares offered in the lapsed Offer shall be deducted from the Maximum Allowable Allocation or the balance of the Maximum Allowable Allocation for the Eligible Person. The Offer not taken up resulting from the non-acceptance of the Offer within the Offer Period shall thereafter form part of the balance of Offers under the Scheme for future Offers.
- 11.5 Upon acceptance of the Offer in accordance with these By-Laws, the Eligible Person shall be referred to as a Participant for the purposes of these By-Laws.

12. SATISFACTION OF CONDITIONS

- 12.1 The determination as to whether the stipulated conditions in the Offer and criteria in By-Law 4.1 have been fulfilled shall be made by the ESOS Committee.
- 12.2 In the event the conditions stipulated in an Offer in respect of any one (1) or more Participant cannot be fully achieved/satisfied, the ESOS Committee may in its sole and absolute discretion by notice in writing to such Participant(s), waive, vary or revise any condition stipulated in the Offer and/or impose such other conditions as the ESOS Committee deems fit in respect of the vesting of the Options to such Participants.
- 12.3 No Participant shall have any right to or interest in the Cnergenz Shares or right to exercise the Options granted to him/her unless and until the ESOS Committee has made a determination under the provisions of By-Laws 12.1 and on and with effect from the Vesting Date or the date during the Option Period on which the Options are duly exercised and the remittance for the full amount of the monies for the Cnergenz Shares in respect of which the Options are exercised is paid pursuant to By-Law 13.
- 12.4 In relation to the Cnergenz Shares to be allotted and issued and/or transferred pursuant to an exercise of an Option, the ESOS Committee shall, within eight (8) Market Days after the ESOS Committee's receipt of the Notice of Exercise and remittance for the full amount of monies for the Cnergenz Shares in respect of which the Option is exercised pursuant to By-Law 13.1 (or such other period as may be prescribed or allowed by Bursa Securities):
- (a) issue and allot and/or procure the transfer of the relevant number of Cnergenz Shares to the Participant;
 - (b) despatch a notice of allotment and issue and/or transfer of such Cnergenz Shares issued and/or transferred pursuant to the Option to the Participant; and
 - (c) make an application for the listing of and quotation for such relevant number of Cnergenz Shares issued pursuant to the Option (where applicable).

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

By-Laws of Cnergenz Employees' Share Option Scheme

13. EXERCISE OF OPTIONS

- 13.1 An Option may be exercised by a Participant within the Option Period in full or in part by notice in writing to Cnergenz or the ESOS Committee in the prescribed form as may be amended from time to time during the Option Period or in any other manner as may be determined by the ESOS Committee from time to time during the Option Period ("**Notice of Exercise**").
- 13.2 The partial exercise of Options granted in an Offer shall not preclude the Participant from exercising the balance of Unexercised Options during the Option Period.
- 13.3 Every such notice or any other manner of exercise of an Option referred to in By-Law 13.1 must be in the form prescribed by the ESOS Committee as amended from time to time and be accompanied by a remittance for the full amount in Ringgit Malaysia in the form of a banker's draft or cashier's order drawn and payable in Malaysia or other mode acceptable to the ESOS Committee for the full amount of the subscription monies (calculated based on the Exercise Price in accordance with By-Law 10 herein) payable for the Cnergenz Shares in respect of which the Option is exercised.
- 13.4 Any failure to comply with the procedures specified by the ESOS Committee or to provide information required by Cnergenz in the Notice of Exercise or inaccuracy in the CDS Account number provided in the Notice of Exercise shall result in the Notice of Exercise being rejected at the sole and absolute discretion of the ESOS Committee, and the ESOS Committee shall inform the Participant of the rejection of the Notice of Exercise within fourteen (14) Market Days from the date of rejection and the Participant shall be deemed not to have exercised his/her Option.
- 13.5 Subject to the sole and absolute discretion of the ESOS Committee to waive any breach, failure by a Participant to comply with the procedure for an exercise of Option as stipulated in the provisions of By-Law 13 will invalidate the purported exercise of such Option by the Participant.
- 13.6 The Group, the Board (including Directors that had resigned but were on the Board during the Option Period) and the ESOS Committee shall not under any circumstances be held liable to any person for any cost, losses, expenses, damages, liabilities, gains or profits foregone, howsoever arising in the event of any delay on the part of Cnergenz in allotting and issuing and/or transferring the Cnergenz Shares or in procuring Bursa Securities to list and quote the Cnergenz Shares subscribed for by a Participant or any delay in receipt or non-receipt by Cnergenz of the Notice of Exercise in respect of the Options or for any errors in any Offer.

14. DISCIPLINARY ACTIONS

- 14.1 In the event an Eligible Person is subjected to a Disciplinary Action after an Offer is made but before the acceptance thereof by such Eligible Person, the Offer is deemed withdrawn and no longer capable of acceptance, unless otherwise decided by the ESOS Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the Disciplinary Action made or brought against the Eligible Person. Nothing herein shall prevent the ESOS Committee (but the ESOS Committee shall not be obliged to do so) from making a fresh Offer to such Eligible Person in the event such Disciplinary Action is dismissed and/or found in his/her favour, or if such Disciplinary Action is withdrawn provided that such Offer is made within the duration of the Scheme Period.

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

By-Laws of Cnergenz Employees' Share Option Scheme

- 14.2 In the event a Participant is subjected to a Disciplinary Action, the right of the Participant to exercise any Unexercised Option shall be suspended pending the outcome of the Disciplinary Action unless otherwise decided by the ESOS Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the Disciplinary Action made or brought against the Participant. Nothing herein shall prevent the ESOS Committee (but the ESOS Committee shall not be obliged to do so) from making a fresh Offer and/or reinstating the right of the Participant to exercise any Unexercised Option in the event such Disciplinary Action is dismissed and/or found in his/her favour or if such Disciplinary Action is withdrawn provided that such Offer and/or reinstatement is made within the duration of the Scheme Period. If the ESOS Committee does not reinstate such right of the Participant prior to the expiry of the Scheme Period, the Offer and acceptance thereof shall automatically lapse and shall immediately become null and void.

For the avoidance of doubt, where a Disciplinary Action is initiated against a Participant after the exercise by such Participant of his/her Option(s) in accordance with the terms of these By-Laws or after the Participant has been given the right to have the relevant number of Options vested in him/her on the Vesting Date, the right of the Participant to receive the Cnergenz Shares pursuant to such exercise of Option shall not be affected.

15. TERMINATION OF OFFERS AND UNEXERCISED OPTION(S)

- 15.1 Subject to By-Laws 15.2 and 15.3, any Options that have yet to be vested to a Participant and/or any unaccepted Offer in respect of an Eligible Person and/or any Unexercised Option in respect of a Participant shall forthwith lapse and/or be deemed to be cancelled and/or ceased to be exercisable by a Participant, as the case may be, without any liability to or right to claim against Cnergenz, any member of the Cnergenz Group, the Board and/or the ESOS Committee upon the occurrence of any one or more of the following events:
- (a) resignation, termination or cessation of employment of an Eligible Person or Participant, for any reason;
 - (b) expiry, termination or cessation of a contract of service of an Eligible Person or Participant, for any reason;
 - (c) resignation, retirement or removal of a Director, for any reason;
 - (d) bankruptcy of an Eligible Person or Participant; or
 - (e) any other circumstances prescribed by the ESOS Committee from time to time.
- 15.2 In the event of the termination or cessation of employment or contract of service of the Eligible Person or Participant with the Cnergenz Group in any of the following circumstances:
- (a) retirement on attaining the retirement age under the Cnergenz Group's retirement policy;
 - (b) retirement before attaining the normal retirement age;
 - (c) ill-health, injury, physical or mental disability or mental disorder;
 - (d) redundancy or retrenchment, or cessation of service pursuant to the acceptance by the Eligible Person or Participant of voluntary separation scheme offered by Cnergenz or a relevant member of the Cnergenz Group;
 - (e) transfer to any company outside the Cnergenz Group at the direction of Cnergenz;
 - (f) termination or non-renewal of contract of service;
 - (g) winding-up or liquidation of a relevant member of the Cnergenz Group; or

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

By-Laws of Cnergenz Employees' Share Option Scheme

- (h) any other circumstances which are acceptable to the ESOS Committee in its sole and absolute discretion;

the ESOS Committee may in its sole and absolute discretion permit the exercise of any Unexercised Option by the Participant at any time until a prescribed date subject to such terms and conditions as may be prescribed notwithstanding that:

- (i) the Vesting Date is not due or has not occurred; and/or
- (ii) the Option Period has not commenced; and/or
- (iii) other terms and conditions set out in the Offer has not been fulfilled/satisfied;

provided that unless the ESOS Committee in its sole and absolute discretion so permits such vesting or exercise, as the case may be, by notice in writing to the Participant, any unaccepted Offer and/or any Unexercised Option in respect of a Participant shall forthwith lapse and/or be deemed to be cancelled and/or cease to be capable of vesting in a Participant and/or cease to be exercisable, as the case may be, without any liability to or right to claim against Cnergenz and/or ESOS Committee.

- 15.3 The ESOS Committee shall be entitled to exercise its powers, rights and discretion conferred under By-Law 15.2 in the event of death of a Participant and may permit the Participant's legal or personal representatives, or such other person nominated by the Participant to exercise the rights of the Participant.
- 15.4 Any unaccepted Offer and/or Unexercised Option that ceases to be capable of being exercised by a Participant, pursuant to this By-Law 15, will continue to be available under the Scheme.
- 15.5 Any unaccepted Offer, and/or Unexercised Option shall forthwith lapse and/or be deemed to be cancelled and/or cease to be capable of vesting/exercisable, as the case may be, without any claim against Cnergenz and/or ESOS Committee upon the occurrence of one or more of the following events:
 - (a) winding-up or liquidation of Cnergenz; or
 - (b) termination of the Scheme pursuant to By-Law 6.

16. TAKEOVER AND DISPOSAL OF ASSETS

- 16.1 In the event of:
 - (a) a take-over offer being made for Cnergenz through a general offer to acquire the whole of the issued ordinary shares of Cnergenz (or such part thereof not at the time owned by the person making the general offer ("**Offeror**") or any persons acting in concert with the Offeror) and such takeover offer is announced by the Offeror as being unconditional or have become unconditional;
 - (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Cnergenz Shares under the provisions of any statutes, rules and/or regulations applicable at that point of time and gives notice to Cnergenz that it intends to exercise such right on a specific date; or
 - (c) the entry into and carrying into effect of a contract where Cnergenz disposes of all or a substantial portion of all of its assets,

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By-Laws of Cnergenz Employees' Share Option Scheme

upon determination by the ESOS Committee at its sole and absolute discretion, any Unexercised Option may immediately be exercised by a Participant at any time subject to such terms and conditions (if any) as may be prescribed by the ESOS Committee notwithstanding that:

- (i) the Vesting Date is not due or has not occurred;
- (ii) the Option Period has not commenced; and/or
- (iii) other terms and conditions set out in the Offer has not been fulfilled/satisfied.

- 16.2 All Offers and/or Options which the ESOS Committee permits to be vested, accepted or exercisable pursuant to By-Law 16.1 shall unless the ESOS Committee in its sole and absolute discretion determine otherwise, automatically terminate, lapse and shall become null and void to the extent unvested, unaccepted or unexercised by the date prescribed by the ESOS Committee, notwithstanding that the Option Period has not commenced or expired.

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

- 17.1 In the event of the court sanctioning a compromise or arrangement between Cnergenz and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of Cnergenz or its amalgamation with any other company or companies the ESOS Committee may upon determination by the ESOS Committee, permit the exercise of any Unexercised Option by the Participant at any time subject to such terms and conditions as may be prescribed, or termination of Options notwithstanding that:

- (a) the Vesting Date is not due or has not occurred;
- (b) the Option Period has not commenced; and/or
- (c) other terms and conditions set out in the Offer has not been fulfilled/satisfied.

- 17.2 All Offers and/or Options which the ESOS Committee permits to be vested, accepted or exercisable pursuant to By-Law 17.1 shall, unless the ESOS Committee in its sole and absolute discretion determine otherwise, be automatically terminated, lapse and shall become null and void to the extent unvested, unaccepted or unexercised by the date prescribed by the ESOS Committee, notwithstanding that the Option Period has not commenced or expired.

18. ALTERATION OF CAPITAL

- 18.1 In the event of any alteration in the capital structure of Cnergenz during the Scheme Period, whether by way of rights issue, bonus issue or other capitalisation issues, subdivision or consolidation of Cnergenz 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 Participants would result from such alteration in the capital structure of Cnergenz during the Scheme Period and if it so determines (i.e. that a material dilution or enlargement of the rights of the Participants would result from such alteration in the capital structure of Cnergenz), adjustments in:

- (a) the Exercise Price; and/or
- (b) the number of Unexercised Options,

shall be made in order to prevent dilution or enlargement provided that no adjustments shall be made in the event of any alteration in the capital structure of Cnergenz in respect of the Options which have been exercised and of which rights/benefits arising therefrom are accrued to the Cnergenz Shares allotted and issued and/or transferred pursuant to By-Law 19.

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

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- 18.2 If the ESOS Committee decides that no material dilution or enlargement of the rights of the Participants would result from an alteration in the capital structure of Cnergenz and no adjustments will be made, the ESOS Committee shall inform the Participants of this decision through an announcement to all the Directors and employees of the Group to be made in such manner deemed appropriate by the ESOS Committee.
- 18.3 Subject to By-Law 18.5, any adjustment in the Exercise Price and/or number of Options shall comply with the requirements of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities (including the Listing Requirements) and shall, where appropriate and to the extent possible, endeavour to give each Participant the same proportion of the Cnergenz Shares as that to which he was previously entitled.
- 18.4 The provisions of By-Laws 18.1, 18.2 and 18.3 shall not apply where a change in the capital structure of Cnergenz arises from:
- (a) the issue by Cnergenz of Cnergenz Shares or other securities convertible into Cnergenz Shares or rights to acquire or subscribe for Cnergenz Shares in consideration or part consideration for or in connection with any acquisition of any securities, assets or business by the Cnergenz Group;
 - (b) a special issue, restricted issue or private placement of Cnergenz Shares or other securities;
 - (c) any implementation of a share buy-back arrangement by Cnergenz under Section 127 of the Companies Act;
 - (d) the cancellation of all or a portion of the shares pursuant to the relevant provisions of the Companies Act;
 - (e) an issue of Cnergenz Shares arising from the exercise of any conversion rights attached to securities convertible to Cnergenz Shares or upon exercise of any other rights including warrants and convertible loan stocks (if any) issued by Cnergenz;
 - (f) an issue of any further Offers or Cnergenz Shares pursuant to the Scheme and the allotment and issuance of Cnergenz Shares for the purpose of satisfying Options;
 - (g) any issue of Cnergenz Shares arising from a dividend reinvestment scheme which allows Cnergenz's shareholders an option to elect their cash dividend entitlements into Cnergenz Shares; and
 - (h) any issue of Cnergenz Shares as share dividend as long as it is not a material capital distribution.
- 18.5 All adjustments other than a bonus issue, subdivision or consolidation of shares pursuant to this By-Law 18, shall be confirmed in writing by an approved company auditor or Adviser, who shall act as an expert and not as an arbitrator, to be in his/her opinion fair and reasonable, and such confirmation shall be final and binding on all parties. For the purposes of these By-Laws, an approved company auditor shall have the meaning given in Section 2(1) of the Companies Act.
- 18.6 Any adjustment pursuant to this By-Law 18 shall be made in accordance with the formulae as set out below:
- (a) If and whenever a consolidation or subdivision of Cnergenz Shares occurs, then the Exercise Price shall be adjusted and the revised/additional number of Options to be issued shall be calculated in accordance with the following formula:

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

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

For consolidation of shares:-

$$\text{Revised number of Options} = T \times \left[\frac{V}{U} \right]$$

For subdivision:-

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

where

S = existing Exercise Price;

T = existing number of Options that remains unexercised;

U = aggregate number of Cnergenz Shares in the share capital of Cnergenz immediately preceding such consolidation or subdivision; and

V = aggregate number of new Cnergenz Shares in the share capital of Cnergenz after such consolidation or subdivision.

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 becomes effective (being the date on which the Shares are traded on Bursa Securities), or such period as may be prescribed by Bursa Securities.

- (b) If and whenever Cnergenz shall make any issue of Cnergenz Shares to its ordinary shareholders credited as fully paid, by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature), the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left[\frac{A}{A + B} \right]$$

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

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

where

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

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

S = as S above; and

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

By-Laws of Cnergenz Employees' Share Option Scheme

T = as T above.

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

- (c) If and whenever Cnergenz shall make:
- (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 or involving any purchase by the Company of its own Shares in accordance with the Companies Act and all other applicable laws and regulations); or
 - (ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for Cnergenz 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 Cnergenz Shares or securities with rights to acquire or subscribe for Cnergenz Shares,

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

$$\text{New Exercise Price} = S \times \left[\frac{(C - D)}{C} \right]$$

and in respect of the case referred to in By-Laws 18.6(c)(ii) and (c)(iii) hereof, the additional number of Options to be issued shall be calculated as follows:

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

where

C = the Current Market Price (as defined in By-Law 18.6(h) below) of each Cnergenz 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 announcement of the Entitlement 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 Cnergenz Shares by way of rights under By-Law 18.6(c)(ii) above or for securities convertible into Cnergenz Shares or securities with rights to acquire or subscribe for Cnergenz Shares under By-Law 18.6(c)(iii) above, the value of rights attributable to one (1) Cnergenz Share (as defined below); or

(bb) in the case of any other transaction falling within By-Law 18.6(c) hereof, the fair market value, as determined by the Adviser and/or an auditor of Cnergenz, of that portion of the Capital Distribution attributable to one (1) Cnergenz Share;

S = as S above; and

T = as T above.

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

By-Laws of Cnergenz Employees' Share Option Scheme

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

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

where

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

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

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

where

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

For the purpose of By-Law 18.6(c) hereof, "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Cnergenz Shares (not falling under By-Law 18.6(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).

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

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

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

By-Laws of Cnergenz Employees' Share Option Scheme

- (d) If and whenever Cnergenz makes an allotment to its ordinary shareholders as provided in By-Law 18.6(b) above and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 18.6(c)(ii) or (c)(iii) above and the record date for the purpose of the allotment is also Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted in the following manner:

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

and where Cnergenz makes an allotment to its ordinary shareholders as provided in By-Law 18.6(b) above and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 18.6(c)(ii) above and the record date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the additional number of Options to be issued shall be calculated as follows:

Additional number of Options

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

where

- B = as B above;
- C = as C above;
- G = the aggregate number of issued Cnergenz Shares on the Entitlement Date;
- H = the aggregate number of new Cnergenz Shares under an offer or invitation to acquire or subscribe for Cnergenz Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Cnergenz Shares or rights to acquire or subscribe for Cnergenz Shares, as the case may be;
- H* = the aggregate number of new Cnergenz Shares under an offer or invitation to acquire or subscribe for Cnergenz Shares by way of rights;
- I = the subscription price of one (1) additional Cnergenz Share under the offer or invitation to acquire or subscribe for Cnergenz Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Cnergenz Share, as the case may be;
- I* = the subscription price of one (1) additional Cnergenz Share under the offer or invitation to acquire or subscribe for Cnergenz Shares;
- S = as S above; and
- T = as T above.

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

- (e) If and whenever Cnergenz makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Cnergenz Shares as provided in By-Law 18.6(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into Cnergenz Shares or rights to acquire or subscribe for Cnergenz Shares as provided in By-Law 18.6(c)(iii) above, the Exercise Price shall be adjusted in the following manner:

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

By-Laws of Cnergenz Employees' Share Option Scheme

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

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

Additional number of Options

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

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 Cnergenz Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Cnergenz Shares by its ordinary shareholders;
K	=	the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Cnergenz Share; and
S	=	as S above; and
T	=	as T above.

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

- (f) If and whenever Cnergenz makes an allotment to its ordinary shareholders as provided in By-Law 18.6(b) above and also makes an offer or invitation to its ordinary shareholders to acquire or subscribe for Cnergenz Shares as provided in By-Law 18.6(c)(ii) above, together with rights to acquire or subscribe for securities convertible into Cnergenz Shares or with rights to acquire or subscribe for Cnergenz Shares as provided in By-Law 18.6(c)(iii) above, and the record date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted in the following manner:

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

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

Additional number of Options

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

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

By-Laws of Cnergenz Employees' Share Option Scheme

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;
S	=	as S above; and
T	=	as T above.

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

- (g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders of Cnergenz and requiring an adjustment under By-Laws 18.6(c)(ii), (c)(iii), (d), (e) or (f) above), Cnergenz shall issue either any Cnergenz Shares or any securities convertible into Cnergenz Shares or any rights to acquire or subscribe for Cnergenz Shares, and in any such case, the Total Effective Consideration per Cnergenz Share (as defined below) is less than ninety percent (90%) of the Average Price for one (1) Cnergenz Share (as defined below) or, as the case may be, the price at which the Cnergenz Shares will be allotted and issued upon conversion of such securities or exercise of such rights is determined, the Exercise Price shall be adjusted in the following manner:

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

where

L	=	the number of Cnergenz 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 Cnergenz Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses);
N	=	the aggregate number of Cnergenz Shares so issued or, in the case of securities convertible into Cnergenz Shares or rights to acquire or subscribe for Cnergenz Shares, the maximum number (assuming no adjustment of such rights) of Cnergenz Shares issuable upon full conversion of such securities or the exercise in full of such rights; and
S	=	as S above.

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

By-Laws of Cnergenz Employees' Share Option Scheme

For the purpose of By-Law 18.6(g), the "Total Effective Consideration" shall 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 Cnergenz Shares, the aggregate consideration receivable by Cnergenz on payment in full for such Cnergenz Shares; or
- (ii) in the case of the issue by Cnergenz of securities wholly or partly convertible into Cnergenz Shares, the aggregate consideration receivable by Cnergenz on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by Cnergenz upon full conversion of such securities (if any); or
- (iii) in the case of the issue by Cnergenz of securities with rights to acquire or subscribe for Cnergenz Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by Cnergenz 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 Cnergenz Share" shall be the Total Effective Consideration divided by the number of Cnergenz Shares issued as aforesaid or, in the case of securities convertible into Cnergenz Shares or securities with rights to acquire or subscribe for Cnergenz Shares, by the maximum number of Cnergenz Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of By-Law 18.6(g), the Average Price of a Cnergenz Share shall be the average price of one (1) Cnergenz Share as derived from the last transacted prices for one or more board lots of Cnergenz 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 Cnergenz 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 Cnergenz determines the offering price of such Cnergenz Shares. Each such adjustment will be effective (if appropriate retroactively) from the commencement of the Market Day immediately following the date of the completion of the above transaction.

- (h) For the purpose of By-Laws 18.6(c), (d), (e) and (f), the "Current Market Price" in relation to one (1) Cnergenz Share for any relevant day shall be either the last transacted price or the volume weighted average market price for the five (5) consecutive Market Days before such date, as the case may be.

- 18.7 If an event occurs that is not set out in By-Law 18.6 or if the application of any of the formulae to an event results in a manifest error or in the opinion of ESOS Committee is not appropriate, the ESOS Committee may agree to an adjustment subject to the provision of By-Law 18.3 provided that the Participants shall be notified of the adjustment through an announcement to all the Directors and employees of the Group to be made in such manner deemed appropriate by the ESOS Committee.
- 18.8 In the event a fraction of a Cnergenz Share arises from the adjustments pursuant to this By-Law 18, the number of Cnergenz Shares shall automatically be rounded down to the nearest whole number.
- 18.9 The provisions of By-Law 18 shall also apply to a situation where the Offer Period has not lapsed and the Offer has not been accepted by the Participant or withdrawn by the ESOS Committee.

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

By-Laws of Cnergenz Employees' Share Option Scheme

19. RIGHTS ATTACHED TO SHARES

- 19.1 The Cnergenz Shares to be allotted and issued and/or transferred upon the exercise of any Options granted under the Scheme, will, upon the allotment, issue and/or transfer:
- (a) be subject to the relevant provisions of the Constitution of Cnergenz in relation to their transfer, transmission or otherwise; and
 - (b) rank *pari passu* in all respects with the then existing Cnergenz Shares, except that the Participants shall not be entitled to any dividends, rights, allotments and/or other forms of distributions:
 - (i) that may be declared, made or paid to the shareholders of Cnergenz for which the Entitlement Date precedes the date on which the Cnergenz Shares are credited into the Participants' CDS Account; and/or
 - (ii) attached to the Cnergenz Shares prior to the date on which the Cnergenz Shares are credited into the Participants' CDS Account.
- 19.2 The Options shall not carry any rights to vote at any general meeting of Cnergenz.

20. ADMINISTRATION

- 20.1 The Scheme shall be implemented and administered by the ESOS Committee consisting of such persons from the Board and/or Senior Management, appointed by the Board from time to time.
- 20.2 Subject to these By-Laws and Terms of Reference, the ESOS Committee shall administer the Scheme in such manner as it shall in its sole and absolute discretion deem fit and with such powers and duties as are conferred upon it by the Board.
- 20.3 For the purpose of administering the Scheme, the ESOS Committee may do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Scheme, as the ESOS Committee may in its sole and absolute discretion deem fit, necessary and/or expedient for the implementation and administration of, and to give full effect to, the Scheme.
- 20.4 The Board shall have 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;
 - (b) make, issue and/or amend the Terms of Reference at any time and from time to time; and
 - (c) assume and/or exercise or execute any of the powers and authorities conferred upon the ESOS Committee pursuant to these By-Laws.
- 20.5 Cnergenz may make any arrangements they deem fit to acquire and hold Cnergenz Shares for the purpose of the Scheme, including appointing a trustee or trust company upon such terms and conditions as Cnergenz may deem fit to enable the trustee to subscribe for new Cnergenz Shares, or acquire treasury shares or other existing Cnergenz Shares, for the purpose of the Scheme.

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

By-Laws of Cnergenz Employees' Share Option Scheme

- 20.6 Cnergenz and any of its subsidiary or any third party may provide financial or other permissible assistance under the Companies Act and the Listing Requirements to enable the appointed trustee or trust company to subscribe for new Cnergenz Shares, or acquire treasury shares or other existing Cnergenz Shares, to be held for the purposes of the Scheme.

21. QUOTATION

- 21.1 The new Cnergenz Shares to be allotted will not be listed or quoted on Bursa Securities until an application is made to Bursa Securities for such listing of and quotation for the new Cnergenz Shares.

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

- 22.1 Subject to By-Law 22.2 and compliance with the Listing Requirements and the approvals of any other regulatory authorities (if required), the ESOS Committee may at any time and from time to time recommend to the Board any additions, amendments and/or modifications to and/or deletions of these By-Laws as it shall in its 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 By-Laws upon such recommendation.
- 22.2 The approval of the shareholders of Cnergenz in a general meeting shall not be required in respect of additions, amendment and/or modification to or deletion of these By-Laws save and except if such addition, amendment, modifications and/or deletion would:
- (a) increase the number of Cnergenz Shares available for issuance under the Scheme beyond the Maximum Scheme Shares; or
 - (b) provide an advantage to any Eligible Person or group of Eligible Persons or all the Eligible Persons in respect of any matters which are required to be contained in the By-Laws by virtue of Appendix 6E of the Listing Requirements.
- 22.3 Where any addition, amendment, modifications and/or deletion is made to these By-Laws, Cnergenz shall within five (5) Market Days from the effective date of the said amendment and/or modification, cause to be submitted to Bursa Securities the amended and/or modified By-Laws and a confirmation letter that such amendment and/or modification complies and does not contravene any of the provisions of the Listing Requirements.

23. NON-TRANSFERABILITY

- 23.1 The rights of a Participant under an exercise of Options shall be personal to him/her and cannot be assigned, transferred, disposed of, or otherwise subjected to encumbrances in any manner whatsoever unless By-Law 15.3 applies. Any such attempt to assign, transfer, dispose or encumber any Options shall result in the automatic cancellation of such Options.

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

By-Laws of Cnergenz Employees' Share Option Scheme

24. DISPUTES

- 24.1 In the event of any dispute between the ESOS Committee with an Eligible Person or any Participant or group of Participants, as to any matter or thing of any nature arising hereunder, such dispute or difference shall be referred to the ESOS Committee and the ESOS Committee shall then determine such dispute or difference by a written decision given to the Eligible Person and/or Participant(s), as the case may be **PROVIDED THAT** where the dispute is raised by a member of the ESOS Committee, the said member shall abstain from voting in respect of the decision of the ESOS Committee in that instance. In the event the Eligible Person or Participant, as the case may be, shall dispute the decision of the ESOS Committee within fourteen (14) days of receipt of the written decision, then such dispute or difference shall be referred to the Board whose decision shall be final and binding on all parties in all respect, provided that any Director who is also in the ESOS Committee shall abstain from voting.
- 24.2 Notwithstanding the foregoing provisions of By-Law 24.1 above, matters concerning adjustments made pursuant to By-Law 18 shall be referred to external auditors of Cnergenz or Adviser, who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.

25. SCHEME NOT A TERM OF EMPLOYMENT/ CONTRACT OF SERVICE

- 25.1 This Scheme does not form part of nor shall it in any way be construed as forming part of the terms and conditions of employment or contract of service of any Eligible Person. This Scheme shall not confer or be construed to confer on any Eligible Person any special rights or privileges over the Eligible Persons' terms and conditions of employment or contract of service in the Cnergenz Group nor any rights in addition to compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment or contract of service.

26. COMPENSATION

- 26.1 No Eligible Persons or Participants who cease to hold office in or employment or under a contract of service with the Cnergenz Group shall be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme.
- 26.2 Cnergenz, the Board and the ESOS Committee shall not be liable for any compensation, loss or damages of any claim, action or proceeding by any Eligible Person or Participant or legal or personal representatives or such other person nominated by the Participant, whatsoever and howsoever arising from the suspension or termination of rights to exercise his/her Options, ceasing to be valid pursuant to the provisions of these By-Laws.

27. DIVESTMENT FROM THE GROUP

- 27.1 If a Participant who held office or was in the employment or under a contract of service with a corporation of the Cnergenz Group which has ceased to be a Subsidiary as a result of a restructuring or divestment exercise or otherwise (other than a takeover or reconstruction as provided under these By-Laws), the ESOS Committee may in its sole and absolute discretion permit the exercise of any Unexercised Options by the Participant at any time subject to such terms and conditions as may be prescribed, or termination of Options notwithstanding that:
- (a) the Option Period has not commenced; and/or
 - (b) other terms and conditions set out in the Offer has not been fulfilled/satisfied.
- 27.2 All Options which may be allowed by the ESOS Committee to be exercisable under By-Law 27.1(b), to the extent unexercised by the date prescribed by the ESOS Committee, shall automatically lapse and shall become null and void.

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

By-Laws of Cnergenz Employees' Share Option Scheme

28. TRANSFER TO OTHER COMPANIES NOT WITHIN THE GROUP

- 28.1 Notwithstanding By-Law 15.1, in the event a Participant who was employed in a corporation within the Group and is subsequently transferred from such corporation to a corporation not within the Group ("**Affected Participant**"), the Affected Participant shall continue to be entitled to exercise any Unexercised Options, upon the same terms and conditions as may be set out in the Offer.
- 28.2 In the event a person who was in the employment or under a contract service of a company which subsequently becomes a Subsidiary as a result of a restructuring or acquisition or otherwise involving Cnergenz and/or any company within the Group, such person will, if he/she satisfies all the relevant conditions of these By-Laws, be eligible to be considered for an Offer for the remaining Scheme Period at the sole and absolute discretion of the ESOS Committee.

29. COSTS, EXPENSES AND TAXES

- 29.1 Cnergenz shall bear all fees, costs and expenses (including but not limited to administrative and handling charges) incurred in relation to the Scheme including but not limited to the costs and expenses relating to the issue and allotment and/or transfer of Cnergenz Shares pursuant to the exercise of the Options.
- 29.2 For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes, including, without limitation, income taxes that are incurred by a Participant pursuant to By-Law 29.1 or relating to the exercise of any Options and any holding or dealing of such Cnergenz Shares (such as, but not limited to brokerage commissions and stamp duty) shall be borne by that Participant and Cnergenz shall not be liable for any of such costs, fees, levies, charges and/or taxes.

30. CONSTITUTION

- 30.1 Notwithstanding the terms and conditions contained in this Scheme, if a situation of conflict should arise between any provision of these By-Laws and the Constitution of Cnergenz and/or the Listing Requirements, the provisions of the Constitution of Cnergenz and/or the Listing Requirements shall prevail to the extent of such conflict.

31. ERRORS AND OMISSIONS

- 31.1 If, in consequence of an error or omission, the ESOS Committee discovers or determines that:
- (a) an Eligible Person who was selected by the ESOS Committee as a Participant, has not been given the opportunity to participate in the Scheme on any occasion;
 - (b) the number of Cnergenz Shares comprised in the Options on any occasion is found to be incorrect; or
 - (c) the number of Cnergenz Shares allotted and issued and/or transferred to any Participant (including those allotted and issued and/or transferred pursuant to the vesting of the Cnergenz Shares pursuant to the exercise of Options) on any occasion is found to be incorrect;

and such error or omission cannot be corrected within the relevant period specified in the Scheme, the ESOS Committee may do all such acts and things to rectify such error or omission and ensure that the Participant is given the opportunity to participate in the Scheme and/or the aggregate number of Cnergenz Shares to which the Participant is correctly entitled to is credited into his/her CDS Account.

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

By-Laws of Cnerganz Employees' Share Option Scheme

32. NOTICES

- 32.1 Any notice or request under the Scheme required to be given to or served upon the ESOS Committee by an Eligible Person or Participant or any correspondence to be made between an Eligible Person or Participant to the ESOS Committee shall be given or made in writing and sent to the registered office of Cnerganz or such other office which the ESOS Committee may have stipulated for a particular purpose of delivery by hand (with acknowledgement of receipt) or registered letter.
- 32.2 Unless otherwise provided in these By-Laws, any notice which under the Scheme is required to be given to or served upon an Eligible Person or Participant or correspondence to be made with an Eligible Person or Participant shall be deemed to be sufficiently given, served or made:
- (a) if it is sent by ordinary post to the Eligible Person or the Participant at the last address known to Cnerganz as being his/her address, such notice shall be deemed to have been received two (2) Market Days after posting; or
 - (b) if it is given by hand to the Eligible Person or the Participant, such notice or request shall be deemed to have been received on the date of delivery; or
 - (c) if it is transmitted by facsimile, such notice or request shall be deemed to have been received, upon the printing of the transmission log print-out indicating the date, time and transmission of all the pages; or
 - (d) if it is sent by electronic media, including but not limited to electronic mail, or via a general or specific notice placed on any human resource electronic management system to the Eligible Person or the Participant, such notice or request shall be deemed to have been received upon the said notice or request being sent by Cnerganz.
- 32.3 Notwithstanding By-Law 32.2, where any notice is required to be given by Cnerganz or the ESOS Committee under these By-Laws in relation to matters which may affect all the Eligible Persons or Participants pursuant to the Scheme, as the case may be, Cnerganz or ESOS Committee may give notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the ESOS Committee (including via electronic media). Upon the making of such an announcement, the notice to be made under By-Law 32.2 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or Participants, as the case may be.

33. SEVERABILITY

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

34. DELAY OF PERFORMANCE

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

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

By-Laws of Cnergenz Employees' Share Option Scheme

35. DISCLAIMER OF LIABILITY

35.1 Notwithstanding any provisions contained herein and subject to the Companies Act, the ESOS Committee, the Board and Cnergenz shall not under any circumstances be liable for any cost, loss, expense, damage, liability whatsoever incurred, arising and/or suffered by any Participant by reason of the following, including but not limited to:

- (a) Cnergenz and/or ESOS Committee's delay in allotting and issuing new Cnergenz Shares and/or transferring the existing Cnergenz Shares (held as treasury shares, if any) and/or applying for or procuring the listing of the new Cnergenz Shares on Bursa Securities in accordance with these By-Laws for any reason whatsoever; and/or
- (b) any other matter or dealing outside the control of Cnergenz.

35.2 The Participant shall at all times indemnify and keep Cnergenz indemnified against all losses, damages, claims, proceedings, demands, actions, penalties and expenses whatsoever that may be made or brought against and/or suffered by Cnergenz at any time as a result of and/or in connection with or arising from any failure on the part of the Participant to perform and/or observe the terms and conditions and stipulations of the By-Laws as from and including the Effective Date or for any act or default under or for any breach of any provision of the By-Laws by the Participant or that may be incurred suffered or sustained by Cnergenz as a result thereof and the Participant shall promptly upon a demand being made by Cnergenz pay to Cnergenz all amounts so paid incurred suffered or sustained by Cnergenz.

36. DECISION OF THE ESOS COMMITTEE

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

37. GOVERNING LAW

37.1 The Scheme shall be governed by and construed in accordance with the laws of Malaysia. The Participant, by accepting the Offer irrevocably submits to the exclusive jurisdiction of the courts in Malaysia.

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

37.3 In order to facilitate the making of any Offer under the Scheme, the Board may provide for such special terms to the Eligible Person(s) who are employed by any corporation in the Cnergenz Group in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, as the Board may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction. The Board may further approve such supplements to or amendments, restatements or alternative versions of the Scheme as it may consider necessary or appropriate for such purposes without affecting the terms of the Scheme as in effect for any other purpose, and the appropriate officer of Cnergenz may certify any such document as having been approved and adopted in the same manner as the Scheme. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of the Scheme, as then in effect, unless the Scheme has been amended to eliminate such inconsistency. Notwithstanding the above, any Offer made to such Eligible Person(s) pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the ESOS Committee in the Offer.

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

By-Laws of Cnergenz Employees' Share Option Scheme

- 37.4 No action has been or will be taken by Cnergenz to make an Offer valid in any country or jurisdiction other than Malaysia or to ensure compliance of the Offer with all applicable laws and regulations in any other country or jurisdiction other than Malaysia. No action has or will be taken by Cnergenz to ensure compliance by the Eligible Person to whom an Offer is made, with all applicable laws and regulations in such other country or jurisdiction in which the Eligible Person accepts the Offer.
- 37.5 Any Eligible Person to whom an Offer is made is required to ensure that they comply with all applicable laws and regulations in each country or jurisdiction in or from which they accept the Offer. By their acceptance of the Offer, each Participant has represented, warranted and agreed that they have and will continue to observe all applicable laws and regulations in the jurisdiction in which they accept the Offer.

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board, and our Directors collectively and individually accept full responsibility for the accuracy of the information contained herein 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 herein false or misleading.

2. CONSENTS AND DECLARATION OF CONFLICT OF INTERESTS

UOBKH, being the Adviser for the Proposed ESOS, 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.

UOBKH has given its written confirmation that there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the Adviser to Cnenergiz for the Proposed ESOS.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware and does not have any knowledge of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of our Group.

4. MATERIAL COMMITMENTS

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

5. CONTINGENT LIABILITIES

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

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to the time stipulated for the holding of the forthcoming EGM:-

- (a) the Constitution;
- (b) audited consolidated financial statements of Cnenergiz Group for the past 2 FYEs 31 December 2021 and 2022;
- (c) draft By-Laws as set out in **Appendix I** of this Circular; and
- (d) the letter of consent and declaration of conflict of interests referred to in **Section 2 of Appendix II** of this Circular.

CNERGENZ

CNERGENZ BERHAD

(Registration No. 202101026123 (1426423-D))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of **CNERGENZ BERHAD** (“**Cnergenz**” or the “**Company**”) will be held at Macalister Ballroom, Level 5, Victory Annexe, Eastern & Oriental Hotel, 10, Lebuhr Farquhar, 10200 George Town, Penang on Wednesday, 24 May 2023 at 11.00 a.m., or immediately following the conclusion or adjournment of the Second Annual General Meeting of the Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is later, for the purposes of considering and, if thought fit, passing the following resolutions, with or without any modifications:-

ORDINARY RESOLUTION 1

PROPOSED ESTABLISHMENT OF AN EMPLOYEES’ SHARE OPTION SCHEME (“ESOS”) OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF CNERGENZ (“CNERGENZ SHARE(S)” OR “SHARE(S)”) (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT IN TIME (“PROPOSED ESOS”)

“THAT, subject to and conditional upon the approvals of all relevant authorities, the Board of Directors of the Company (“**Board**”) be and is hereby authorised to establish, implement and administer an ESOS for the benefit of eligible Directors and employees of Cnergenz and its subsidiaries (excluding subsidiaries which are dormant, if any), who meet the criteria of eligibility for participation in the Proposed ESOS (“**Eligible Person(s)**”) under which options will be granted to the Eligible Persons to subscribe for Cnergenz Shares in accordance with the draft by-laws of the Proposed ESOS (“**By-Laws**”) as set out in **Appendix I** of the circular to shareholders dated 5 May 2023, and to adopt and approve the By-Laws and do all such acts, execute all such documents and to enter into all such transactions, arrangements, agreements, deeds and undertakings and to make such rules or regulations or impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed ESOS and terms of the By-Laws;

THAT, the Board be and is hereby authorised to issue, allot and/or transfer from time to time such number of Cnergenz Shares as may be required pursuant to the exercise of the options under the Proposed ESOS (“**ESOS Option(s)**”) provided that the aggregate number of Cnergenz Shares to be issued, allotted and/or transferred shall not exceed 10% of the total number of issued Cnergenz Shares (excluding treasury shares, if any) at any point in time throughout the duration of the Proposed ESOS and that such Cnergenz Shares to be allotted and issued and/or transferred arising from the exercise of the ESOS Options shall be subject to the constitution of the Company (“**Constitution**”) and such amendments thereafter, if any, and rank equally in all respects with the existing issued Cnergenz Shares. Further, the Participants (as defined herein) shall not be entitled to any dividends, rights, allotment and/or other forms of distribution:-

- (i) that may be declared, made or paid to the shareholders of the Company for which the entitlement date precedes the date on which the Cnergenz Shares are credited into the Central Depository System Account (“**CDS Account**”) of the Eligible Persons who have accepted the offer made by the ESOS Committee in writing (“**Participants**”); and/or
- (ii) attached to the Cnergenz Shares prior to the date on which the Cnergenz Shares are credited into the Participants’ CDS Account;

THAT, the Board be and is hereby authorised to make such applications as may be necessary at the appropriate time or times to Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing of and quotation for the new Cnergenz Shares which may hereafter from time to time be allotted and issued pursuant to the exercise of the ESOS Options to be granted under the Proposed ESOS;

THAT, subject to the By-Laws and compliance with the Listing Requirements of Bursa Securities which are applicable to the Company at any time and the approvals of any other authorities (if required), the Board be and is hereby authorised to amend and/or modify the By-Laws from time to time as may be required/permitted by the authorities or deemed to be necessary by the Board provided that such amendments and/or modifications are effected in accordance with the provisions in the By-Laws relating to amendments and/or modifications, without having to obtain any further approvals (including approval of the shareholders of the Company in a general meeting);

THAT, the Board be and is hereby authorised to extend the duration of the Proposed ESOS, without having to obtain any further approvals (including approval of the shareholders of the Company in a general meeting), provided always that such extension made pursuant to the By-Laws shall not in aggregate exceed a duration of 10 years from the effective date of implementation of the Proposed ESOS, or such longer period as may be allowed by the relevant authorities;

THAT, the Board be and is hereby authorised to take all such acts and steps and to enter into such transactions, agreements, arrangements, undertakings, indemnities, transfers, assignments, deeds and/or guarantees with any party or parties, to deliver and/or cause to be delivered all such documents and to make such rules or regulations, or impose such terms and conditions or delegate part of its powers as may be necessary or expedient to implement, finalise and to give full effect to the Proposed ESOS;

AND THAT, pursuant to Section 85(1) of the Companies Act 2016 (“**Act**”) (which is to be read together with Clause 13.2 of the Constitution), approval be and is hereby given to waive the pre-emptive rights of the shareholders of the Company in respect of the new Cnergiz Shares to be issued arising from the exercise of the ESOS Options allocated to the Participants pursuant to the Proposed ESOS (so far as otherwise applicable), and the approval under Ordinary Resolution 1 amounts to a “direction to the contrary given in the meeting of members” for the purposes of Clause 13.2 of the Constitution.”

ORDINARY RESOLUTIONS 2 TO 8

PROPOSED ALLOCATION OF ESOS OPTIONS TO THE DIRECTORS OF CNERGENZ PURSUANT TO THE PROPOSED ESOS

“THAT, subject to the passing of Ordinary Resolution 1 as well as the approvals of all relevant authorities, and for so long as this approval remains in force, approval be and is hereby given to the Board to authorise the ESOS Committee, to offer and grant ESOS Options at any time and from time to time throughout the duration of the Proposed ESOS as provided in the By-Laws, to each of the Directors of Cnergiz as named therein below:-

(i) Dato' Azman Bin Mahmud (Independent Non-Executive Chairman)	Ordinary Resolution 2
(ii) Lye Yhin Choy (Chief Executive Officer/Executive Director)	Ordinary Resolution 3
(iii) Kong Chia Liang (Chief Operating Officer/Executive Director)	Ordinary Resolution 4
(iv) Lye Thim Loong (Chief Corporate Officer/Executive Director)	Ordinary Resolution 5
(v) Ooi Ley Ching (Independent Non-Executive Director)	Ordinary Resolution 6
(vi) Alwizah Al-Yafii Binti Ahmad Kamal (Independent Non-Executive Director)	Ordinary Resolution 7
(vii) Yeap Soo Ching (Independent Non-Executive Director)	Ordinary Resolution 8

provided always that:-

- (a) the abovementioned persons must not participate in the deliberation or discussion of their own allocation of ESOS Options and the allocation of ESOS Options to any persons connected to them;
- (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 throughout the duration of the Proposed ESOS as provided in the By-Laws; and
- (c) not more than 70% of the ESOS Options available under the Proposed ESOS shall be allocated, in aggregate, to the Directors and senior management of the Company who are Eligible Persons;

THAT the proposed allocation of ESOS 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 By-Laws governing and constituting the Proposed ESOS;

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

BY ORDER OF THE BOARD
CNERGENZ BERHAD

ONG TZE-EN (MAICSA 7026537) (SSM PC No. 202008003397)
Company Secretary
Penang
5 May 2023

Notes:-

1. A proxy may but need not be a member of the Company (“**Member**”).
2. The instrument appointing a proxy must be deposited/submitted via the following ways not less than twenty-four (24) hours before the time set for holding the EGM or at any adjournment thereof:-
 - (a) By hardcopy form

The Form of Proxy must be deposited at the registered office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia.
 - (b) By electronic form

The Form of Proxy can be electronically submitted through facsimile at +604 226 5860 or emailed to ir@cnergenz.com.
3. A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint not more than two (2) proxies to attend, participate, 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.
4. Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**omnibus account**”) as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. If the appointor is a corporation, the Form of Proxy must be executed under the corporation’s Common Seal or under the hand of an officer or attorney duly authorised.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 17 May 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote in his/her behalf.

Personal Data Privacy:-

By submitting the duly executed Form of Proxy or instrument appointing a proxy(ies) to attend, speak and/or vote at the EGM, the Member and his/her proxy(ies) give consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the EGM and any adjournment thereof.

Explanatory Note to Ordinary Resolution 1:-

Section 85(1) of the Act provides that:-

“Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.”

Clause 13.2 of the Constitution provides that:-

“Section 85 of the Act shall not apply to the Company. Subject to any direction to the contrary that may be given by the Company in a meeting of Members, all new shares or other convertible securities of whatever kind, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of meetings of Members in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered and limiting a time within which the offer, if not accepted shall be deemed to be declined and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Board may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Board may also dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Board, be conveniently offered under this Article.”

CNERGENZ

CNERGENZ BERHAD

(Registration No. 202101026123 (1426423-D))
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.**No of Shares held**

I/We

(Full Name in Block Letters and NRIC No./Passport No./Registration No.)

of

and

(Address)

(Tel.No./Email Address)

being a member/members of Cnergenez Berhad ("Cnergenez" or the "Company"), hereby appoint

Full Name and Address (in Block Letters)	NRIC No./Passport No.	No. of Shares	% of Shareholding

* and/or (*delete if not applicable)

Full Name and Address (in Block Letters)	NRIC No./Passport No.	No. of Shares	% of Shareholding

or failing *him/her, THE CHAIRMAN OF THE MEETING as *my/our *proxy/proxies to vote for *me/us and on *my/our behalf at the Extraordinary General Meeting of the Company ("EGM") to be held at Macalister Ballroom, Level 5, Victory Annexe, Eastern & Oriental Hotel, 10, Lebuhr Farquhar, 10200 George Town, Penang on Wednesday, 24 May 2023 at 11.00 a.m., or immediately following the conclusion or adjournment of the Second Annual General Meeting of the Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is later.

Please indicate with an "x" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

Ordinary Resolutions		For	Against
1.	Proposed ESOS		
2.	Proposed allocation of ESOS Options to Dato' Azman Bin Mahmud		
3.	Proposed allocation of ESOS Options to Lye Yhin Choy		
4.	Proposed allocation of ESOS Options to Kong Chia Liang		
5.	Proposed allocation of ESOS Options to Lye Thim Loong		
6.	Proposed allocation of ESOS Options to Ooi Ley Ching		
7.	Proposed allocation of ESOS Options to Alwizah Al-Yafii Binti Ahmad Kamal		
8.	Proposed allocation of ESOS Options to Yeat Soo Ching		

Signed this _____ day of _____, 2023.

Signature of Member/Common Seal

* Strike out whichever is not desired.

[Unless otherwise instructed, the proxy may vote as he/she thinks fit]

Notes:-

1. A proxy may but need not be a member of the Company ("**Member**").
2. The instrument appointing a proxy must be deposited/submitted via the following ways not less than twenty-four (24) hours before the time set for holding the EGM or at any adjournment thereof:-
 - (a) By hardcopy form

The Form of Proxy must be deposited at the registered office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia.
 - (b) By electronic form

The Form of Proxy can be electronically submitted through facsimile at +604 226 5860 or emailed to ir@cnergenz.com.
3. A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint not more than two (2) proxies to attend, participate, 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.

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Affix
stamp

The Company Secretary
CNERGENZ BERHAD
Registration No. 202101026123 (1426423-D)
170-09-01, Livingston Tower
Jalan Argyll, 10050 George Town
Pulau Pinang, Malaysia

Then fold here

4. Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. If the appointor is a corporation, the Form of Proxy must be executed under the corporation's Common Seal or under the hand of an officer or attorney duly authorised.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 17 May 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote in his/her behalf.

Personal Data Privacy:-

By submitting the duly executed Form of Proxy or instrument appointing a proxy(ies) to attend, speak and/or vote at the EGM, the Member and his/her proxy(ies) give consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the EGM and any adjournment thereof.

Fold this flag for sealing
