

## 16. BY-LAWS OF THE ESOS

### 1 DEFINITIONS

#### 1.1 Except where the context otherwise requires, the following expressions in these By-Laws shall have the following meanings:-

“Act”	: Companies Act, 1965 and any amendments thereto
“Board”	: The Board of Directors of MSB
“Bursa Securities”	: Bursa Malaysia Securities Berhad (635998-W)
“By-Laws”	: The By-Laws governing the Scheme, as amended from time to time
“CDS”	: Central Depository System
“Central Depositories Act”	: The Securities Industry (Central Depositories) Act, 1991 and every statutory amendment, modification or re-enactment thereof for the time being in force
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (165570-W)
“Director”	: An Executive Director or a Non-Executive Director
“Duration of the Scheme”	: The duration of the Scheme shall be 5 years from the commencement of the Scheme as defined in By-Law 19 hereof unless extended in accordance with By-Law 19 hereof or terminated
“Eligible Employee(s)”	: Employees (including Directors) of the MSB Group who meet the criteria of eligibility for participation in the Scheme as set out in By-Law 4 hereof
“ESOS”	: Employees’ Share Option Scheme
“Executive Director”	: A Director on the board of any member of the MSB Group holding office in an executive capacity and on the payroll of such member and who satisfies the criteria set out in By-Law 4 hereof
“Grantee”	: An Eligible Employee who has accepted an Offer in the manner indicated in By-Law 8 hereof
“Listing Requirements”	: Listing Requirements of Bursa Securities for the MESDAQ Market
“Market Day”	: Any day between Monday and Friday (inclusive) other than a day on which MESDAQ is declared officially closed for trading
“Maximum Allowable Allotment”	: The maximum number of new MSB Shares in respect of which Offers may be made to the Eligible Employees, as provided in By-Law 6 hereof

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“MESDAQ Market”	: MESDAQ Market of Bursa Securities
“MSB” or “Company”	: Microlink Solutions Berhad (620782-P)
“MSB Group” or “the Group”	: MSB and its wholly-owned subsidiaries, Microlink Systems Sdn Bhd and Microlink Worldwide Sdn Bhd
“Non-Executive Director”	: A Director other than an Executive Director
“Offer Date”	: The date on which an Offer is made by the Option Committee to an Eligible Employee to participate in the Scheme in accordance with the By-Laws
“Offer”	: An offer made in writing by the Option Committee to an Eligible Employee in the manner indicated in By-Law 5 hereof
“Option”	: The rights of a Grantee to subscribe for new MSB Shares pursuant to the contract constituted by acceptance by an Eligible Employee, in the manner as set out in By-Law 8 hereof, of an Offer made to such Eligible Employee pursuant to By-Law 5 hereof
“Option Committee”	: The committee to be appointed by the Board to administer the Scheme
“Option Period”	: A period commencing from the acceptance of the Offer as set out in By-Law 8 hereof and expiring on a date which the Option Committee may in its discretion decide provided that no Option Period shall extend beyond the Duration of the Scheme
“Option Price”	: In respect of each Option, the price per share at which a Grantee shall be entitled to subscribe for new MSB Shares by exercising his Option as set out in By-Law 7 hereof
“RM” and “sen”	: Ringgit Malaysia and sen respectively
“SC Act”	: Securities Commission Act, 1993 or any statutory modification, amendment or re-enactment thereof for the time being in force
“Scheme”	: The scheme for the grant of Options to Eligible Employees to subscribe for new MSB Shares on the terms as set out herein
“Shares”	: Ordinary shares of RM0.10 each

- 1.2 In these By-Laws, unless the context requires otherwise, words denoting the singular shall include the plural and words denoting the masculine gender shall include the feminine and neuter gender.
- 1.3 The headings in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws.

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- 1.4 If an event is to occur on a stipulated day which is not a market day, then the stipulated day will taken to be the next market day.

### 2. NAME OF SCHEME

- 2.1 This Scheme is named as the "Microlink Solutions Berhad Employees' Share Option Scheme".

### 3. MAXIMUM NUMBER OF SHARES ALLOWABLE UNDER THE SCHEME

- 3.1 Subject to By-Law 3.2, the maximum number of new MSB Shares which may be allotted under the Scheme shall not exceed in aggregate 10% of the issued and paid-up share capital of the Company at any point in time during the Duration of the Scheme.

Notwithstanding the provision of By-Law 3.1 nor any other provisions herein contained, in the event the maximum number of new MSB Shares comprised in the Options granted under the Scheme exceeds the aggregate of 10% of the issued and paid-up share capital of the Company as a result of the Company purchasing its own shares in accordance with the provisions of Section 67A of the Act and thereby reducing its issued and paid-up capital, then such Options granted prior to the adjustment of the issued and paid-up capital of the Company shall remain valid and exercisable in accordance with the provisions of the Scheme.

However, no further Offer shall be made to any Eligible Employees as long as the aggregate shares comprised in the number of Options offered exceeds 10% of the issued and paid-up share capital of the Company as a result of the Company purchasing its own shares and thereby reducing its issued and paid-up capital.

- 3.2 In this event, the following provisions shall apply:-

- (i) if the number of Options granted by the Company as at the date of the cancellation of MSB Shares so purchased is greater than the maximum number permitted pursuant to By-Law 3.1 after such cancellation, the Option Committee shall not make any further Offers; and
- (ii) if the number of Options granted by the Company as at the date of cancellation of MSB Shares so purchased is less than the maximum number permitted pursuant to By-Law 3.1 after such cancellation, the Option Committee may make further Offers only until the total number of Options granted by the Company is equivalent to 10% of the issued and paid-up share capital of the Company after such cancellation.

- 3.3 The Company will, for the Duration of the Scheme, keep available sufficient authorised and unissued Shares to satisfy all outstanding Options, which may be exercisable, in whole or in part during the Option Period.

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### **4.0 ELIGIBILITY**

- 4.1 Any employee or Director of the MSB Group shall be eligible to participate in the Scheme if, as at the Offer Date, the employee:-
- (i) has attained the age of 18 years;
  - (ii) is confirmed and employed full-time and is on the payroll of a company within the MSB Group or is classified as an employee by the Option Committee for the purpose of the Scheme; and
  - (iii) in case of Directors, the name appears in the Register of Directors.
- 4.2 Eligibility, however, does not confer on an Eligible Employee a claim or right to participate in the Scheme unless an Offer has been made in writing by the Option Committee to the Eligible Employee under By-Law 5 and the Eligible Employee has accepted the Offer in accordance with the terms of the Offer of the Scheme.
- 4.3 If an Eligible Employee is employed by the Board of a company which is acquired by our Group during the Duration of the Scheme and becomes a subsidiary of the Company upon such acquisition, he shall be eligible to participate in the Scheme upon the date such company becomes or is deemed to be a subsidiary of the Company.
- 4.4 If the employee is not a Malaysian citizen, in addition to the conditions stipulated in By-Laws 4.1 to 4.3 above, he shall only be eligible to participate in the Scheme provided that in the opinion of the Option Committee, his contribution is considered vital to the success of our Group.
- 4.5 Eligible Employees who represent the Government or Government institutions/agencies and Government employees who are serving in the public service scheme as defined under Article 132 of the Federal Constitution are not eligible to participate in the Scheme.
- 4.6 Employees and Directors of dormant companies within our Group are not eligible to participate in the Scheme.

### **5.0 OFFER**

- 5.1 The Option Committee may at its discretion at any time and from time to time within the Duration of the Scheme as it shall deem fit make an Offer to any Eligible Employee whom the Option Committee may in its discretion select to subscribe during the Option Period for new MSB Shares in accordance with the terms of the Scheme after taking into consideration, amongst others, the performance, seniority, job ranking, length of service and contribution to the success of our Group.
- 5.2 Nothing herein shall prevent the Option Committee from making more than 1 Offer to any Eligible Employee provided always that, the total aggregate number of new MSB Shares comprised in the Offers shall not be less than 100 new MSB Shares but not more than the Maximum Allowable Allotment as set out in By-Law 6 hereof and shall always be in multiples of 100 MSB Shares.

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- 5.3 The Option Committee shall state the following particulars in the letter of Offer:-
- (i) the number of new MSB Shares that are being offered to the Eligible Employee pursuant to an Option;
  - (ii) the number of new MSB Shares which the Eligible Employee shall be entitled to subscribe for upon the exercise of the Option being offered (including the breakdown, if any, of the new MSB Shares the Eligible Employee shall be entitled to at various stages during the Option Period, as may be determined by the Option Committee);
  - (iii) the Option Period;
  - (iv) the Option Price;
  - (v) the closing date for acceptance of the Offer; and
  - (vi) any other necessary information or conditions which may be imposed by the Option Committee at its absolute discretion in accordance with the terms of the By-Laws.
- 5.4 No Option shall be granted to any Director of the Company unless specific grant of Options to that Director shall have previously been approved by the shareholders of the Company in a general meeting.
- 5.5 An Offer which has not been accepted shall automatically lapse and be null and void in the event the Eligible Employee shall cease to be employed for any reason whatsoever by our Group, or in the event he shall have died or become a bankrupt prior to the acceptance of the Offer by the Eligible Employee in the manner set out in By-Law 8.

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**16. BY-LAWS OF THE ESOS****6. MAXIMUM ALLOWABLE ALLOTMENT AND THE BASIS OF ALLOTMENT**

- 6.1 Subject to any adjustments which may be made under By-Law 14, the aggregate number of MSB Shares comprised in the Options to be offered to an Eligible Employee in accordance with the Scheme shall be determined at the discretion of the Option Committee after taking into consideration the Eligible Employee's performance, position, seniority and the number of years in service subject to the following:-

<b>Category of Employee</b>	<b>Grade</b>	<b>Maximum Allowable Allotment (No. of Shares)</b>
<b>Senior Management</b>		
- Managing Director & Chief Executive Officer	D1	1,500,000
- Executive Director & Non-Executive Director	D2	1,500,000
- Senior Manager	SM1-SM3	1,500,000
<b>Management</b>		
Manager	M1-M3	800,000
<b>Staff</b>		
Executive	E1-E5	300,000
Non-Executive	NE1-NE2	100,000

- 6.2 In the circumstances where the maximum allowable allotment as provided in the Listing Requirements on ESOS is amended by Bursa Securities, from time to time, the Option Committee shall have the discretion to make the necessary adjustments so that the number of new MSB Shares in an Option that may be offered to any one of the Eligible Employees shall be in accordance with the provisions of the Listing Requirements prevailing during the Option Period.
- 6.3 The Company shall ensure that allocation of Options pursuant to the Scheme is verified by the audit committee at the end of each financial year as being in compliance with the criteria for allocation of Options which have been disclosed to employees. A statement by the audit committee as prescribed by Bursa Securities verifying such allocation shall be included in the annual report of the Company.
- 6.4 Notwithstanding By-Law 6.1, the number of Options to be offered to each Eligible Employee shall, subject to his Maximum Allowable Allotment, be at the discretion of the Option Committee. The Option Committee shall not be obliged in any way to offer to the Eligible Employee all of the specified Maximum Allowable Allotment. The decision of the Option Committee shall be final and binding.
- 6.5 Not more than 50% of the MSB Shares available under the Scheme at the point in time when an Offer is made shall be allocated, in aggregate, to Directors and senior management (SM and above); and

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- 6.6 Not more than 10% of the MSB Shares available under the Scheme at the point in time when an Offer is made shall be granted to any individual Eligible Employee who, either singly or collectively through persons connected with him (as defined in Rule 1.1 of the Listing Requirements), holds 20% or more in the paid-up capital of the Company.
- 6.7 In the event that an Eligible Employee is promoted, the Maximum Allowable Allotment applicable to him shall be increased in accordance with the scale provided in By-Law 6.1 subject always to By-Law 6.4.
- 6.8 In the event that an Eligible Employee is moved to a lower category, the following provisions shall apply:-
- (i) his Maximum Allowable Allotment shall be reduced in accordance with the scale provided in By-Law 6.1;
  - (ii) in the event that the total number of Options which he has accepted up to the date he is moved to the lower category is greater than his Maximum Allowable Allotment under such lower category, he shall be entitled to continue to hold and to exercise all unexercised Options held by him on such date but he shall not be entitled to be offered any further Options unless and until he is subsequently moved to a higher category so that his Maximum Allowable Allotment is increased to an amount greater than the total number of Options which he has accepted; and
  - (iii) in the event that the total number of Options which he has accepted up to the date he is moved to the lower category is less than his Maximum Allowable Allotment under such lower category, he shall be entitled to continue to hold and to exercise all unexercised Options held by him on such date and subject to By-Law 6.1, to be offered further Options up to his Maximum Allowable Allotment under such lower category.

## **7. OPTION PRICE**

- 7.1 The price at which the Grantee is entitled to subscribe for each new MSB Share shall be:-
- (i) the initial public issue price of the MSB Shares for Options that are granted prior to the Company's listing on the MESDAQ Market; or
  - (ii) based on the weighted average market price of the MSB Shares for the 5 Market Days immediately preceding the Offer Date subject to a discount of not more than 10% for Options that are granted subsequent to the Company's listing on the MESDAQ Market.
- 7.2 The Option Price shall be stipulated on each certificate of Option.
- 7.3 The Option Price shall be adjusted to any adjustments in accordance with By-Law 14.

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### 8. ACCEPTANCE OF THE OFFER

- 8.1 The Offer to participate in the Scheme shall be valid for acceptance for a period of 30 days from the Offer Date or such longer period as may be determined by the Option Committee on a case-to-case basis at its discretion. The acceptance of an Offer shall be made by way of a written notice from the Eligible Employee to the Option Committee in the form prescribed by the Option Committee from time to time. In the event that the Eligible Employee fails to accept the Offer within the prescribed period and in the manner aforesaid, the Offer shall automatically lapse PROVIDED THAT the Option Committee shall not be precluded from making a new Offer to the Eligible Employee subsequently. The Option Committee shall within 30 days of the acceptance of the Offer issue to the Eligible Employee a certificate of Option stating, inter alia, the number of Options granted, the Option Price, the Option Period and the conditions attached to the Option in such form as prescribed by the Option Committee.
- 8.2 Acceptance of the Offer by an Eligible Employee shall be accompanied by the payment of Ringgit Malaysia One (RM1.00) as non-refundable consideration for Option.
- 8.3 An Option shall be personal to the Grantee and cannot be assigned, transferred or otherwise disposed of in any manner whatsoever save and except in the event of the death of the Grantee as provided in By-Law 10.8 hereof. Any such transfer, assignment, disposition or creation of encumbrance shall result in the automatic cancellation of the Option.

### 9. EXERCISE OF OPTIONS

- 9.1 (i) Options granted to the Grantee under the Scheme, subject to the provisions of By-Laws 10, 11, 20, and 24, is only exercisable by the Grantee 1 year from the Offer Date and within the Option Period.
- (ii) Subject to By-Law 9.1 (i), the number of Options exercisable by the Grantee under each Offer pursuant to the Scheme ("Qualified Option") is arrived at by dividing the total Options granted during the Option Period and multiply by the number of year(s) lapsed from the Offer Date plus one i.e.  $\text{Options granted} / \text{Option Period} \times (\text{year(s) lapsed from Offer Date} + 1)$ . The number of Qualified Option so computed shall be rounded down to the nearest whole number of the Shares.

Notwithstanding the above and subject to By-Laws 14 and 18 hereof, the Option Committee may, at any time and from time to time, before or after an Option is granted, limit the exercise of the Option to a maximum number of new MSB Shares and/or such percentage of the total new MSB Shares comprised in the Option during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the Option Committee in its discretion including amending/varying any terms and conditions imposed earlier.

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- 9.2 A Grantee may only exercise his Qualified Option on the first 5 Market Days of every calendar month or any other date which may be determined by the Option Committee from time to time. A Grantee shall notify the Company in writing of his intention to exercise the Qualified Option in such form as the Option Committee may prescribe or approve ("Notice of Exercise") and attached to the offer letter. The Qualified Option may be exercised in respect of such lesser number of new Shares as the Grantee may decide to exercise **Provided That** the number shall be in multiples of and not less than 100 new Shares or the minimum board lot as prescribed by Bursa Securities from time to time. Such partial exercise of the Qualified Option shall not preclude the Grantee from exercising the Qualified Option as to the balance of any new Shares, if any, which he is entitled to subscribe under the Option.
- 9.3 Every such written notice referred to in By-Law 9.1 hereof must be in the form prescribed by the Option Committee from time to time and shall be accompanied by a remittance (calculated in accordance with the provisions of By-Law 7 hereof) for the full amount of the subscription monies for the new MSB Shares in respect of which notice is given.
- 9.4 The Grantee shall state his CDS account number in the Notice of Exercise referred to in By-Law 9.2 and the Company shall within 10 Market Days of the receipt of the Notice of Exercise and remittance from the Grantee do the following, subject to the provisions of the Articles of Association of the Company, compliance with the By-Laws and all applicable legislation:-
- (i) allot and/or issue the relevant number of Shares to the Grantee or credit the Shares directly into the CDS account of the Grantee or his financier, as the case may be;
  - (ii) despatch a notice of allotment to the Grantee; and
  - (iii) make an application for the quotation of the Shares to Bursa Securities.
- No share certificates will be issued to the Grantee.
- 9.5 Any failure to comply with the foregoing provisions and/or to state the CDS Account number in the Notice of Exercise or inaccuracy in the CDS Account number shall result in the Notice of Exercise being rejected at the discretion of the Option Committee. In the case of rejection of the Notice of Exercise for any reason whatsoever, the Grantee shall be informed of such rejection. The Option Committee shall inform the Grantee of the rejection of the Notice of Exercise within 10 Market Days and the Grantee shall then be deemed not to have exercised his Option for the purposes of Clause 9.3. The monies received are to be returned to the Grantee without interest.
- 9.6 No Options shall be exercisable after the expiry of the Option Period.

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- 9.7 In the event that a Grantee is subject to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service) the Option Committee may, in its discretion, suspend and/or cancel the right of the Grantee to exercise his Qualified Option pending the outcome of such disciplinary proceedings. The Option Committee may impose such terms and conditions as the Option Committee shall deem appropriate having regard to the nature of the charges made or brought against the Grantee and the outcome of such disciplinary proceedings **PROVIDED ALWAYS THAT:-**
- (a) in the event that such Grantee shall subsequently be found to be not guilty of the charges which gave rise to such disciplinary proceedings, the Option Committee shall reinstate the rights of such Grantee to exercise his Qualified Option **PROVIDED THAT** such reinstatement is within the Duration of the Scheme in accordance with By-Law 19 hereof;
  - (b) in the event such Grantee is found guilty resulting in the dismissal or termination of service of such Grantee, the Option shall immediately cease without notice, upon pronouncement of the dismissal or termination of service of such Grantee; and
  - (c) in the event such Grantee is found guilty but not dismissed or termination of service is not recommended, the Option Committee shall have the right to determine at its absolute discretion whether or not the Grantee may continue to exercise his Qualified Option or any part of it and if so, to impose such terms and conditions as it deems appropriate, on such exercise.
- 9.8 The Board, the Option Committee, the Company and/or any officer of the Company shall not, under any circumstances, be held liable for any costs, losses, expenses and/or damages whatsoever or howsoever arising in any event relating to the delay on the part of the Company in allotting and issuing the new MSB Shares or in procuring Bursa Securities to list the new MSB Shares for which the Grantee is entitled to subscribe.
- 9.9 Subject to the discretion of the Option Committee, failure by the Grantee to comply with the procedure for an exercise of the Qualified Option as stipulated in By-Laws 9.2 to 9.5 herein will invalidate the purported exercise of such Qualified Option by an Eligible Employee.
- 9.10 Every Option shall be subject to the condition that no new MSB Shares shall be issued to a Grantee pursuant to the exercise of the Qualified Option if such issue would be contrary to any law, enactment, rules and/or regulations of any legislative or non-legislative body which may be in force during Option Period or such period as may be extended.
- 10. TERMINATION OF THE OPTION**
- 10.1 An Option which has not been exercised by the Grantee shall be automatically terminated in the event of termination of the Scheme pursuant to By-Laws 20.

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10.2 In the event of the cessation of employment of a Grantee with the MSB Group for whatever reason prior to the exercise of his **Qualified Option** or prior to full exercise of his **Options**, such **Option** shall cease immediately on the date the Grantee's employer accepts his notice of resignation or on the day his employer notifies the Grantee of termination of his employment or on the Grantee's last day of employment, whichever is the earlier without any claim against the Company **PROVIDED ALWAYS THAT** subject to the written approval of the Option Committee, if such cessation occurs by reason of:-

- (i) retirement on attaining the retirement age under the MSB Group's retirement policy or retirement before attaining the normal retirement age but with the consent of the Board;
- (ii) transfer to any company outside our Group;
- (iii) redundancy or any voluntary separation scheme; or
- (iv) ill-health, injury, physical or mental disability.

10.3 Applications under By-Law 10.2 shall be made:-

- (a) in a case where paragraph 10.2(i) or (iii) is applicable, before the Grantee's last day of employment. The Grantee may exercise the **Qualified Option** at any time before his last day of employment subject to the provisions of By-Law 9. In the event that no application is received by the Option Committee before the Grantee's last day of employment, any unexercised **Options** held by the Grantee on his last day of employment shall be automatically terminated; and
- (b) in a case where paragraph 10.2(iv) is applicable, within 1 month after the Grantee notifies his employer of his resignation due to ill health, injury or disability, the Grantee may exercise all his unexercised **Qualified Option** within the said 1 month period subject to the provisions of By-Law 9. In the event that no application is received by the Option Committee within the said period, any unexercised **Options** held by the Grantee at the expiry of the said period shall be automatically terminated.
- (c) In the event that a Grantee is notified that he will be transferred to a company outside our Group, the Grantee may exercise his unexercised **Qualified Option** within 1 month after he is notified, subject to the provisions of By-Law 9. Thereafter, any unexercised **Option** held by the Grantee at the expiry of the said period shall be automatically terminated.

10.4 In the event that the Option Committee receives an application in respect of By-Law 10.2 after the expiry of the relevant period under By-Law 10.3, the Option Committee shall take into account the reasons given by the Grantee for the delay in making the application, in exercising the Option Committee's discretion and powers under By-Law 10.5. In the event that the Option Committee approves the application in whole or in part, the Company shall make an Offer in respect of the unexercised **Qualified Option** and/or **Options** which are the subject of the approval to the Grantee and such **Qualified Option** and/or **Options** offered, if accepted by the Grantee shall be exercisable:-

- (a) only within the Option Period of those **Qualified Option** which were terminated due to the Grantee's delay in making the application;
- (b) in accordance with the provisions of By-Law 9 as applicable in respect of such terminated **Qualified Option** and/or **Options**; and

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- (c) at the Subscription Price applicable in respect of such terminated Qualified Option and/or Options.
- 10.5 The Option Committee shall consider applications under By-Law 10.2 on a case-by-case basis and may in its discretion approve or reject any application in whole or in part without giving any reasons therefor and may impose any terms and conditions in granting an approval. The decision of the Option Committee shall be final and binding. In the event that the Option Committee approves an application in whole or in part, the Grantee may exercise the Qualified Option and/or Options which are the subject of the approval within the period so approved by the Option Committee and subject to the provisions of By-Law 9. Any Qualified Option and/or Options in respect of which an application is rejected shall be automatically terminated on the date of termination stipulated in the relevant paragraph of By-Law 10.3 or on the date of the Option Committee's decision, whichever is the later.
- 10.6 An Option shall immediately become void and of no further effect upon the Grantee being adjudicated a bankrupt.
- 10.7 In the event of winding up or liquidation of the Company, all unexercised or partially exercised Qualified Option and/or Options shall lapse:-
- (a) in the case of a voluntary winding up, the earlier of:-
- (i) the date on which a provisional liquidator is appointed by the Company; or
- (ii) the date on which the shareholders of the Company passed a resolution to voluntarily wind-up the Company; or
- (b) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company,
- whichever shall be applicable.
- 10.8 In the event that a Grantee dies before the expiration of the Option Period and at the date of his death held any Qualified Option, the following provisions shall apply:-
- (a) such Qualified Option may be exercised by the legal or personal representative of the Grantee ("Representative");-
- (i) within 24 months after the Grantee's death ("Permitted Period"); or
- (ii) within the Option Period;
- whichever expires first. For the avoidance of doubt, it is hereby stated By-Law 9 shall be applicable;
- (b) In the event that the Option Period expires before the Permitted Period, any Qualified Option which have not been exercised by the Representative at the expiry of the Option Period shall be automatically terminated and the Representative shall not be entitled to apply for any extension of time for exercising such unexercised Qualified Option;

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- (c) In the event that the Permitted Period expires before the Option Period, the following provisions shall apply:-
- (i) the Representative may, at any time before the expiry of the Permitted Period, apply in writing to the Option Committee for an extension of the Permitted Period, stating the reasons as to why the extension is required. In the event that no application is received by the Option Committee before the expiry of the Permitted Period, any Qualified Option which have not been exercised by the Representative at the expiry of the Permitted Period shall be automatically terminated;
  - (ii) the Option Committee shall consider such applications on a case-by-case basis and may in its discretion approve or reject an application in whole or in part without giving any reasons therefor and may impose any terms and conditions in granting an approval. The decision of the Option Committee shall be final and binding. In the event that the Option Committee approves an application in whole or in part, the Representative may exercise the Qualified Option which are the subject of the approval within such extension of the Permitted Period as is approved (which shall not exceed the Option Period) and in accordance with the provisions of By-Law 9. Any Qualified Option in respect of which an application is rejected shall be automatically terminated at the expiry of the Permitted Period or on the date of the Option Committee's decision, whichever is the later;
  - (iii) in the event that the Option Committee receives an application after the expiry of the Permitted Period, the Option Committee shall take into account the reasons given by the Representative for the delay in making the application, in exercising the Option Committee's discretion and powers under sub-paragraph (ii) above. In the event that the Option Committee approves an application in whole or in part, the Company shall make an Offer in respect of the Qualified Option which are the subject of the approval to the Representative and such Qualified Option shall be exercisable:-
    - (A) within such period as may be stipulated in the Offer which shall not exceed the Option Period of those Qualified Option which were terminated pursuant to sub-paragraph (i) above;
    - (B) in accordance with the provisions of By-Law 9; and
    - (C) at the Subscription Price applicable in respect of the Qualified Option which were terminated pursuant to sub-paragraph (i) above.
- 10.9 The provisions of By-Law 10.8 constitute exceptions to the provisions of By-Law 9.1.
- 10.10 In the event that a Grantee is notified that he will be retrenched or where he is given an offer by his employer as to whether he wishes to accept retrenchment upon certain terms, the Grantee may exercise his unexercised Qualified Option within 1 month after he receives such notice or accepts such offer, as the case may be, subject to the provisions of By-Law 9. Thereafter, any Qualified Option and/or Options held by the Grantee at the expiry of the said period shall be automatically terminated.

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### 11. TAKEOVER

11.1 Notwithstanding By-Law 9 hereof and subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities:-

- (i) in the event a takeover offer being made to the shareholders of the Company by a general offer or otherwise under the Malaysian Code on Take-Over and Mergers, 1998, and such offer becoming or being declared unconditional, then notwithstanding By-Law 9 hereof, the Grantee shall be entitled, within such period to be determined by the Option Committee, to exercise in full or in part any unexercised Option. The Directors of MSB shall use their best endeavours to procure that such a general offer be extended to any new MSB Shares that may be issued pursuant to the exercise of the Options under this By-Law; and
- (ii) in the event a person becomes entitled or bound to exercise rights of compulsory acquisition of MSB Shares under the provisions of the Act or the SC Act and gives notice to the Grantee that it intends to exercise such rights on a specific date ("Specific Date"), then notwithstanding By-Law 9 hereof, the Option shall remain exercisable by the Grantee in full or in part until the expiry of the Specific Date.

In the foregoing circumstances, if the Grantee fails to exercise his Options or elects to exercise only part of his Options, then any Option to the extent unexercised by the expiry of the periods stipulated in the aforesaid circumstances shall automatically lapse and be null and void.

### 12. SCHEME OF ARRANGEMENT, AMALGAMATION AND RECONSTRUCTION

12.1 Notwithstanding By-Law 9 hereof and subject to the discretion of the Option Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company under Section 176 of the Act or its amalgamation with any other company or companies under Section 178 of the Act, then notwithstanding By-Law 9 hereof, a Grantee may be entitled to exercise all or any part of his Option or Options at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending with the date upon which it becomes effective **PROVIDED ALWAYS THAT** no Option shall be exercised after the expiry of the Option Period.

12.2 Upon the compromise or arrangement becoming effective, all Options, to the extent unexercised shall automatically lapse and shall become null and void.

### 13. RETENTION PERIOD

13.1 The new MSB Shares to be issued and allotted to a Grantee (with exception of Non-Executive Directors) pursuant to the exercise of any Option or Options will not be subject to any retention period. However, the Grantees are encouraged to hold the MSB Shares as a long-term investment and not for any speculative purpose and/or realisation or immediate gains.

13.2 In case of a Grantee who is a Non-Executive Director, he must not sell, transfer or assign the new MSB Shares allotted and issued to him pursuant to the exercise of the Option within 1 year from the Offer Date.

## 16. BY-LAWS OF THE ESOS

### 14. ALTERATION OF CAPITAL AND ADJUSTMENT DURING THE OPTION PERIOD

14.1 In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of capitalisation of profit or reserves, rights issue, bonus Issue, reduction, subdivision or consolidation of capital or any other variation of capital, the Board shall have the discretion and accordingly assess the practicality of complying with the requirement to cause such corresponding adjustment (if any) to be made in:-

- (i) the Option Price; and/or
- (ii) the number of nominal value of the Shares comprised in the Option so far as unexercised;

and shall be adjusted in accordance with the following formulas:-

- (a) If and whenever a Share by reason of any consolidation or subdivision or conversion shall have a different par value, the Option Price shall be adjusted by multiplying it by the revised par value and dividing the result by the former par value.

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

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

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

and the number of Options shall be adjusted by multiplying the existing number of Options held by the following fraction:-

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

where:-

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

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

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for such issue.

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**16. BY-LAWS OF THE ESOS**


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- (c) If and whenever Company shall make:-
- (i) 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
  - (ii) any offer or invitation to ordinary shareholders whereunder they may acquire or subscribe Shares by way of rights; or
  - (iii) any offer or invitation to ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into Shares or securities with rights to acquire or subscribe for Shares,

then and in any such case, the Option 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 14.1(c)(ii) hereof, the number of Options shall be adjusted by multiplying the existing number of Options held by the following fraction:-

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

where:

- C = the current market price of 1 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 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 Shares under By-Law 14.1(c)(ii) above or for securities convertible into Shares or securities with rights to acquire or subscribe or Shares under By-Law 14.1(c)(iii) above, the value of rights attributable to 1 Share (as defined below); or
- (bb) in the case of any other transaction falling within this By-Law 14.1(c), the fair market value, as determined (with the concurrence of the external auditors of the Company), of that portion of the Capital Distribution attributable to 1 Share.



## 16. BY-LAWS OF THE ESOS

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

where:-

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

C = C in this By-Law 14.1 (c);

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

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

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

For the purpose of D\* above, the “value of the fights attributable to 1 Share” shall be calculated in accordance with the formula:-

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

where:-

C = C in this By-Law 14.1 (c),

E\* = the subscription consideration for 1 new Share under the terms of such offer or invitation to acquire or subscribe for Shares;

F\* = the number of Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for 1 additional Share; and

For the purpose of this By-Law 14.1(c), “Capital Distribution” shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of Shares (other than an issue falling within By-Law 14.1(b)) credited as fully or partly paid up by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account or capital redemption reserve fund). Any dividend charged or provided for in the accounts of any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited profit and loss accounts of the Company.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for the above transaction.

## 16. BY-LAWS OF THE ESOS

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- 14.2 The adjustments 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 or such other market day as deemed appropriate by the Option Committee.
- 14.3 The adjustments pursuant to By-Law 14.1 shall be effected in such manner as the external auditors of the Company confirm in writing in their opinion, that they are fair and reasonable, **PROVIDED ALWAYS THAT:-**
- (a) no adjustment to the Option Price shall be made which would result in the new MSB 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 Option Price payable shall be the par value of the new MSB Shares;
  - (b) upon any adjustment being made pursuant to this By-Law hereof, the Option Committee shall within 10 Market Days of the effective date of the alteration in the capital structure of Company notify the Grantee (or his legal or personal representatives where applicable) in writing informing him of the adjusted Option Price thereafter in effect and/or the revised number of new MSB Shares thereafter to be issued on the exercise of the Option;
  - (c) the capital outlay to be incurred by Option holders in exercising their Options remains unaffected. Where it is not practicable to ensure that the capital outlay to be incurred by Option holders in exercising their Options remain unchanged, the Company will seek a waiver from Bursa Securities from complying with the requirement; and
  - (d) Any adjustments made must be in compliance with the provisions as provided in this By-Law.
- 14.4 The provisions of this By-Law shall not apply where the alteration in the capital structure of the Company arises from:-
- (a) An issue of Shares pursuant to the exercise of Options under the Scheme; or
  - (b) an issue of new MSB Shares in consideration or part consideration for an acquisition of any other securities, assets or business; or
  - (c) An issue of securities as a private placement; or
  - (d) 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 Shares arising from the exercise of any conversion rights in respect of securities convertible into new Shares including but not limited to warrants and convertible loan stocks; or
  - (g) An issue of further Options to Eligible Employees under these By-Laws; or
  - (h) A share buyback arrangement by the Company.

## **16. BY-LAWS OF THE ESOS**

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- 14.5 Notwithstanding anything to the contrary contained in the Scheme, in the event that a fraction of a new Share arising from the adjustments referred to in By-Law 14.1 hereof would otherwise be required to be issued upon the exercise of an Option by the Grantee, the Grantee's entitlement shall be rounded down to the nearest whole number of new MSB Shares.
- 14.6 Should there be other circumstances which give rise to a consideration for adjustments to the Option Price or the number of new Shares in favour of all the Grantees, but it is decided that no adjustments will be made, such decision must be made known to all the Grantees via a timely notice, subject to compliance with the Listing Requirements.

## **15. QUOTATION OF SHARES**

- 15.1 Upon any new MSB Shares (if any) being allotted to the Grantee pursuant to an exercise of the Options, the Company shall make the necessary application to Bursa Securities for the listing of and quotation for such new MSB Shares and use its best endeavours to obtain permission for such listing and quotation.

## **16. RANKING OF NEW MSB SHARES**

- 16.1 The new MSB Shares to be allotted and issued upon the exercise of the Options will upon such allotment and issuance, rank *pari passu* in all respects with the then issued and fully paid-up MSB Shares except that the MSB Shares so allotted will not be entitled to any dividends, rights, allotments or other distributions, the entitlement date (namely the date as at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights, allotments or other distributions) of which is prior to the date of allotment of the new MSB Shares and will be subject to all the provisions of the Articles of Associations relating to the transfer, transmission and otherwise of the MSB Shares.

## **17. ADMINISTRATION**

- 17.1 The Scheme shall be administered by the Option Committee consisting of such persons appointed by the Board. The Option Committee shall administer the Scheme in such manner as it shall in its discretion deem fit. For the purpose of administering the Scheme, the Option 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 Option Committee may in its discretion deem fit necessary and/or expedient for the implementation of the Scheme.
- 17.2 The Board shall have the discretion as it deems fit to approve, rescind and/or revoke the appointment of any person in the Option Committee.
- 17.3 Subject to By-Law 21, any decision of the Option Committee made pursuant to any provision of the Scheme or any rule, regulation, procedure or as to any rights under the Scheme shall be final and binding.

## **16. BY-LAWS OF THE ESOS**

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### **18. AMENDMENT AND/OR MODIFICATION TO THE SCHEME**

- 18.1 Subject to the approvals of any relevant authorities, the Board shall have the power at any time and from time to time by resolution to amend and/or modify all or any of the provisions of the Scheme **PROVIDED THAT** no such amendment and/or modification shall be made which would either materially prejudice the rights then accrued to any Grantee without the Grantee's prior consent or alter to the advantage of any Grantee in respect of any provisions of the Scheme without the prior approval of the Company's shareholders in a general meeting.
- 18.2 Where an amendment and/or modification is made to the By-Laws of the Scheme, the Company shall submit to the Bursa Securities a confirmation letter that the amendment and/or modification does not contravene any of the provision of the guidelines on ESOS as stipulated under the Listing Requirements.

### **19. EFFECTIVE DATE AND DURATION OF THE SCHEME**

- 19.1 The effective date of the commencement of the Scheme shall be the date of full compliance with the Listing Requirements in relation to ESOS including the following:-
- (i) submission of a final copy of the By-Laws to Bursa Securities;
  - (ii) receipt of approval-in-principle for the listing of and quotation for the new MSB Shares to be issued pursuant to the exercise of the Options from Bursa Securities;
  - (iii) receipt of approval from the shareholders of the Company for the Scheme;
  - (iv) receipt of any other relevant authority whose approval is necessary in respect of the Scheme; and
  - (v) fulfilment of all the conditions attached to the above approvals for the Scheme.

The Scheme shall be in force for a period of 5 years from the date of commencement of the Scheme ("Date of Commencement"). However, an extension to the Scheme may be effected by the Company upon the recommendation of the Option Committee, subject to an aggregate duration of 10 years from the Date of Commencement (or any other duration that is allowed by the relevant authorities). In the event the Scheme is extended and implemented in accordance with the terms of these By-Laws, the Option Committee shall inform the relevant parties of such extension, prior to the proposed extension of the Scheme.

- 19.2 Subject to the approval of the relevant authorities and the shareholders, the Company may establish a new employee share option scheme after the expiry of the current Scheme or if the current Scheme has been terminated during the Duration of the Scheme. An Eligible Employee who has been granted Options under the earlier Scheme may be allowed to participate in this new scheme, subject to the by-laws of the new scheme.
- 19.3 The adviser of the Company must, within 5 market days after the effective date of implementation of the ESOS, submit to Bursa Securities a confirmation of full compliance with the conditions as set out in By-Law 19.1 stating the effective date of implementation of the ESOS together with a certified true copy of the relevant resolution passed by the shareholders of the Company at a general meeting in relation to the ESOS.

## **16. BY-LAWS OF THE ESOS**

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### **20. TERMINATION OF THE SCHEME**

20.1 Notwithstanding the provisions of By-Law 19, the Scheme may be terminated by the Company at any time during the Duration of the Scheme provided the following approval(s)/consent(s) are obtained:-

- (i) the consent of the shareholders at a general meeting; and
- (ii) the written consent of all Grantees who have yet to exercise their Options, either in part of whole.

### **21. DISPUTES**

21.1 In the event of any dispute or difference between the Option Committee and an Eligible Employee or Grantee, as to any matter or thing of any nature arising hereunder, the Option Committee shall determine such dispute or difference by a written decision (without any obligation to give any reasons therefor) given to the Eligible Employee or Grantee, as the case may be. The said decision shall be final and binding on the parties unless the Eligible Employee or Grantee, as the case may be, shall dispute the decision by written notice to the Option Committee within 14 days of the written decision, in which case such dispute or difference shall be referred to the decision of the external auditors of the Company for the time being, acting as experts and not as arbitrators, whose decision shall be final and binding in all respects. Under no circumstances shall a dispute or difference be brought to a court of law.

### **22. COMPENSATION**

22.1 An Eligible Employee or Grantee who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office.

22.2 No Eligible Employee or Grantee or legal or personal representatives shall bring any claim, action or proceeding against the Company or the Option Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his Option or his Option ceasing to be valid pursuant to the provisions of these By-Laws, as may be amended from time to time in accordance with By-Law 18 hereof.

### **23. TRANSFERS FROM OTHER COMPANIES TO OUR GROUP**

23.1 In the event that:-

- (i) an employee or a Director who was employed or appointed in a company which is not within our Group and is subsequently transferred from such company to any company within our Group; or

## **16. BY-LAWS OF THE ESOS**

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- (ii) an employee or a Director who was in the employment of a company which subsequently becomes a subsidiary of the Company as a result of a restructuring or acquisition or otherwise involving the Company and/or any company within our Group;

(the first mentioned company in each of (a) and (b) is hereinafter referred to as the "Previous Company"), such an employee of the Previous Company (the "Affected Employee") will, if the Affected Employee satisfies all the conditions of these By-Laws, be eligible to be considered for the offer of Options under the Scheme for the remaining Duration of the Scheme and subject to all the terms and conditions of these By-Laws. The Affected Employee shall also be entitled to continue to exercise all such unexercised option(s) which were granted to him under the employee share option scheme (if any) in which he was participating (the "Previous ESOS") whilst the Affected Employee was in the employment of the Previous Company in accordance with the By-Laws of such Previous ESOS but he shall not, upon such transfer or restructuring or acquisition as the case may be, be eligible to participate for further options of such Previous ESOS. Where the Affected Employee accepts further options under the Previous ESOS after the transfer or restructuring or acquisition of the Affected Employee and/or Previous Company to our Group, as the case may be, such Affected Employee shall not be considered for the offer of Options under the Scheme.

## **24. DIVESTMENT FROM OUR GROUP**

24.1 If a Grantee who was in the employment with a company in our Group which was subsequently divested wholly or in part from our Group which resulted in a subsequent holding of 50% or less by our Group, then such Grantee:-

- (i) may be entitled to continue to exercise all such unexercised Options which were granted to him under the Scheme within a particular time frame determined within the Option Period at the discretion of the Option Committee, failing which the right of such Grantee to subscribe for that number of new MSB Shares or any part thereof granted under such unexercised Options shall automatically lapse and be null and void and of no further force and effect; and
- (ii) shall not be eligible to participate for further Options under the Scheme.

## **25. COSTS AND EXPENSES**

25.1 All costs and expenses incurred in relation to the Scheme including but not limited to the costs and expenses relating to the issue and allotment of the new MSB Shares upon the exercise of any Option shall be borne by the Company.

25.2 All taxes, if any, arising from the exercise of any Option shall be borne by the Grantee.

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**16. BY-LAWS OF THE ESOS**

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**26. NOT A TERM OF EMPLOYMENT**

- 26.1 This Scheme does not form part nor shall it in any way be construed as part of the terms and conditions of employment of any employee of our Group.

**27. ARTICLES OF ASSOCIATION**

- 27.1 Notwithstanding the terms and conditions contained in this Scheme, if a situation of conflict should arise between this Scheme and the Articles of Association of the Company, the provisions of Articles of Association of the Company shall at all times prevail.

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

- 28.1 All Grantees are entitled to inspect the latest audited financial statements of the Company during normal office hours on any working day at the Registered Office of the Company.

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## 17. PROCEDURES FOR APPLICATION AND ACCEPTANCE

### 17.1 OPENING AND CLOSING OF APPLICATION

The application for the Public Issue Shares will open at 10.00 a.m. on 2 June 2006 and will remain open until at 5.00 p.m. on 9 June 2006 or such further period or periods as our Directors and Underwriter may in their absolute discretion mutually decide. Any change to the closing date will be published in a widely circulated daily English and Bahasa Malaysia newspaper within Malaysia.

### 17.2 METHODS OF APPLICATION

The applications shall be made in relation with and subject to the terms of this Prospectus and our Memorandum and Articles of Association.

Types of application	Application method
Applications for the 2,000,000 Public Issue Shares made available for our eligible Directors, employees and/or persons who have contributed to our success	Pink Application Form only
Applications for the 7,000,000 Placement Shares by way of private placement to the identified investors	White Application Form only
Applications for the 3,000,000 Public Issue Shares made available for applications by the Malaysian investing public:- (i) Malaysian public – individuals	White Application Form or Electronic Share Application*
(ii) Malaysian public – non individuals	White Application Form only

\* *A surcharge of RM2.50 per Electronic Share Application will be charged by the respective participating financial institutions.*

### 17.3 APPLICATIONS USING APPLICATION FORMS

#### 17.3.1 Application Forms

The following relevant Application Forms issued with this Prospectus are deemed to form part hereof:-

- (a) **Pink** Application Forms for application by the eligible Directors, employees and/or persons who have contributed to our success; and
- (b) **White** Application Forms for application by the identified investors and Malaysian citizens, companies, co-operatives, societies and institutions, of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, societies, co-operatives and institutions, to the extent possible.



## 17. PROCEDURES FOR APPLICATION AND ACCEPTANCE

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White Application Forms together with copies of this Prospectus may be obtained, subject to availability, from MIMB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and MIH.

### 17.3.2 Terms and conditions for applications using Application Forms

Only 1 Application Form from each applicant will be considered and an application must be for 100 ordinary shares of RM0.10 each or multiples thereof. **MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED.** A person who submits multiple applications in his own name or by using the name of others, with or without their consents, commits an offence under Section 87A of the Securities Industry Act, 1983 ("SIA") and if convicted, may be punished with a minimum fine of RM1,000,000 and a jail term of up to 10 years under Section 88B of the SIA.

Application for the Public Issue Shares must be made on the Application Forms provided together with this Prospectus and must be completed in accordance with the notes and instructions printed on the reverse side of the Application Forms and in this Prospectus. In accordance with Section 41(2) of the Securities Commission Act, 1993, the Application Form together with the notes and instructions printed thereon shall constitute integral part of this Prospectus. Applications which do not **strictly** conform to the terms of this Prospectus or Application Forms or notes and instructions printed thereon or which are illegible may not be accepted.

Each completed Application Form must be accompanied by a remittance in Ringgit Malaysia for the full amount payable by either:

- (a) BANKER'S DRAFT OR CASHIER'S ORDER purchased within Malaysia only and drawn on a bank in Kuala Lumpur; or
- (b) MONEY ORDER OR POSTAL ORDER (for applicants from Sabah and Sarawak only); or
- (c) GUARANTEED GIRO ORDER ("GGO") from Bank Simpanan Nasional Malaysia Berhad; or
- (d) ATM STATEMENTS OBTAINED FROM ANY OF THE FOLLOWING:

Alliance Bank Malaysia Berhad;  
AmBank (M) Berhad;  
Bumiputera-Commerce Bank Berhad;  
EON Bank Berhad;  
Hong Leong Bank Berhad;  
Malayan Banking Berhad;  
Public Bank Berhad;  
RHB Bank Berhad; or  
Southern Bank Berhad,

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## 17. PROCEDURES FOR APPLICATION AND ACCEPTANCE

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made out in favour of

**“MIH SHARE ISSUE ACCOUNT NO. 413”**

and crossed “A/C Payee Only” (excluding ATM statements) and endorsed on the reverse side with your name.

If you are an individual and not a member of the armed forces/police, your name and national registration identity card number must be exactly the same as that stated in:-

- a. your national registration identity card;
- b. any valid temporary identity document issued by the National Registration Department from time to time; or
- c. your “Resit Pengenalan Sementara (JPN 1/9)” issued pursuant to Peraturan 5(5), Peraturan-Peraturan Pendaftaran Negara 1990.

If you are a member of the Armed Forces/Police, your name and your Armed Forces/Police personnel number, as the case may be, must be exactly the same as that stated in your authority card.

For corporate/institutional applicants, the name and certificate of incorporation number must be exactly the same as that stated in the certificate of incorporation.

Applications accompanied by mode of payment other than those stated above or with excess or insufficient remittance may not be accepted. You must complete details of the remittance in the appropriate boxes provided on the Application Form.

You must state your CDS account number in the space provided on the Application Form and you shall be deemed to have authorised Bursa Depository to disclose information pertaining to your CDS account to MIH or our Company.

You must write your name and address on the reverse side of the banker’s draft, cashier’s order, ATM statement, money order or Guaranteed Giro Order (GGO) from Bank Simpanan Nasional Malaysia Berhad.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents must be despatched by **ORDINARY POST** in the official envelopes provided to the following address:-

**Malaysian Issuing House Sdn Bhd**  
**27<sup>th</sup> Floor, Menara Multi-Purpose**  
**Capital Square**  
**No. 8, Jalan Munshi Abdullah**  
**50100 Kuala Lumpur**  
**P.O. Box 13269**  
**50804 Kuala Lumpur; or**

## 17. PROCEDURES FOR APPLICATION AND ACCEPTANCE

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**DELIVER BY HAND** and deposit in the Drop-In Boxes provided at the back portion of Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur so as to arrive not later than **5.00 p.m. on 9 June 2006**; or

**DELIVERED IN A DRIVE-IN MANNER** at Stadium Hoki Tun Razak, Jalan Duta, Kuala Lumpur on the last day of acceptance of applications which is currently on 9 June 2006 between 10.00 a.m. to 5.00 p.m. only.

No acknowledgement of the receipt of Application Forms or application monies will be made.

Please direct all enquiries in respect of the white application form to MIH.

### 17.4 APPLICATIONS USING ELECTRONIC SHARE APPLICATIONS

#### 17.4.1 Terms and conditions for Electronic Share Application

The procedures for Electronic Share Application are set out on the ATM screens of the relevant participating financial institutions (“Steps”). For illustration purposes, the procedures for Electronic Share Application at ATMs are set out in “Steps for Electronic Share Application through a participating financial institution’s ATM” in Section 17.4.2 of this Prospectus. The steps set out the actions that you must take at the ATM to complete an Electronic Share Application. Please read carefully the terms of this Prospectus, the steps and the terms and conditions for Electronic Share Application set out below before making an Electronic Share Application.

**In the case of Electronic Share Applications, only an applicant who is an individual with a CDS account is eligible to utilise the facility.**

You must have an existing account with, and be an ATM cardholder of, one of the participating financial institutions before you can make an Electronic Share Application. An ATM card issued by one of the participating financial institutions cannot be used to apply for shares at an ATM belonging to other participating financial institutions. Upon the completion of your Electronic Share Application transaction, you will receive a computer-generated transaction slip (“Transaction Record”), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or MIH. The Transaction Record is for your retention and should not be submitted with any Application Form.

Upon the closing of offer for the application for the Public Issue Shares on 9 June 2006 at 5.00 p.m., the participating financial institutions shall submit the magnetic tapes containing their respective customers’ applications for the Public Issue Shares to MIH as soon as practicable but not later than 12.00 p.m. of the second business day after the closing date and time.

You are allowed to make an Electronic Share Application for the Public Issue Shares via an ATM that accepts the ATM cards of the participating financial institution with which you have an account and its branches, subject to you making only one application. You can apply for the Public Issue Shares via an ATM card of that participating financial institution which is situated in another country or place outside of Malaysia, subject to you making only one application.

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## 17. PROCEDURES FOR APPLICATION AND ACCEPTANCE

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You must ensure that you use your own CDS account number when making an Electronic Share Application. If you have a joint account with any participating financial institution, you must ensure that you enter your own CDS account number when using an ATM card issued to you in your own name. Your application will be rejected if you fail to comply with the foregoing.

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:-

- (a) Your application will not be successfully completed and cannot be recorded, as a completed transaction at the ATM unless you complete all the steps required by the participating financial institutions. By doing so, you shall be treated as signifying your confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 97 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Central Depositories Act to the disclosure by the relevant participating financial institution or Bursa Depository, as the case may be, of any of your particulars to MIH or any relevant regulatory bodies.
- (b) You confirm that you are not applying for shares as nominee of any other person and that any Electronic Share Application that you make is made by yourself as the beneficial owner. You shall only make one Electronic Share Application and shall not make any other application for the Public Issue Shares, whether at the ATMs of any participating financial institution or on the prescribed Application Forms.
- (c) You must have sufficient funds in your account with the relevant participating financial institutions at the time you make your Electronic Share Application, failing which your Electronic Share Application will not be completed. Any Electronic Share Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made, will be rejected.
- (d) You agree and undertake to subscribe for or purchase and to accept the number of shares applied for as stated on the Transaction Record or any lesser number of shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate any lesser number of such shares or not to allot or allocate any shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the designated key on the ATM) of the number of shares applied for shall signify, and shall be treated as, your acceptance of the number of shares that may be allotted or allocated to you and to be bound by our Memorandum and Articles of Association.
- (e) You request and authorise us:-
  - (i) to credit the Shares allotted or allocated to you into your CDS account; and
  - (ii) to issue share certificate(s) representing such Shares allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.

## 17. PROCEDURES FOR APPLICATION AND ACCEPTANCE

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- (f) You acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond the control of our Company, MIH or the participating financial institution and irrevocably agree that if:-
- (i) our Company or MIH does not receive your Electronic Share Application; and
  - (ii) data relating to your Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to our Company or MIH,
- you shall be deemed not to have made an Electronic Share Application and you shall not claim whatsoever against the Company, MIH or the participating financial institution for the Shares applied for or for any compensation, loss or damage.
- (g) All your particulars in the records of the relevant participating financial institution at the time you make your Electronic Share Application shall be deemed to be true and correct and our Company, MIH and relevant participating financial institution shall be entitled to rely on the accuracy thereof.
- (h) By making and completing an Electronic Share Application, you agree that:-
- (i) in consideration of our Company agreeing to allow and accept the making of any application for our Shares via the Electronic Share Application facility established by the participating financial institution at their respective ATMs, your Electronic Share Application is irrevocable;
  - (ii) our Company, the participating financial institutions, Bursa Depository and MIH shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our/their control;
  - (iii) notwithstanding the receipt of any payment by or on behalf of our Company, the acceptance of your offer to subscribe for and purchase our Shares for which your Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allocation for prescribed securities, in respect of the said shares;
  - (iv) you irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of our Shares allotted or allocated to you; and
  - (v) our Company agrees that in relation to any legal action or proceedings arising out of or in connection with the contract between the parties and/or the electronic share scheme and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that our Company irrevocably submits to the jurisdiction of the Courts of Malaysia.

## **17. PROCEDURES FOR APPLICATION AND ACCEPTANCE**

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### **17.4.2 Steps for Electronic Share Application through a participating financial institution's ATM**

- (a) You must have an account with a participating financial institution and an ATM card issued by that participating financial institution to access the account;
- (b) You must have a CDS account; and
- (c) You have to choose the Electronic Share Application option at the ATM of the participating financial institution. Mandatory statements required in the application are set out on Section 17.4.1 of this Prospectus relating to the terms and conditions for Electronic Share Application. You have to enter at least the following information through the ATM where the instructions on the ATM screen require you to do so:-
  - Personal Identification Number (PIN Number);
  - MIH Share Issue Account Number 413;
  - CDS account number;
  - Number of shares applied for and/or the Ringgit amount to be debited from the account; and
  - Confirmation of several mandatory statements.

### **17.4.3 Participating financial institutions**

Electronic Share Applications may be made through an ATM of the following participating financial institutions and their branches: -

- AmBank (M) Berhad;
- Bank Muamalat Malaysia Berhad;
- Bumiputra-Commerce Bank Berhad;
- HSBC Bank Malaysia Berhad;
- Malayan Banking Berhad;
- OCBC Bank (Malaysia) Berhad; or
- Standard Chartered Bank Malaysia Berhad (at selected branches only).

## **17.5 APPLICATIONS AND ACCEPTANCES**

You can only apply for our Shares if:-

- (i) you have attained 18 years of age as at the closing date of the Public Issue Shares application;
- (ii) you are a Malaysian citizen residing in Malaysia;
- (iii) you are a corporation/institution incorporated in Malaysia where, there is a majority of Malaysian citizens on your board of directors/trustee and if you have a share capital, more than half of your issued share capital, excluding preference share capital, is held by Malaysian citizens;
- (iv) you are a superannuation, provident or pension fund established or operating in Malaysia;
- (v) you have a CDS account;
- (vi) you have read the relevant Prospectus and understood and agreed with the terms and conditions of the application;
- (vii) you are not a Directors or employee of MIH or their immediate family members;
- (viii) this is the only application that you are submitting; and
- (ix) you give consent to the participating financial institution and Bursa Depository to disclose information pertaining yourself and your account with the participating financial institution and Bursa Depository to MIH and other relevant authorities.

## 17. PROCEDURES FOR APPLICATION AND ACCEPTANCE

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The amount payable in full on application is RM0.49 per share. Persons submitting applications by way of Application Forms may not submit applications by way of Electronic Share Applications and vice versa. A corporation or institution cannot submit an application by way of Electronic Share Application.

MIH under the authority of our Directors reserves the right not to accept any application or accept any application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.

MIH under the authority of our Directors reserves the right not to accept any application which does not strictly comply with the instructions or to accept any application in part only without assigning any reason therefor.

The submission of your Application Form or the completion of your Electronic Share Application does not necessarily mean that your application will be successful.

In the event of an over-subscription, acceptance of applications by the Malaysian public shall be subject to ballot to be conducted in a manner as approved by our Directors. Our Board will ensure that any excess Public Issue Shares will be allocated on a fair and equitable manner, and in our best interest. Due consideration will be given to the desirability of distributing the Public Issue Shares to a reasonable number of applicants with a view to broadening the shareholding base and establishing an adequate market in the trading of our Shares. The final allocation of our Shares to any single applicant will be made to ensure that our Company complies with the public shareholding spread requirements under the Listing Requirements which is at least 25% but not more than 49% of our total number of Shares, for which listing is sought, is in the hands of a minimum of 200 public shareholders holding not less than 100 Shares each upon listing.

**YOUR APPLICATION MUST BE FOR 100 ORDINARY SHARES OF RM0.10 EACH OR MULTIPLES THEREOF.**

In the event of an under-subscription by the Malaysian public, such number of Public Issue Shares not applied for will be made available for subscription by the Underwriter in the manner as specified in the Underwriting Agreement.

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## 17. PROCEDURES FOR APPLICATION AND ACCEPTANCE

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If you are unsuccessful/partially successful in your application, the full amount or the balance of the application monies, as the case may be, will be refunded without interest in the following manner:-

- (a) For an application by way of Application Form, the full amount or the balance of the application monies, as the case may be, shall be despatched by ordinary post to you within 10 market days from the date of the final ballot of the application at your address last maintained with Bursa Depository.

If your application is rejected because you did not provide a CDS account, the full amount of your application monies will be sent to you by MIH.

MIH reserves the rights to bank in all application monies from unsuccessful Bumiputera applicants and partially successful applicants, which would subsequently be refunded in full without interest by registered post to your address last maintained with Bursa Depository.

- (b) For an application by way of Electronic Share Application, the relevant participating financial institutions will credit the full amount of your application monies into your account with that participating financial institution within 2 market days after the receipt of confirmation from MIH. MIH shall inform the participating financial institutions of the non-successful or partially successful applications within 2 market days after the balloting date. You may check your account on the 5<sup>th</sup> market day from the balloting day.

Where your Electronic Share Application is accepted in part only, the relevant participating financial institution will credit the balance of your application monies without interest into your account with the participating financial institution within 2 market days after the receipt of confirmation from MIH. A number of applications will, however, be held in reserve to replace any successfully balloted applications, which are subsequently rejected. For such applications, which are subsequently rejected, the application monies without interest will be refunded to you by MIH by way of cheques issued by MIH. The cheques will be issued to you not later than 10 market days from the day of the final allotment of the application.

If you encounter any problems in your application, you may refer to the participating financial institutions.

If you are successful in your application, our Directors reserve the right to require you to appear in person at the registered office of MIH within 14 days of the date of the notice issued to you to ascertain the regularity or propriety of the application. Our Directors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any of your expenses incurred or to be incurred for the purpose of complying with this provision.

Your remittance having been presented for payment shall not signify that your application has been accepted.



## **17. PROCEDURES FOR APPLICATION AND ACCEPTANCE**

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### **17.6 CDS ACCOUNT**

Pursuant to Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, all dealings in the Shares of our Company including the Public Issue Shares will be by book entries through CDS accounts. No share certificates will be issued to you.

You must have a CDS account when applying for our Public Issue Shares. If you do not presently have a CDS account, you should open a CDS account at an ADA prior to making an application for the Public Issue Shares.

In the case of an application by way of Application Form, you should state your CDS account number in the space provided on the Application Form and you shall be deemed to have authorised Bursa Depository to disclose information pertaining to your CDS Account to MIH or the Company.

In the case of an application by way of Electronic Share Application, you shall furnish your CDS account number to the participating financial institution by way of keying in your CDS account number if the instructions on the ATM screen require you to do so.

Failure to comply with these specific instructions or inaccuracy in the CDS account number may result in your application being rejected. Our Directors reserve the right to reject any incomplete or inaccurate application. Your Application may also be rejected if the records of the participating financial institutions at the time of making the Electronic Share Application differ from those in Bursa Depository's records, such as the identity card number, name and nationality.

### **17.7 NOTICES OF ALLOTMENT**

Our Shares allocated to you will be credited into your CDS account if you are successful or partially successful in your application. A notice of allotment will be despatched to you at your address last maintained with Bursa Depository at your own risk prior to our Listing. This is the only acknowledgement of acceptance of your application.

You shall ensure that your personal particulars as recorded by both Bursa Depository and relevant participating financial institutions are correct and identical. You must inform Bursa Depository of your updated address promptly by adhering to certain rules and regulations of Bursa Depository, failing which the notification letter on successful allotment shall be sent to your address last registered with Bursa Depository.

You may also check the status of your application by calling your respective ADAs or at the telephone number of MIH stated below (during office hours only) or checking at MIH's website stated below after the date of allotment of the Shares:

Telephone number: 03 2693 2075

Website: [www.mih.com.my](http://www.mih.com.my)

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