

14. ESOS BY-LAWS (Cont'd)

Upon the termination of Options pursuant to By-Law 14.1(a), (b) or (c) above, the Grantee shall have no right to compensation or damages or any claim against the Company from any loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his ceasing to hold office or employment or from the suspension of his right to exercise his Options or his Options ceasing to be valid.

14.2 Notwithstanding By-Law 14.1 above, the Option Committee may at its discretion allow an Option to remain exercisable during the Option Period on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:-

- (a) Retirement on attaining the normal retirement age of fifty-five (55) years; or
- (b) Retirement before attaining the normal retirement age and with the consent of the employer company within the Group; or
- (c) Ill-health, injury, physical or mental disability; or
- (d) Redundancy; or
- (e) Transfer to any company outside the Group at the direction of the Company; or
- (f) Any other circumstance acceptable to the Option Committee.

14.3 In the event that a Grantee dies before the expiry of the Option Period and, at the date of death, holds any Options which are unexercised, such Options may be exercised by the personal or legal representative of the deceased Grantee within the Option Period subject to the approval of the Option Committee.

The exercise of Options in the proportions set out in By-Law 10.1 hereof shall not apply to an exercise of the Options of a deceased Grantee by his personal or legal representative. The proportion exercisable by the said personal or legal representative shall be determined by the Option Committee at its absolute discretion.

15. ALTERATION OF CAPITAL

15.1 Subject to By-Law 15.6 hereof, in the event of any alteration in the capital structure of the Company during the Option Period, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Scicom Shares or reduction of capital or otherwise howsoever, the Company shall cause such adjustment to be made to:-

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

for purposes of ensuring that the capital outlay to be incurred by a Grantee in subscribing for the same proportion of the issued capital of the Company as that to which he was entitled prior to the event giving rise to such adjustment (i.e. not taking into account Options already exercised) shall remain unaffected.

15.2 The following provisions shall apply in relation to an adjustment which is made pursuant to By-Law 15.1:-

- (a) Any adjustment to the Subscription Price shall be rounded up to the nearest one (1) sen and in no event shall the Subscription Price be reduced to an amount which is below the par value of the Scicom Shares; and

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- (b) In determining a Grantee's entitlement to subscribe for Scicom Shares, any fractional entitlements will be disregarded.

15.3 Subject to By-Law 15.2, the Subscription Price and the number of new Shares relating to the Options so far unexercised shall from time to time be adjusted in accordance with the following relevant provisions in consultation with the Auditor:-

- (a) If and whenever a Scicom Share by reason of any consolidation or subdivision or conversion shall have a different par value, the Subscription Price shall be adjusted by multiplying it by the revised par value and dividing the result by the former par value and the additional number of new Scicom Shares relating to the Options to be issued shall be calculated in accordance with the following formula:-

$$\text{Number of additional Shares} = T \times \left(\frac{\text{Former Par Value}}{\text{Revised Par Value}} \right) - T$$

Where T = existing number of Shares relating to an Option.

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

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

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

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

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

Where:

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

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

T = T as in By-Law 15.3(a) above.

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

14. ESOS BY-LAWS (Cont'd)

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

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

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

and in respect of the case referred to in By-Law 15.3(c)(2) hereof, the number of additional new Shares comprised in the Option to be issued shall be calculated as follows:-

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

Where:

- T = T as in By-Law 15.3(a) above;
- C = the prevailing market price of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and
- D = (aa) in the case of an offer or invitation to acquire or subscribe for new Shares under By-Law 15.3(c)(2) above or for securities convertible into or with rights to acquire or subscribe for new Shares under By-Law 15.3(c)(3) above, the value of rights attributable to one (1) existing Share (as defined below); or
- (bb) in the case of any other transaction falling within By-Law 15.3(c) hereof, the fair market value as determined (with the concurrence of the Auditor) by the adviser of the Company (a merchant bank or universal broker) of that portion of the Capital Distribution attributable to one (1) existing Share.

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

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

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Where:

C = C as in By-Law 15.3(c) above;

E = the subscription price for one (1) additional Share under the terms of offer or invitation or one (1) additional security convertible into Shares or one (1) additional security with rights to acquire or subscribe for Shares;

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

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

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

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

Where:

C = C as in By-Law 15.3(c) above;

E* = the subscription price for one (1) additional Share under the terms of offer or invitation; and

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

For the purpose of By-Law 15.3(c) hereof, ("Capital Distribution") shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of new Shares (not falling under By-Law 15.3(b) hereof) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves of the Company (whether of a capital or income nature and including any share premium account and capital redemption reserve fund).

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

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

- (d) If and whenever the Company makes any allotment to its shareholders as provided in By-Law 15.3(b) above and also makes any offer or invitation to its shareholders as provided in By-Law 15.3(c)(2) or (3) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Subscription Price shall be adjusted by multiplying it by the following fraction:-

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

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and where the Company makes any allotment to its shareholders as provided in By-Law 15.3(b) above and also makes any offer or invitation to its shareholders as provided in By-Law 15.3(c)(2) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of additional new Shares relating to the Option to be issued shall be calculated as follows:-

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

Where:

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

C = C as in By-Law 15.3(c) above;

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

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

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

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

B = B as in By-Law 15.3(b) above; and

T = T as in By-Law 15.3(a) above.

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

- (e) If and whenever the Company makes any offer or invitation to its shareholders to acquire or subscribe for Shares as provided in By-Law 15.3(c)(2) above together with an offer or invitation to acquire or subscribe for securities convertible into or rights to acquire or subscribe for shareholders as provided in By-Law 15.3(c)(3) above, the Subscription Price shall be adjusted by multiplying it by the following fraction:-

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

and the number of additional new Shares relating to the Option to be issued shall be calculated as follows:-

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

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Where:

G = G as in By-Law 15.3(d) above;

C = C as in By-Law 15.3(c) above;

H = H as in By-Law 15.3(d) above;

H* = H* as in By-Law 15.3(d) above;

I = I as in By-Law 15.3(d) above;

I* = I* as in By-Law 15.3(d) above;

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

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

T = T as in By-Law 15.3(a) above.

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

- (f) If and whenever the Company makes an allotment to its shareholders as provided in By-Law 15.3(b) above and also makes an offer or invitation to acquire or subscribe for Shares to its shareholders as provided in By-Law 15.3(c)(2) above, together with rights to acquire or subscribe for securities convertible into or with rights to acquire or subscribe for Shares as provided in By-Law 15.3(c)(3) above, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Subscription Price shall be adjusted by multiplying it by the following fraction:-

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

and the number of additional new Shares relating to the Option to be issued shall be calculated as follows:-

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

Where:

G = G as in By-Law 15.3(d) above;

C = C as in By-Law 15.3(c) above;

H = H as in By-Law 15.3(d) above;

H* = H* as in By-Law 15.3(d) above;

I = I as in By-Law 15.3(d) above;

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I* = I* as in By-Law 15.3(d) above

J = J as in By-Law 15.3(e) above;

T = T as in By-Law 15.3(a) above;

K = K as in By-Law 15.3(e) above;

B = B as in By-Law 15.3(b) above;

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

- (g) If and whenever (otherwise than pursuant to a rights issue available to all shareholders and requiring an adjustment under By-Laws 15.3(c)(2), (c)(3), (d), (e) or (f) above), the Company shall issue either any Share or any security convertible into Shares or any rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than ninety percent (90%) of the Average Price for one (1) Share (as defined below) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Subscription Price shall be adjusted by multiplying it by the following fraction:

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

Where:

L = the number of Shares in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;

M = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses); and

N = the aggregate number of Shares so issued or, in the case of securities convertible into Shares or rights to acquire or subscribe for Shares, the maximum number (assuming no adjustment of such rights) of Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purpose of By-Laws 15.3(g), ("Total Effective Consideration") shall be determined by the Board with the concurrence of the Auditor and shall be:-

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

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- (iii) In the case of the issue by the Company of securities with rights to acquire or subscribe for Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

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

For the purpose of By-Law 15.3(g), ("Average Price") of a Share shall be the average market price of one (1) Share as derived from the last traded prices for one or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

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

- (h) For the purpose of By-Law 15.3(c),(d),(e) and (f), the "Current Market Price" in relation to one (1) Share for any relevant day shall be the average of the last traded prices for the five (5) consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

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

- (a) no adjustment to the Subscription Price shall be made which would result in the new Shares to be issued on the exercise of the Option being issued at a discount to par value, and if such an adjustment would but for this provision have so resulted, the Subscription Price payable shall be the par value of the new Shares;
- (b) upon any adjustment being made pursuant to this By-Law, the Option Committee shall, within thirty (30) days of the effective date of the alteration in the capital structure of the Company, notify the Grantee (or his legal or personal representatives where applicable) in writing informing him of the adjusted Subscription Price thereafter in effect and/or the revised number of new Shares thereafter to be issued on the exercise of each Option; and
- (c) any adjustments made must be in compliance with the provisions for adjustment as provided in these By-Laws .

Notwithstanding the foregoing, any adjustments to the Subscription Price and /or the number of new Shares comprised in each Option so far as unexercised arising from bonus issues, need not be confirmed in writing by the Auditors of the Company.

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- 15.4 The adjustment pursuant to this By-Law shall be made on the day immediately following the books closure date for the event giving rise to the adjustment.
- 15.5 Save as expressly provided for herein, the Auditors must confirm in writing that the adjustments are in their opinion fair and reasonable. The opinion of the Auditors shall be final, binding and conclusive.
- 15.6 The provisions of this By-Laws 15 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:-
- (a) An issue of Scicom Shares pursuant to the exercise of Options under the Scheme; or
 - (b) An issue of securities as consideration for an acquisition; or
 - (c) An issue of securities as a private placement; or
 - (d) An issue of securities as a special issue approved by the relevant governmental authorities; or
 - (e) A restricted issue of securities; or
 - (f) An issue of further Options to Eligible Employees under these By-Laws; or
 - (g) A purchase by the Company of its own Scicom Shares pursuant to Section 67A of the Act. In this event, the following provisions shall apply:-
 - (i) If the number of Scicom Shares in respect of Options granted by the Company as at the date of designation of the Scicom Shares so purchased as treasury Scicom Shares or cancellation of such Scicom Shares is greater than 10% of the issued capital of the Company after such designation or cancellation, the Option Committee shall not make any further Offers up-till such time, if any (occurring during the remainder of the Option Period), as the provisions of By-Law 4.2 above are once again satisfied.; and
 - (ii) If the number of Scicom Shares in respect of Options granted by the Company as at the date of designation of the Scicom Shares so purchased as treasury Scicom Shares or cancellation of such Scicom Shares is less than 10% of the issued capital of the Company after such designation or cancellation, the Option Committee may make further Offers only until the total number of Scicom Shares in respect of Options granted by the Company is equivalent to 10% of the issued capital of the Company after such designation or cancellation.
- 15.7 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part VII of the Act, By-Law 15.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 15.1 is applicable, but By-Law 15.1 shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 15.1 is not applicable as described in By-Law 15.6.
- 15.8 An adjustment pursuant to By-Law 15.1 shall be made according to the following terms:-
- (a) In the case of a rights issue, bonus issue or other capitalisation issue, on the Market Day immediately following the Entitlement Date in respect of such issue; or
 - (b) In the case of a consolidation or subdivision of Scicom Shares or reduction of capital, on the Market Day immediately following the date of allotment of new shares of the Company in respect of such consolidation, subdivision or reduction.

14. ESOS BY-LAWS (Cont'd)

16. TAKE-OVERS AND MERGERS

- 16.1 In the event of an offer being made for Scicom Shares under the Securities Commission Act, 1993 and the Malaysian Code on Take-Overs and Mergers, 1998 and such offer being declared unconditional, the following provisions shall apply:-
- (a) A Grantee shall be entitled to exercise all or any of the Options held by him as at the date of such offer being declared unconditional, within a period of six (6) months after such date and in accordance with the provisions of By-Laws 10.4, 10.5 and 10.6. In the event that the Grantee elects not to so exercise some or all of the Options held by him, the unexercised Options shall be automatically terminated on the expiry of the said period of six (6) months; and
 - (b) If during the said period of six (6) months, the offeror becomes entitled or bound to exercise rights of compulsory acquisition in respect of the Scicom Shares under the provisions of the Securities Commission Act, 1993 and gives notice to the Grantee that he intends to exercise such rights on a specific date (“Specified Date”), the Grantee shall be entitled to exercise all or any of the Options held by him until the expiry of the said period of six (6) months or the Market Day immediately preceding the Specified Date, whichever is the earlier, and in accordance with the provisions of By-Laws 10.4, 10.5 and 10.6. In the event that the Grantee elects not to so exercise some or all of the Options held by him, the unexercised Options shall be automatically terminated on the expiry of the said period of six (6) months or on the Specified Date, whichever is the earlier.
- 16.2 In the event the court has sanctioned a compromise or arrangement between the Company and its members for the purpose of, or in connection with, a scheme for reconstruction of the Company or amalgamation with any other company or companies under the provisions of the Act, then the Grantee shall immediately become entitled in the period up to but excluding the date upon which such compromise or arrangement becomes effective, to exercise in whole or in part his Options. All unexercised Options held by a Grantee shall be automatically terminated on the date upon which such compromise or arrangement becomes effective.
- 16.3 For the avoidance of doubt, the limits on the exercise of Options stipulated in By-Law 10.1 shall not apply in respect of By-Laws 16.1(a), 16.1(b) and 16.2 above.

17. DIVESTMENT FROM GROUP

- 17.1 In the event that a company within the Group shall be divested from the Group, a Grantee who is employed by such company:-
- (a) Shall be entitled to continue to hold and to exercise all the Options held by him on the date of completion of such divestment within a period of one (1) year from the date of completion of such divestment or the Option Period, whichever expires first, and in accordance with the provisions of By-Laws 10.4, 10.5 and 10.6. In this instance, the limits on the exercise of Options stipulated in By-Law 10.1 shall not apply. In the event that the Grantee does not so exercise some or all of such Options, the unexercised Options shall be automatically terminated upon the expiry of the relevant period; and
 - (b) Shall no longer be eligible to participate for further Options under the Scheme as from the date of completion of such divestment.
- 17.2 For the purposes of By-Law 17.1, a company shall be deemed to be divested from the Group in the event that such company would no longer be deemed to be a subsidiary of the Company pursuant to Section 5 of the Act.

14. ESOS BY-LAWS (Cont'd)

18. WINDING UP

All outstanding Options shall be automatically terminated in the event that a resolution is passed or a court order is made for the winding up of the Company.

19. DURATION, TERMINATION AND EXTENSION OF SCHEME

19.1 The Scheme shall come into force on the Effective Date. The Scheme shall be in force for a duration of five (5) years from the Effective Date. The date of expiry of the Scheme shall be at the end of the five (5) years from the Effective Date (“Date of Expiry”).

19.2 Offers can only be made during the duration of the Scheme before the Date of Expiry.

19.3 Notwithstanding anything to the contrary herein contained, all unexercised Options shall lapse on the Date of Expiry.

19.4 Subject to the compliance with the requirements of the relevant authorities and the written consent of the Grantees who have yet to exercise their Options, either in part or in whole, the Company in general meeting may, at any time, by ordinary resolution terminate the Scheme. In this event, the following provisions shall apply:-

- (a) No further Offers shall be made by the Option Committee from the date of such resolution;
- (b) All Offers which have yet to be accepted by Eligible Employees shall automatically lapse on the date of such resolution; and
- (c) All outstanding Options which have yet to be exercised by Grantees shall be automatically terminated on the date of such resolution.

19.5 In seeking to obtain the approval of the SC and Bursa Securities and the consent of the shareholders of the Company and of the Grantees for the termination of the Scheme in the manner set out in By-Law 19.4, the Company must provide sufficient information on the following:-

- (a) reasons for the termination (whether or not the reasons are specified herein);
- (b) whether or not the termination of the Scheme would be in the best interest of the Company; and
- (c) any other information that would justify termination of the Scheme.

20. SUBSEQUENT EMPLOYEE SHARE OPTION SCHEME

Subject to the approval of the relevant authorities, and compliance with the requirements of the relevant authorities, the Company may establish a new employee share option scheme after the Date of Expiry or after the termination of the Scheme pursuant to By-Law 19.4 herein.

21. ADMINISTRATION

21.1 The Scheme shall be administered by the Option Committee. The Option Committee shall, subject to these By-Laws, administer the Scheme in such manner as it shall think fit.

14. ESOS BY-LAWS (Cont'd)

- 21.2 Without limiting the generality of By-Law 21.1, the Option Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any errors in Offers, execute all documents and delegate any of its powers and duties relating to the Scheme as it may in its discretion consider to be necessary or desirable for giving effect to the Scheme.
- 21.3 The Board shall have power at any time and from time to time to rescind the appointment of any person appointed to the Option Committee as it shall deem fit.

22. AMENDMENT

- 22.1 The Option Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of these By-Laws as it shall in its discretion think fit and the Board shall have the power by resolution to add to, amend or delete all or any of these By-Laws upon such recommendation PROVIDED THAT no additions or amendments to or deletions of these By-Laws shall be made which will:-
- (a) Prejudice any rights then accrued to any Grantee without the prior consent or sanction of that Grantee; or
 - (b) Alter to the advantage of any Eligible Employee to whom the Option Committee has made an Offer, the provisions of the By-Laws 4.2, 4.3, 5.1, 5.2, 5.5, 5.6, 5.7, 6.1, 7.4, 8.1, 10.1, 11, 12, 15.1, 15.2, 15.3, 15.4, 15.7 and 19.1 of the Scheme without the prior approval of the Company's shareholders in general meeting; or
 - (c) Increase the number of Scicom Shares available under the Scheme beyond the maximum imposed by By-Law 4.2.

23. INSPECTION OF ACCOUNTS

All Grantees are entitled to inspect the latest annual report of the Company at the registered office of the Company during normal business hours.

24. SCHEME NOT A TERM OF EMPLOYMENT

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

25. NO COMPENSATION FOR TERMINATION

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

26. DISPUTES

Save as expressly set out herein, any disputes arising hereunder shall be referred to the decision of the Board, whose decision shall be final and binding in all respects, provided that any Directors of the Company who are also in the Option Committee shall abstain from voting. No person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws.

14. ESOS BY-LAWS (Cont'd)

27. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of Scicom Shares pursuant to the exercise of Options, shall be borne by the Company.

28. ARTICLES OF ASSOCIATION

In the event of a conflict between any of the provisions of these By-Laws and the Articles of Association of the Company, the Articles of Association shall prevail.

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15. STATUTORY AND OTHER GENERAL INFORMATION

15.1 SHARE CAPITAL

- (i) No securities will be allotted or issued on the basis of this Prospectus later than twelve (12) months after the date of the issue of this Prospectus.
- (ii) There are no founder, management or deferred shares. There is only one (1) class of shares in the Company, namely ordinary shares of RM0.10 each, all of which rank pari passu with one another.
- (iii) Save for the ESOS as mentioned in Section 4.1.2 of this Prospectus, as at 24 August 2005, being the latest practicable date prior to the printing of this Prospectus, no person has been or is entitled to be given an option to purchase or subscribe for any shares, stocks or debentures of the Group.

15.2 ARTICLES OF ASSOCIATION

The following provisions are reproduced from the Company's Articles of Association.

Terms defined in the Company's Articles of Association shall have the same meanings when used here unless they are otherwise defined here or the context otherwise requires.

Words	Meaning
Approved Market Place	A stock exchange which is specified to be an approved market place in the Securities Industry (Central Depositories) (Exemption) (No.2) Order 1998.
Authorised Nominee	A person who is authorised to act as a nominee as specified under the Central Depositories Act and Rules.
The Act	The Companies Act, 1965 or any statutory modification, amendment or re-enactment thereof for the time being in force.
These Articles	These Articles of Association as originally framed or as altered from time to time by special resolution.
Board	The Board of Directors of the Company or the Directors present at a meeting of the Directors at which a quorum is present.
Central Depositories Act	Securities Industry (Central Depositories) Act 1991, or any statutory modification, amendment or re-enactment thereof for the time being in force.
Central Depository	Bursa Malaysia Depository Sdn Bhd.
The Company	SCICOM (MSC) BERHAD or by whatever name from time to time called.
Convertible Securities	Securities which are convertible or exercisable by the holder, or automatically, by their terms of issue, into shares or stocks.
The Directors	The Directors for the time being of the Company and unless otherwise stated, includes their duly appointed alternates.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Depositor	A holder of a securities account as defined in the Central Depositories Act.
Deposited Security	A security in the Company standing to the credit of a securities account of a Depositor and includes a security in a securities account of a Depositor which is in suspense and subject to the provisions of the Central Depositories Act and the Rules.
Exchange	MESDAQ market of Bursa Malaysia Securities Bhd and/or any other Exchange on which the Company is listed.
Listing Requirements	The Listing Requirements of the Exchange including any amendment to the Listing Requirements that may be made from time to time.
Market Days	A day on which the stock market of the Exchange is open for trading in securities.
Member or Members	Any person/persons for the time being holding shares in the Company and whose names appear in the Register of Members and includes Depositors whose names appear on the Record of Depositors shall be treated as if he were a member pursuant to Section 35 of the Central Depositories Act but excludes the Central Depository in its capacity as a bare trustee.
Record of Depositors	A record provided by the Central Depository to the Company under Chapter 24.0 of the Rules.
Rules	The Rules of the Central Depository and any appendices thereto.
Securities Account	An account established by the Central Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor.
The Office	The registered office for the time being of the Company.
The Register	The register of members to be kept pursuant to the Act and unless otherwise expressed to the contrary, includes the Record of Depositors.
The Secretary	Any person appointed to perform the duties of the Secretary of the Company for the time being.
The Seal	The Common Seal of the Company.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

(i) Transfer of Shares

Article 24

The transfer of any listed securities or class of listed securities of the Company, shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act and any exemption that may be granted from compliance with sub-Section 107C(1) of the Act, but subject to sub-Section 107C(2) of the Act, the Company shall be precluded from registering and effecting any transfer of such listed securities or class of listed securities.

Article 26

Subject to the Rules and Listing Requirements, the transfer of any securities may be suspended at such times and for such periods as the Directors may from time to time determine. Twelve (12) clear Market Days' notice, or such other period as may from time to time be specified by the Exchange governing the Register concerned, of intention to close the Register shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange. At least three (3) Market Days prior notice shall be given to the Central Depository to prepare the appropriate Record of Depositors.

Article 31

In the case of the death of a Member, the legal representative(s) of the deceased shall be the only person(s) recognised by the Company and / or Central Depository as having any title to his interest in the shares but nothing herein contained shall release the estate of a deceased Member from any liability in respect of any share which had been held by the deceased Member.

Article 32

Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as may from time to time properly be required by the Directors but subject to the Central Depositories Act and the Rules, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors and / or Central Depository shall in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy. Provided always that where the share is a Deposited Security, subject to the provisions of the Act, the Central Depositories Act, the Listing Requirements and the Rules, a transfer or withdrawal of the shares may be carried out by the person becoming so entitled.

(ii) Remuneration of Directors

Article 93

The Directors shall be paid by way of remuneration for their services, such fixed sum (if any) as shall from time to time be determined by the Company in general meeting and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine. PROVIDED ALWAYS that:-

- (a) fees payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;
- (b) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover;
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting;
- (d) any fee paid to an alternate Director shall be such as agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Article 94(1)

The Directors shall be paid all their travelling, hotel and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of the Directors or any committee of the Directors of the Company or general meetings of the Company.

Article 94(2)

If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determine by the Board provided that in the case of non-executive Directors of the Company, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an Executive Director, such remuneration may be either in addition to or in substitution for his share in the remuneration from time to time provided for the Directors.

Article 106

Unless prohibited by the rules and/or requirements of the Exchange, any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as auditor of the Company and provided further that such shall be at normal commercial terms.

Article 120

The remuneration of a Director holding an executive office pursuant to these Articles shall subject to Article 93 be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but shall not include a commission on or percentage of turnover.

(iii) Voting and Borrowing Powers of Directors

Article 98

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge the undertaking, property and uncalled capital, or any part thereof, of the Company and its subsidiaries, and to issue debentures and other securities, whether outright or as security, for any debt, liability or obligation of the Company or of its related companies only.

Article 114

Every Director shall comply with the provisions of Sections 131 and 135 of the Act in connection with the disclosure of his shareholding and interests in the Company and his interest in any contract or proposed contract with the Company and in connection with the disclosure, every Director shall state the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly, duties or interests might be created in conflict with his duty or interest as a Director of the Company.

Article 115

A Director may contract with and be interested in any contract or proposed contract with the Company and shall not be liable to account for any profit made by him by reason of any such contract; PROVIDED ALWAYS THAT the nature of the interest of the Director in any such contract be declared at a meeting of the Directors as required by Section 131 of the Act. A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest (and if he shall do so his vote shall not be counted), nor shall he be counted for the purpose of any resolution regarding the same, in the quorum present at the meeting.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Article 116

Notwithstanding Article 115 and Provided Always That a Director has declared his interest as required under Section 131 of the Act, a Director may vote in respect of: -

- (a) any arrangement for giving the Director himself or any other Directors any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; and
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part, under a guarantee or indemnity or by the deposit of a security.

(iv) Changes in Capital and Variation in Class Right

Article 7

If at any time the share capital is divided into different classes of shares, the rights attached to any class shall be expressed herein or in the resolution creating the same and may subject to the provisions of the Act, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths (3/4) of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy, one-tenth (1/10) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution, the provisions of Section 152 of the Act shall with such adaptations as are necessary, apply.

Article 8

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

Article 50

The Company may from time to time by ordinary resolution in general meeting, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid up or not, increase its share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase directs.

Article 51(1)

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before they are issued and allotted, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings 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, limiting a time within which the offer, if not accepted, will 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 Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

likewise 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 any offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Article.

Article 51(2)

Notwithstanding the preceding Article above the Company may apply to the Exchange to waive the convening of an extraordinary general meeting to obtain shareholders' approval for further issues of shares (other than bonus or rights issues) where:-

- (i) in accordance with the provisions of Section 132D of the Act there is still in effect a resolution approving the issuance of shares by the Company; and
- (ii) the aggregate of the shares issued in any one financial year (other than by way of bonus or right issue) does not exceed ten (10%) percent of the issued share capital of the Company.

Article 53

The Company may from time to time in general meeting by ordinary resolution: -

- (a) increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) divide its share capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act and so that as between the resulting shares, one or more of such shares may, by the resolution by which such sub-division is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares;
- (d) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled; or
- (e) subject to the provisions of these Articles and the Act, convert and/or re-classify any class of shares into any other class of shares.

Article 55

The Company may from time to time by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any authorization, and consent required by law.

15.3 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- (i) The names, addresses and occupations of the Directors are set out in the Corporate Directory section at the front of this Prospectus.
- (ii) A Director is not required to hold any qualification shares in the Company.
- (iii) The remuneration paid to the Directors of the Company for services rendered in all capacities to the Group for the FYE 30 June 2005 amounted to RM617,587. For the FYE 30 June 2006, the remuneration payable to the Directors is estimated at RM757,992.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

The number of Directors in the various remuneration bands are set out below:-

	← Aggregate Remuneration →					
	FYE ← 30 June 2005 →			FYE ← 30 June 2006 →		
	Executive Director	Non-Executive Director	Total	Executive Director	Non-Executive Director	Total
Up to RM100,000	-	-	-	-	4	4
Between RM100,001 and RM200,000	-	-	-	-	-	-
Above RM200,000	1	1	1	1	-	1

- (iv) Save as disclosed in Section 10.2, none of the existing Directors and/or existing substantial shareholders of the Company has any interest, direct or indirect, in the promotion of or in any material assets which have, within the two (2) years preceding 24 August 2005, been acquired or disposed of by or leased to any of the Scicom Group, or are proposed to be acquired, or disposed of by or leased to any of the Scicom Group.
- (v) Save as disclosed in Section 10.3, none of the existing Directors and/or existing substantial shareholders of the Company has any interest, direct or indirect, in any businesses and corporations carrying on a similar trade as any of the Scicom Group.
- (vi) None of the Promoters have received any amounts or benefits paid or given by the Company other than by the virtue of their directorships as disclosed in Section 15.3 (iii) of this Prospectus within the two (2) years preceding 24 August 2005, or intended to be so paid or given.
- (vii) The direct and indirect interests of the Directors in Scicom before the Public Issue (according to the Register of Directors' as at 24 August 2005) and after the Public Issue are as follows:-

Name	Before Public Issue				After Public Issue			
	← No of Scicom Shares held →		← No of Scicom Shares held^ →		← No of Scicom Shares held^ →		← No of Scicom Shares held^ →	
	Direct	%	Indirect	%	Direct	%	Indirect	%
Dato' Ahmad Kabeer bin Mohamed Nagoor	-	-	^{*1} 36,347,400	38.10	-	-	^{*1} 36,347,400	28.40
Leo Suresh Ariyanayakam	19,080,000	20.00	-	-	19,080,000	14.91	-	-
Krishnan Menon	7,632,000	8.00	^{*2} 24,708,600	25.90	7,632,000	5.96	^{*2} 24,708,600	19.30
Nikolai Dobberstein	-	-	-	-	300,000	0.23	-	-
Dato' Mohd Salleh bin Hj Harun	-	-	-	-	300,000	0.23	-	-

Notes:-

[^] Assuming the eligible directors subscribe for their respective entitlements to the pink form shares allocation and no exercise of ESOS options.

^{*1} Deemed interested by virtue of his shareholding in AKN Capital Sdn Bhd pursuant to Section 6A of the Act.

^{*2} Deemed interested via his shareholdings in Netinsat Asia Sdn Bhd pursuant to Section 6A of the Act.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (viii) The existing substantial shareholders and their respective direct and indirect interests in the Scicom Shares are/will be as follows:-

Name	Before the Public Issue				After the Public Issue			
	← No. of Scicom Shares held →		← No. of Scicom Shares held^ →		← No. of Scicom Shares held →		← No. of Scicom Shares held →	
	Direct	%	Indirect	%	Direct	%	Indirect	%
Leo Suresh Ariyanayakam	19,080,000	20.00	-	-	19,080,000	14.91	-	-
Krishnan Menon	7,632,000	8.00	^{*1} 24,708,600	25.90	7,632,000	5.96	^{*1} 24,708,600	19.30
Sreekumar A/L P. Narayana Pillai	-	-	^{*1} 24,708,600	25.90	-	-	^{*1} 24,708,600	19.30
Seow Lun Hoo	7,632,000	8.00	-	-	7,632,000	5.96	-	-
Dato' Ahmad Kabeer bin Mohamed Nagoor	-	-	^{*2} 36,347,400	38.10	-	-	^{*2} 36,347,400	28.40
Ooi Boon Leong	-	-	^{*2} 36,347,400	38.10	-	-	^{*2} 36,347,400	28.40
AKN Capital Sdn Bhd	36,347,400	38.10	-	-	36,347,400	28.40	-	-
Netinsat Asia Sdn Bhd	24,708,600	25.90	-	-	24,708,600	19.30	-	-

Notes:-

^ Assuming no exercise of ESOS options.

^{*1} Deemed interested by virtue of his shareholding in Netinsat Asia Sdn Bhd pursuant to Section 6A of the Act.

^{*2} Deemed interested by virtue of his shareholding in AKN Capital Sdn Bhd pursuant to Section 6A of the Act.

- (ix) Save for the risk factors which are described in Section 3 of this Prospectus, the Board is not aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Group.
- (x) Save as disclosed in Sections 10.1, 10.2 and 10.4 of this Prospectus, none of the existing Directors and/or existing substantial shareholders of the Company and/or person(s) connected with them are interested in any contract or arrangement subsisting as at 24 August 2005, being the latest practicable date prior to the printing of this Prospectus, which is significant in relation to the business of the Group taken as a whole.

15.4 GENERAL

- (i) The nature of the Group's business and the names of all corporations, which are deemed to be related to the Company by virtue of Section 6 of the Act are set out in Section 4 of this Prospectus.
- (ii) The manner in which copies of this Prospectus together with the Application Form may be obtained is set out in Section 16 of this Prospectus.
- (iii) The time of the opening of the Application of the Public Issue is set out in Section 16.1 of this Prospectus.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (iv) The amount payable in full on application is RM0.60 per Issue Share.
- (v) Save as disclosed in Sections 3, 4, and 6 of this Prospectus, the financial condition and operations of the Group are not affected by any of the following:-
 - (a) Known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way;
 - (b) Material commitments for capital expenditure;
 - (c) Unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from operations; and
 - (d) Known trends or uncertainties that have had or that the Group reasonably expects to have a material favourable or unfavourable impact on revenues or operating income.
- (vi) As at 24 August 2005, being the latest practicable date prior to the printing of this Prospectus, the Group does not have any outstanding convertible debt securities.
- (vii) The Promoters will collectively hold approximately 68.57% of the enlarged issued and paid-up share capital of Scicom upon listing who directly or indirectly, jointly or severally, exercise the control over the Group and particulars of the proportion of working capital held.
- (viii) Save for the Public Issue and the ESOS, there is currently no scheme involving the staff in the capital of the Group.
- (ix) Particulars relating to the outstanding borrowings and contingent liabilities of the Group are disclosed in Section 6.3 of this Prospectus.
- (x) The name and address of the Auditors and Reporting Accountants of the Company are set out under the "Corporate Directory" of this Prospectus.

15.5 EXPENSES AND COMMISSIONS

- (i) The estimated amount of expenses of the Public Issue relating to the underwriting fees, placement fees and other expenses and fees incidental to the listing of and quotation for the entire issued and paid-up share capital of Scicom on the MESDAQ Market which is estimated to be RM1,500,000 will be borne by Scicom.
- (ii) A placement fee of 1.25 % of the Issue Price of RM0.60 per share for the Issue Shares is payable by Scicom to the Placement Agent.
- (iii) Underwriting commission is payable by the Company to the Underwriters, at the rate of 1.75% of the issue price of RM0.60 per share of the 3,000,000 Public Issue Shares underwritten.
- (iv) Save as disclosed above, no commissions, discounts, brokerage or other special terms have, within the two (2) preceding years prior to 24 August 2005, been paid or granted or is payable to any Director, promoter or expert or proposed Director for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions for any shares in or debentures of the Group in connection with the issue or sale of any capital of the Group.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

15.6 PUBLIC TAKE-OVERS

During the last financial year and the current financial year, there were no:-

- (i) public take-over issues by third parties in respect of the Company's securities; or
- (ii) public take-over offers by the Company in respect of other corporations' securities.

15.7 MATERIAL CONTRACTS

Save as disclosed below, there are no contracts which are material (not being contracts entered into in the ordinary course of business) which have been entered into by the Group within the two (2) years preceding 24 August 2005, being the latest practicable date prior to the printing of this Prospectus:-

Scicom

- (i) Scicom has entered into two (2) Agreements for the Appointment of Nominee dated 15 September 2003, pursuant to which Scicom appointed Mr K. R. Ganesh S/o T. K. Raju , residing at Flat No. 201, Admiralty Manor, Off 13th Main, 6th Cross, Indiranagar, Bangalore 560 038 and Mr. K. Jayarama S/o K. G. V. Bhat residing at No.103/3-4, 2nd Main Road, Seshadaripuram, Bangalore 560 020 respectively as the nominees of Scicom for the purpose of holding the entire paid-up share capital of Scicom (India) comprising INR100,000 divided into 10,000 Equity Shares of INR10 each (i.e. 5,000 Equity Shares of INR10 each to be held by each such nominee) in trust on behalf of Scicom;
- (ii) By a Share Sale Agreement dated 24 March 2004 entered into between Scicom and Scicom (Malaysia), Scicom acquired the entire issued and paid-up share capital of Scicom (South Korea) from Scicom (Malaysia) for a purchase consideration of RM146,153, which purchase consideration amount was based on Scicom (Malaysia)'s original cost of investment in Scicom (South Korea). This Share Sale Agreement was completed on the date of its execution by the parties thereto;
- (iii) By a Share Sale Agreement dated 30 April 2004 entered into between Scicom and Scicom Group Limited (Company No. 396070), British Virgin Islands ("Scicom BVI"), Scicom BVI agreed to sell and the Company agreed to purchase the entire issued ordinary share capital comprising 1 ordinary share of GBP1.00 in Scicom International (UK) Limited (Company No. 4425654), a company incorporated in England and Wales, for a purchase consideration of GBP1.00. The Share Sale Agreement was completed on its date of execution by the parties thereto;
- (iv) Scicom entered into a further Agreement for the Appointment of Nominee dated 15 April 2004, pursuant to which Scicom appointed Leo Suresh Ariyanayakam as its nominee for the purpose of holding one (1) Equity Share of INR10 in Scicom (India) in trust on behalf of Scicom, in substitution for Mr. K. Jayarama S/o K. G. V. Bhat (who was acting as Scicom's existing nominee in respect to the said one (1) Equity Share as at the date of execution of this Agreement);
- (v) By a Share Sale Agreement dated 30 April 2004 entered into between Scicom and Scicom BVI, Scicom BVI agreed to sell and the Company agreed to purchase the entire issued ordinary share capital comprising 2 ordinary shares of SGD 1.00 each in Scicom (Singapore), a company incorporated in the Republic of Singapore for a purchase consideration of SGD 2.00. The Share Sale Agreement was completed on the date of its execution by the parties thereto;

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (vi) A Share Sale Agreement dated 28 June 2004 was entered into between Scicom and Tevanaigam Randy Chitty ("Randy") pursuant to which Scicom agreed to sell and Randy agreed to purchase the entire issued and paid-up share capital of Scicom (South Korea) comprising 500,000 ordinary shares of KRW100 each (the "Sale Shares") for a purchase consideration of KRW3,050 (equivalent to RM10).

This Share Sale Agreement was completed on the date of its execution by Scicom and Randy;

- (vii) Pursuant to the Share Sale Agreement set out in (vi) above, Scicom entered into an Equipment Sale Agreement dated 16 August 2004 pursuant to which Scicom (South Korea) agreed to sell certain of its equipment to Scicom at the written down value of such equipment of KRW1,525,000 (equivalent to RM5,000). This Equipment Sale Agreement was completed on the date of its execution by Scicom and Scicom (South Korea);
- (viii) Underwriting Agreement dated 24 August 2005 between Scicom and the Underwriters in relation to the underwriting of up to 3,000,000 Issue Shares for an underwriting commission of 1.75% of the issue price of RM0.60 per Issue Share; and
- (ix) Placement Agreement dated 24 August 2005 between Scicom and the Placement Agent in relation to the placement of 25,900,000 Issue Shares for a placement fee of 1.25% of the issue price of RM0.60 per Issue Share.

15.8 MATERIAL AGREEMENTS

Save as disclosed below, there are no agreements which are material (being agreements entered into in the ordinary course of business) which have been entered into by the Group preceding 24 August 2005, being the latest practicable date prior to the printing of this Prospectus:-

Scicom

- (i) A Public Relations Agreement dated 1 August 2005 was entered into between Scicom and AV Asia Communications Sdn Bhd ("AV Asia") pursuant to which Scicom appointed AV Asia as its publicity and public relations agent for inter alia, the development and implementation of a public relations strategy, assignment and maintenance of an account team for Scicom and such other services as may be necessary to achieve a completely integrated publicity and public relations program for a retainer fee of RM17,000 per month. This Agreement stipulates that it took effect on 1 August 2003 and shall (unless terminated earlier) remain in force until 31 December 2005;
- (ii) A Contract for the Provision of Customer Contact Centre Services dated 26 September 2003 was entered into between Scicom and Ladbrokes Limited, England ("Ladbrokes") pursuant to which Scicom agreed to provide services inter alia, relating to the operation and support of a fully integrated customer contact centre to receive and respond to calls relating to, and promoting any product or services provided by Ladbrokes or its affiliated companies from time to time;
- (iii) A Frame Agreement for Contact Centre Services ("Frame Agreement") dated 26 August 2004 was entered into between Scicom and Nokia Corporation, Finland ("Nokia"). This Frame Agreement provides a framework for the general terms and conditions applicable to the provision of services referred to in the Frame Agreement (the "Services"). The Services may consist of either Contact Centre Services (i.e. standardised contact centre service of a non-project type) or Project Services (i.e. non-continuous project type services such as but not limited to deployment projects or roll-out projects);

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (iv) Scicom has entered into an arrangement with BT Systems (Malaysia) Sdn Bhd ("BT (Malaysia)") pursuant to which BT (Malaysia) facilitates and acts as the carrier of inbound telecommunications traffic in connection with the performance by Scicom of certain client contracts. The charges payable by Scicom to BT (Malaysia) is as follows:-
- (a) China – USD0.42 per min;
 - (b) Thailand –USD0.30 per min;
 - (c) Singapore –USD0.14 per min; and
 - (d) UK – USD26,423 per month;
- (v) An Agreement dated 29 September 2004 was entered into between Scicom and Petronas Dagangan Berhad ("PDB") pertaining to the provision of insourced call centre service solution by Scicom to PDB;
- (vi) A Managed IT Services Agreement dated 1 August 2004 was entered into between Scicom and Hewlett-Packard Asia Pacific Pte Ltd ("HP APAC") in respect of the provision of insourced call centre solutions by Scicom to HP;
- (vii) An Inbound and Marketing Calls Outsourcing agreement dated 1 October 2004 was entered into between Scicom and Jetstar Asia Airways Pte Ltd ("Jetstar") for the provision of inbound and outbound marketing calls outsourcing services by Scicom to Jetstar;
- (viii) An IPLC Bandwith Services Order Form cum Service Agreement dated 8 September 2004 ("TM Agreement") issued by Telekom Malaysia Berhad ("TM") in favour of Scicom in respect of the rental of the international private lease circuit bandwidth service between Malaysia-United Kingdom by Scicom from TM. The TM Agreement is for a period of one (1) year. The total recurring charges is RM461,180.40 (annual charges, inclusive of tax);
- (ix) A Tenancy Agreement dated 1 November 2003 was entered into between FSBM Holdings Bhd and Scicom in respect of the rental of the demised premises measuring 19,768 square feet located at Level No. 2, West Wing of FSBM Plaza, No. 3539, Jalan Teknokrat 7, 63000, Cyberjaya, Selangor Darul Ehsan for a three (3) year term commencing from 1 October 2003. The rent payable is RM34,640.80 per month for the months of October and November 2003. The rent payable for December 2003 onwards is RM59,304.00 per month;
- (x) By a Letter of Offer dated 4 August 2005 issued by HSBC Bank Malaysia Berhad ("HSBC") in favour of Scicom and which was accepted by Scicom on 17 August 2005, HSBC offered to grant an overdraft facility in the amount of RM2,600,000 to Scicom. The overdraft facility is to be secured against an All Monies Debenture incorporating a fixed and floating charge over all present and future assets of Scicom. The overdraft facility has yet to be disbursed for Scicom's utilisation, as the relevant security documentation pertaining to this facility is pending execution by HSBC and Scicom;
- (xi) By a tenancy agreement dated 19 April 2005 entered into between Scicom and TA Properties Sdn Bhd ("TA"), Scicom agreed to rent the demised premises measuring in area approximately 8,584 square feet located at Level 31, Menara TA One, 22 Jalan P. Ramlee, 50250 Kuala Lumpur from TA. The rent payable is RM24,035.20 per month. The term of the tenancy is two (2) years commencing from 1 March 2005;
- (xii) By a letter dated 19 August 2005 issued by TA in favour of Scicom, TA has agreed to renew the tenancies in respect of the office suites measuring in area approximately 13,378 square feet situated on the 25th Floor, Menara TA One, Jalan P Ramlee, Kuala Lumpur ("Menara TA One") by Scicom from TA for a two (2) year term. The rent payable from 1 December 2005 to 30 November 2006 is RM40,134 per month. The rent payable from 1 December 2006 to 30 November 2007 is RM41,471.80 per month;