
16 ESOS BY-LAWS

1. NAME OF SCHEME

This Scheme shall be called the “JHM Employee Share Option Scheme”.

2. OBJECTIVES OF SCHEME

The objectives of the Scheme are:-

- (a) To provide an opportunity for employees to participate as shareholders of the Company;
- (b) To reward and retain employees and directors whose services are vital to the continued growth of the Group; and
- (c) To motivate employees towards better performance through greater loyalty to the Group.

3. DEFINITIONS AND INTERPRETATION

3.1 In these By-Laws, the following terms and expressions shall have the following meanings:-

“Act”	-	The Companies Act, 1965, as amended from time to time, and any re-enactment thereof
“Articles”	-	Articles of Association of the Company, as amended from time to time
“Auditor”	-	External auditors of JHM for the time being
“Available Balance”	-	The unissued share capital of the Company which is available for the offer of further Options subject to the limit set out in By-Law 4.2 and after deducting all Options which have been offered and accepted
“Bursa Depository”	:	Bursa Malaysia Depository Sdn. Bhd.
“Bursa Securities”	-	Bursa Malaysia Securities Berhad
“Board”	-	The Board of Directors of the Company
“By-Laws”	-	The rules, terms and conditions of the Scheme (as may be amended, varied or supplemented from time to time in accordance with By-Law 22)
“CDS”	-	Central Depository System
“CDS Account”	-	An account established by Bursa Depository for a depositor for the recording of deposits of securities and dealings in such securities by the depositor
“Central Depositories Act”	-	Securities Industry (Central Depositories) Act, 1991, as amended from time to time
“Company” or “JHM”	-	JHM Consolidation Berhad
“Date of Expiry”	-	The last day of the duration of the Scheme as defined in By-Law 19.1
“Date of Offer”	-	The date on which an Offer is made by the Option Committee to an Eligible Person in the manner provided in By-Law 7

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“Depository Rules”	-	Rules of Bursa Depository
“Director”	-	A natural person who holds a directorship in an executive or non-executive capacity in any company in the Group
“Effective Date”	-	The date of full compliance with all relevant requirements for the Scheme under the Listing Requirements for the implementation of the Scheme
“Eligible Person”	-	An Employee or a Director who is designated in writing by the Option Committee to be an Eligible Person described in By-Law 5, and falling within any of the categories of Eligible Persons set out in By-Law 6
“Employee”	-	A natural person who is employed by and on the payroll of any company in the Group. Employees include executive Directors
“Entitlement Date”	-	The date as at the close of business on which shareholders’ names must appear on JHM’s Record of Depositors in order to participate in any dividends, rights, allotments or other distributions
“Grantee”	-	An Eligible Person who has accepted an Offer in the manner provided in By-Law 8
“Group”	-	The Company and its subsidiaries as defined in Section 5 of the Act, which are not dormant. Subsidiaries include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the duration of the Scheme but exclude subsidiaries which have been divested in the manner provided in By-Law 17.2
“Listing Requirements”	-	The revamped Listing Requirements of the Bursa Securities for the MESDAQ Market
“Market Day”	-	Any day from Monday to Friday (inclusive of both days) which is not a public holiday and on which the Bursa Securities is open for the trading of securities
“Maximum Entitlement”	-	The maximum number of Options that can be offered to an Eligible Person as stipulated in By-Law 6.1
“Offer”	-	A written offer made by the Option Committee to an Eligible Person in the manner provided in By-Law 7
“Option(s)”	-	The right of a Grantee to subscribe for one (1) new Share(s) pursuant to the contract constituted by acceptance by the Grantee in the manner provided in By-Law 8 of an Offer made to such Grantee by the Option Committee pursuant to By-Law 7
“Option Committee”	-	A committee comprising directors and/or senior management personnel appointed by the Board to administer the Scheme
“Option Period”	-	The period commencing from the Date of Offer and expiring on the Date of Expiry of the Scheme as provided in By-Law 19.1. In the event that the duration of the Scheme shall be extended, the Date of Expiry of the Scheme shall be the date of expiry as so extended

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- “Record of Depositors” : A record of Depositors established by Bursa Depository under the Rules of the Central Depository
- “Scheme” - The scheme for the granting of Options to Eligible Person to subscribe for new Shares upon the terms as herein set out, such scheme to be known as the “JHM Employee Share Option Scheme”
- “Shares” - Ordinary shares of RM0.10 each in the Company
- “Subscription Price” - The price at which a Grantee shall be entitled to subscribe for each Share as calculated in accordance with the provisions of By-Law 11
- “Subsidiary Company” - A company which is for the time being a subsidiary company of JHM as defined in Section 5 of the Act

3.2 Headings are for ease of reference only and do not affect the meaning of a By-Law.

3.3 References to the provisions of statutes include such provisions as amended or re-enacted from time to time, and references to statutes include any consolidations, replacements or revisions of the same.

3.4 Words importing the masculine gender shall include the feminine and neuter genders.

3.5 Words importing the singular number shall include the plural number and vice versa.

4. TOTAL NUMBER OF SHARES AVAILABLE UNDER THE SCHEME

4.1 Each Option shall be exercisable into one (1) new Share in accordance with the provisions of these By-Laws.

4.2 The aggregate number of Shares to be offered under the Scheme shall not exceed twenty per centum (20%) of the issued and paid-up ordinary share capital of the Company at any one time during the duration of the Scheme as provided in By-Law 19.1, and further, the following shall be complied with:-

- (a) Not more than fifty per centum (50%) of the Shares available under the Scheme shall be allocated, in aggregate, to Directors and senior management; and
- (b) Not more than ten per centum (10%) of the Shares available under the Scheme shall be allocated to any individual Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds twenty per centum (20%) or more of the issued and paid-up share capital of the Company.

In this By-Law, “persons connected” has the same meaning as defined in paragraph 1.01 of the Listing Requirements.

4.3 Notwithstanding By-Law 4.2 above nor any other provision herein contained, in the event the maximum number of new Shares comprised in the Options granted under the Scheme exceeds the aggregate of twenty per centum (20%) of the issued and paid-up ordinary share capital of the Company as a result of the Company purchasing its own Shares pursuant to Section 67A of the Act or undertakes any other corporate proposal, thereby diminishing the issued and paid-up capital of the Company, the Options granted shall remain valid and exercisable in accordance with these By-Laws. However, in such a situation, the Option Committee shall not make any further Offers, unless the total number of shares to be issued under the Scheme falls below twenty per centum (20%) of the issued and paid-up ordinary share capital of the Company.

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- 4.4 The Company will keep available sufficient unissued Shares in its authorised share capital to satisfy all outstanding Options throughout the duration of the Scheme.

5. ELIGIBILITY

- 5.1 Only Eligible Persons who fulfill the following conditions shall be eligible to participate in the Scheme:-

- (a) An Eligible Person must be at least eighteen (18) years of age on the Date of Offer;
- (b) An Eligible Person must fall under one of the categories of Eligible Persons listed in By-Law 6.1 below or such additional categories as may be introduced by the Option Committee;
- (c) An Eligible Person, in the case of an Employee, must have been confirmed on the Date of Offer;
- (d) If an Eligible Person is not a Malaysian citizen, he must, in addition to the conditions stipulated in paragraphs (a) to (c) above, also fulfill the following conditions:-
 - (i) The Eligible Person's contribution must be deemed by the Option Committee to be vital to the Group;
 - (ii) Where the Eligible Person is of executive status, the Eligible Person has served the Group on a full time basis for at least two (2) years as at the Date of Offer; and
 - (iii) Where the Eligible Person is of non-executive status, the Eligible Person has served the Group on a full time basis for more than three (3) years as at the Date of Offer.

Provided always that the selection of any Eligible Person for participation in the Scheme shall be at the discretion of the Option Committee and the decision of the Option Committee shall be final and binding.

- 5.2 No Eligible Person shall participate at any time in more than one (1) employee share option scheme currently implemented by any company within the Group.
- 5.3 Subject to By-Laws 4.2 and 6.1, in the event that the Option Committee has determined that certain Eligible Persons are entitled to be offered additional Options and the Available Balance is insufficient to grant their full additional entitlements, the Available Balance may be distributed on such basis as the Option Committee may determine.
- 5.4 The Option Committee has the discretion not to make further additional Offers regardless of the amount of the Available Balance.
- 5.5 Directors who represent the Government or Government institutions or agencies and Government employees who are serving in the public service scheme as defined under Article 132 of the Federal Constitution are not eligible for the Scheme.
- 5.6 The Option Committee may, at its discretion, nominate any Subsidiary Company of the Company to be an eligible Subsidiary Company at any time from time to time provided that the Option Committee shall not so nominate any company which is dormant to be eligible Subsidiary Company. A company shall ipso facto cease to be an eligible Subsidiary Company at the time when such company ceases to be a Subsidiary Company of the Company. Additionally, the Option Committee may, at its discretion revoke or suspend the nomination of any eligible Subsidiary Company at any time and from time to time, whereupon the employees or directors of such company shall henceforth cease to be eligible to receive an Offer under the Scheme provided that any Option already granted shall not be affected by such revocation or suspension.

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6. MAXIMUM ENTITLEMENT AND BASIS OF ALLOTMENT

- 6.1 The categories of Eligible Persons who are eligible to participate in the Scheme and their Maximum Entitlements are as follows:-

Category	Maximum Entitlement (Number of Options)
Group Managing Director	1,200,000
Group Executive Director	1,000,000
Group Non-Executive Director	200,000
Director of Subsidiary	900,000
Manager & Assistant Manager	800,000
Senior Executive	500,000
Engineer & Executive	250,000
Supervisory, Technical & Quality Control	100,000
Administration & Clerical	50,000
Production Operator	50,000
General Worker	50,000

- 6.2 (a) In determining the number of Options to be offered to an Eligible Person under the Scheme, the seniority of the Eligible Person and his length of service in the Group as at the Date of Offer shall be taken into consideration, subject to a minimum of one hundred (100) Options and in multiples of one hundred (100) Options.
- (b) In the event that an Eligible Person is moved to a higher category and has achieved the appropriate length of service, as determined by the Option Committee, during the tenure of the Scheme may be eligible for additional new Shares to be decided by the Option Committee at its discretion subject to the following:-
- (i) that the said Eligible Person be allotted additional new Shares to the Maximum Entitlement for the category to which he/she has been promoted or be allotted additional new Shares in accordance with the length of service, less the number of new Shares already allotted to him/her;
 - (ii) the Eligible Person's Maximum Entitlement shall be increased in accordance with the scale provided in By-Law 6.1 upon his/her confirmation in the higher category. The additional allotment shall be from:
 - (1) The balance of the total Offer not exceeding twenty per centum (20%) of the issued and paid-up share capital of the Company as referred to in By-Law 4 hereof;
 - (2) The resignation of Grantees who have not exercised their Options in full; or
 - (3) Additional Options that may be made available as a result of an increase to the issued and paid-up share capital of the Company.
 - (iii) that in the event that the balance of the new Shares available are insufficient to grant the full additional new Shares allotted to the promoted Eligible Person, the available balance shall then be distributed on a proportionate basis according to the additional allotment for which they are eligible; and
 - (iv) that the Option Committee has the discretion not to make further additional allotment in the event that the balance of the new Shares available is inadequate to make a meaningful allotment.

- (c) In the event that an Eligible Person is moved to a lower category, the following provisions shall apply:-
- (i) His Maximum Entitlement shall be reduced in accordance with the scale provided in By-Law 6.1;
 - (ii) In the event that the total number of Shares in respect of Options which have been accepted by him up to the date he is moved to the lower category is greater than his Maximum Entitlement 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 Entitlement is increased to an amount greater than the total number of Shares in respect of Options which have already been accepted by him; and
 - (iii) In the event that the total number of Shares in respect of Options which have been accepted by him up to the date he is moved to the lower category is less than his Maximum Entitlement 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 6.3, to be offered further Options up to his Maximum Entitlement under such lower category.
- 6.3 Notwithstanding By-Law 6.1, the number of Options to be offered to each Eligible Person shall, subject to each Eligible Person's Maximum Entitlement, be at the discretion of the Option Committee. In exercising its discretion, the Option Committee shall take into consideration the seniority, performance and length of service of each Eligible Person. The Option Committee shall not be obliged in any way to offer to an Eligible Person all of the specified Maximum Entitlement. The decision of the Option Committee shall be final and binding.
- 6.4 The Option Committee may, subject to the approval of the Board, introduce additional categories of Eligible Persons which it shall deem necessary during the duration of the Scheme provided always that the Maximum Entitlements in respect of these additional categories are in compliance with the relevant Listing Requirements and applicable laws.
- 6.5 The Option Committee may make more than one (1) Offer to an Eligible Person provided that the aggregate number of Options offered to an Eligible Person throughout the entire duration of the Scheme does not exceed his Maximum Entitlement.
- 6.6 An Eligible Person who holds more than one (1) position within the Group, and by virtue of such position is an Eligible Person in more than one (1) category, will be entitled to the Maximum Entitlement of any one (1) category. The Option Committee shall be entitled at its discretion to determine the applicable category.

7. OFFER

- 7.1 During the duration of the Scheme, the Option Committee may at its discretion at any time and from time to time make an Offer in writing to an Eligible Person, subject to the Eligible Person's Maximum Entitlement under By-Law 6.1 hereof.
- 7.2 The Option Committee shall state the following particulars in the letter of Offer:-
- (a) The number of Options to subscribe for Shares under the Scheme that are being offered to the Eligible Person;
 - (b) The number of Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the Options being offered;
 - (c) The Option Period;

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- (d) The Subscription Price; and
 - (e) The Offer Period as defined in By-Law 7.4.
- 7.3 The actual number of Options which may be offered to such Eligible Person shall be at the discretion of the Option Committee and shall not be less than one hundred (100) Options nor more than the Maximum Entitlement as set out in By-Law 6.1 herein. The Options offered to Eligible Person shall always be in multiples of one hundred (100) Options hereof.
- 7.4 An Offer shall be valid for a period of thirty (30) days from the Date of Offer (“**Offer Period**”).
- 7.5 No Offer shall be made to any Director of JHM unless such Offer and the related allotment of Shares have previously been approved by the shareholders of the Company in general meeting.
- 7.6 Without prejudice to By-Law 21, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 7.2, the following provisions shall apply:-
- (a) Within one (1) month after discovery of the error, the Company shall issue a supplemental letter of Offer, stating the correct particulars referred to in By-Law 7.2;
 - (b) In the event that the error relates to particulars other than the Subscription Price, the Subscription Price applicable in the supplemental letter of Offer shall remain as the Subscription Price as per the original letter of Offer; and
 - (c) In the event that the error relates to the Subscription Price, the Subscription Price applicable in the supplemental letter of Offer shall be the Subscription Price applicable as at the date of the original letter of Offer, save and except with respect to any Options which have already been exercised as at the date of issue of the supplemental letter of Offer.
- 7.7 After each adjustment following an alteration of the share capital of the Company as stipulated in By-Law 15.1, upon the return by a Grantee of the original letter of Offer to the Company, that letter of Offer shall be amended or a new letter of Offer shall be issued within two (2) months from the date of return of the original letter, to reflect the adjustment made to the number of Options granted to the Grantee and/or to the Subscription Price.
- 7.8 Nothing herein shall prevent the Option Committee from making more than one (1) Offer to an Eligible Person PROVIDED ALWAYS that the total aggregate number of new Shares to be offered to any Eligible Person shall not exceed the Maximum Entitlement as set out in By-Law 6.1 above.

8. ACCEPTANCE

- 8.1 Any Eligible Person who accepts an Offer by written notice must return to the Option Committee within thirty (30) days from the Date of Offer, the Acceptance Form as prescribed by the Option Committee (subject to modification by the Option Committee from time to time) duly completed as required therein accompanied by a payment to the Company of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) only as consideration for the Option.
- 8.2 If an Offer is not accepted in the manner prescribed above, such Offer shall upon the expiry of the said thirty (30) days period, automatically lapse and shall be null and void and be of no further legal force and effect. The number of Options offered in the lapsed Offer shall be deducted from the Maximum Entitlement or the balance of the Maximum Entitlement of the Eligible Person, and the Eligible Person shall not be entitled to be offered the number of Options offered in the lapsed Offer, in any Offers made in the future.

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- 9.1 An Option is personal to the Grantee and subject to the provisions of By-Laws 14.2 and 14.3, it is exercisable only by the Grantee personally during his lifetime whilst he is in the employment or appointment of any company in the Group.
- 9.2 An Option shall not be transferred, assigned, disposed of or subject to any encumbrances by the Grantee save and except in the event of the death of the Grantee as provided under By-Law 14.3. Any such transfer, assignment, disposal or encumbrance shall result in the automatic cancellation of the Option.

10. EXERCISE OF OPTIONS

- 10.1 Subject to By-Laws 14.2, 14.3, 16 and 17, a Grantee shall be allowed to exercise the Options granted to him on terms set out in the letter of Offer, **on the fifteenth working day of each calendar month** or such other period that may be stipulated by the Option Committee, during his lifetime whilst he is in the employment or appointment of the Group, and within the Option Period subject to the following limits:-

Maximum Percentage of Options Exercisable in Each Year Commencing From Date of Offer (On a Per Offer Basis)			
	Year 1	Year 2	Year 3
All Categories of Eligible Person	40%	30%	30%
Non-Executive Director	50%	50%	-

Note: The above percentages of Options shall be rounded up to the nearest 100 Shares.

- 10.2 Subject to the discretion of the Option Committee, where a Grantee is serving under an employment contract and the remaining duration of the contract is less than five (5) years from the Date of Offer, he may exercise any remaining unexercised Options upon the expiry of the contract but before the Date of Expiry of the Scheme.
- 10.3 Options which are exercisable in a particular year but are not exercised may be carried forward to subsequent years subject to the Option Period. Any balance of Options not exercised within twelve (12) months preceding the Date of Expiry shall be capable of being exercised in full subject to the approval of the Option Committee. Any Options which remain unexercised at the expiry of the Option Period shall be automatically terminated without any claim against the Company. For the avoidance of doubt, it is hereby stated that the provisions of By-Laws 10.1 and 10.2 are subject to the provisions of this By-Law 10.3.
- 10.4 A Grantee shall exercise his Options on the last working day of each calendar month or such other period that may be stipulated by the Option Committee, by notice in writing to the Company stating the number of Options exercised. The procedure for the exercise of Options to be complied with by a Grantee shall be determined by the Option Committee from time to time.
- 10.5 A Grantee shall exercise his Options by notice in writing to the Company in the prescribed form stating the number of Options exercised, the number of Shares relating thereto and the Grantee's individual/nominee CDS Account number. The Options shall be exercised in multiples of and not less than one hundred (100) Shares. The exercise by a Grantee of some but not all of the Options which have been offered to and accepted by him shall not preclude the Grantee from subsequently exercising any other Options which have been or will be offered to and accepted by him, during the Option Period.

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- 10.6 Every notice to exercise Options shall be accompanied by a remittance in Ringgit Malaysia in the form of a banker's draft or cashier's order drawn and payable in Penang, for the full amount of the subscription money in relation to the number of Shares in respect of which the notice is given.
- 10.7 Within ten (10) Market Days of the receipt by the Company of such notice and payment, or such other period as may be prescribed by Bursa Securities, and subject to the Articles of the Company, the Company shall allot the relevant number of Shares to the Grantee. The said Shares will be credited directly into the CDS Account of the Grantee (subject to the provisions of the Articles, the Central Depositories Act and Depository Rules) and a notice of allotment stating the number of Shares so credited will be issued to the Grantee. No physical certificates will be issued. An application will be made for the quotation of such Shares.
- 10.8 The Company, the Board and the Option Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities howsoever arising in the event of any delay on the part of the Company in allotting and issuing the Shares or in procuring Bursa Securities to list and quote the Shares subscribed for by a Grantee or any delay in receipt or non-receipt by the Company of the notice to exercise the Options or for any errors in any Offers.

11. SUBSCRIPTION PRICE

The Subscription Price of each Share comprised in any Option shall, subject always to the provisions of By-Law 15 hereof, be as follows:-

- (a) In respect of any Offer which is made in conjunction with the Company's listing on the MESDAQ Market of Bursa Securities, the initial public offer price; and
- (b) In respect of any Offer which is made subsequent to the Company's listing on the Bursa Securities, the weighted average market price of the Shares for the five (5) Market Days immediately preceding the Date of Offer with a discount of not more than ten per centum (10%).

12. RIGHTS ATTACHING TO SHARES

The new Shares to be allotted upon any exercise of any Options granted shall upon allotment and issue, rank pari passu in all respects with the existing issued and paid-up Shares of the Company PROVIDED ALWAYS that the new Shares so allotted will not be entitled to any dividends, rights, allotments and/or other distributions unless such new Shares are specified as being credited to the CDS Account of the Grantee in the Record of Depositors maintained by the Company with Bursa Depository and requested by the Company from Bursa Depository for the purpose of determining persons entitled to such dividends, rights, allotments, and/or distributions in accordance with the Company's Articles of Association.

13. HOLDING OF SHARES

- 13.1 The Company encourages Grantees to hold the Shares subscribed for by them for as long as possible although a Grantee (save for Non-Executive Directors) or his financier, as the case may be, may sell the Shares subscribed for by the Grantee at any time after such Shares have been credited to the Grantee's or his financier's CDS Account. A Grantee should note that the Shares are intended for him to hold as an investment rather than for realisation to yield a quick profit.

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- 13.2 A Grantee who is a Director in a non-executive capacity shall not sell, transfer or assign any Shares obtained through the exercise of Options offered to him pursuant to the Scheme within one (1) year from the Date of Offer of such Options.

14. TERMINATION OF EMPLOYMENT

- 14.1 Subject to By-Law 14.2 and 14.3, any Option which has not been exercised by a Grantee shall be automatically terminated in the following circumstances:-

- (a) Termination of employment or appointment of the Grantee with the Group for any reason whatsoever, in which event the Option shall be automatically terminated on the day the Grantee notifies his employer of his resignation or on the Grantee's last day of employment, whichever is the earlier or on his last day of office; or
- (b) Bankruptcy of the Grantee, in which event the Option shall be automatically terminated on the date a receiving order is made against the Grantee by a court of competent jurisdiction; or
- (c) Upon the happening of any other event which results in the Grantee being deprived of the beneficial ownership of the Option.

Upon the termination of Options pursuant to Bye 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 is at the discretion of the Option Committee.

15. ALTERATION TO SHARE CAPITAL DURING THE OPTION PERIOD

15.1 In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of a capitalisation issue, rights issue, bonus issue, consolidation or subdivision of Shares or capital reduction or any other variation of capital, the Company shall cause such adjustments to be made to:-

- (a) The number of new Shares which a Grantee shall be entitled to subscribe for upon the exercise of each Option (excluding the Options already exercised); and/or
- (b) The Subscription Price;

as shall be necessary to ensure 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 Shares; and
- (b) In determining a Grantee's entitlement to subscribe for new Shares, any fractional entitlements will be disregarded.

15.3 In addition to By-Law 15.1 and not in derogation thereof, the Subscription Price and the number of new Shares relating to the Option 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 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 Shares relating to the Option 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 the 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 period as may be prescribed by Bursa Securities.

- (b) If and whenever the Company shall make any issue of Shares to shareholders credited as fully paid, 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 Option 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 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.

(c) If and whenever 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 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 Shares or securities with rights to acquire or subscribe for Shares,

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 Current Market Price (as defined in By-Law 15.3(h) below) of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and

- D = (aa) in the case of an offer or invitation to acquire or subscribe for Shares under By-Law 15.3(c)(2) above or for securities convertible into Shares or securities with rights to acquire or subscribe for Shares under By-Law 15.3(c)(3) above, the value of rights attributable to one (1) 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) 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:-

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

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 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 Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Shares or security convertible into Shares or right to acquire or subscribe for Shares; and
- D* = The value of rights attributable to one (1) Shares (as defined below).

For the purpose of definition D* above, the "value of the rights stributable 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 to acquire or subscribe for Shares; and
- F* = the number of existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

For the purpose of By-Law 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 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 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 shareholders as shown in the audited consolidation 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 By-Law 15.3(c)(3) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Subscription Price shall be adjusted by multiplying it by the following fraction:-

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

and where the Company makes any allotment to its 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 subscribe 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.

16 ESOS BY-LAWS (Cont'd)

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 Shares or securities with rights to acquire or subscribe for Shares as provided in By-Law 15.3(c)(3) above, the Subscription Price shall be adjusted by multiplying it by the following fraction:-

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

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

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

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 Shares; 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)(ii) 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)(iii) 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;

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 transaction.

- (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), 15.3(c)(3), 15.3(d), 15.3(e) or 15.3(f) above), the Company shall issue either any Share or any security convertible into Shares or with rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than ninety percent (90%) of the Average Price for one (1) Share (as defined below) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the 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 with 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
- (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 Shares issued as aforesaid or, in the case of securities convertible into Shares or securities with rights to acquire or subscribe for Shares, by the maximum number of Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of By-Law 15.3(g), (“**Average Price**”) of a Share shall be the average price of one (1) Share as derived from the last dealt 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 offering 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 dealt 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:

- (i) 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;

16 ESOS BY-LAWS (Cont'd)

- (ii) 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 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 the Option; and
- (iii) any adjustments made must be in compliance with the provisions for adjustment as provided in these By-Laws .

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

- 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 The Company's Auditors must confirm in writing that the adjustments (other than on a capitalisation issue) are in their opinion fair and reasonable.
- 15.6 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 new Shares as consideration or part consideration for an acquisition of any other securities, assets or business;
 - (b) a special issue of new Shares to Bumiputera parties nominated by the Ministry of International Trade and Industry, Malaysia and/or other government authorities to comply with the Government policy on Bumiputera capital participation;
 - (c) a private placement of new Shares by the Company;
 - (d) an issue of new Shares arising from the exercise of any conversion rights attached to securities convertible to Shares or upon exercise of any other rights including warrants (if any) issued by the Company; and
 - (e) an issue of new Shares upon the exercise of Options pursuant to the Scheme.
- 15.7 Should there be other circumstances which give rise to a consideration for adjustments to the Subscription 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 and/or relevant guidelines on employees' share option scheme as may be issued by the relevant governing authorities from time to time.
- 15.8 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.
- 15.9 An adjustment pursuant to By-Law 15.1 shall be made at the following times:-
 - (a) In the case of a rights issue, bonus issue or other capitalisation issue, on the Market Day immediately following the Entitlement Date for such issue; and

16 **ESOS BY-LAWS (Cont'd)**

- (b) In the case of a consolidation or subdivision of Shares or capital reduction, on the Market Day immediately following the date on which the consolidation or subdivision or capital reduction 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.

Upon any adjustment being made, the Option Committee shall give notice in writing within thirty (30) days from the date of adjustment to the Grantee, or his representative where the Grantee is deceased, to inform him of the adjustment and the event giving rise thereto.

- 15.10 All adjustments (other than on a bonus issue) must be confirmed in writing by an Auditor of the Company, acting as an expert and not as an arbitrator to be in his opinion fair and reasonable. In addition, the Company shall, at the request of any Grantee, furnish such Grantee with a certificate from an Auditor confirming the adjustments (other than on a bonus issue) to be made either generally or as regards to such Grantee, such certification shall be final and binding on all parties.

16. TAKE-OVERS AND MERGERS, SCHEMES OF ARRANGEMENT, ANALGAMATIONS, RECONSTRUCTIONS, ETC

- 16.1 In the event of an offer being made for 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-Law 10.4. 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 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-Law 10.4. 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.

16 ESOS BY-LAWS (Cont'd)

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-Law 10.4. 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 a subsidiary of the Company pursuant to Section 5 of the Act.

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 subject however to any extension of the Scheme as provided under By-Law 19.3 below. The date of expiry of the Scheme shall be at the end of the five (5) years from the Effective Date or, if the Scheme shall be extended, shall be the date of expiry as so extended ("**Date of Expiry**").
- 19.2 Offers can only be made during the duration of the Scheme before the Date of Expiry.
- 19.3 The Scheme may be extended for a further period of up to five (5) years at the discretion of the Board upon the recommendation of the Option Committee. Any extended Scheme under this provision shall be implemented in accordance with the terms of these By-Laws, subject however to any revisions and/or changes to the relevant laws and/or regulations currently in force. Unless otherwise required by the relevant authorities, no further approvals shall be required for the extension of the Scheme PROVIDED THAT the Company shall serve appropriate notices on each Grantee and make any announcements to the Bursa Securities (if required) within thirty (30) days prior to the expiry of the original Scheme.
- 19.4 Notwithstanding anything to the contrary, all unexercised Options shall lapse on the Date of Expiry.
- 19.5 Subject to the approval of the relevant authorities including Bursa Securities and 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, subject to the shareholders' approval, 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;

16 ESOS BY-LAWS (Cont'd)

- (b) All Offers which have yet to be accepted by Eligible Persons 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.
- 19.6 In seeking to obtain the approval of Bursa Securities and the consent of the shareholders of the Company for the termination of the Scheme as set out in By-Laws 19.5, 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 19.5 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.
- 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 Subject to By-Law 22.2, 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 to the following provisions of the Scheme shall be made which will alter to the advantage of any Eligible Person to whom the Option Committee has made an Offer, without the prior approval of the Company's shareholders in general meeting:-
 - (a) the Eligible Persons to the Scheme and the basis of eligibility;
 - (b) the maximum number of Options to be offered under the Scheme;
 - (c) the Maximum Entitlement for each category of Eligible Persons as defined in By-Law 6.1;
 - (d) the non-refundable consideration payable on acceptance of the Options and the basis for determining the Subscription Price;
 - (e) the time limit of the Scheme;

16 **ESOS BY-LAWS (Cont'd)**

- (f) the time period to which any Eligible Person is debarred, pursuant to the provisions of the Scheme, from disposing any Shares allotted pursuant to the exercise of Options;
- (g) the rights attaching to the new Shares to be allotted upon the exercise of any Options; and
- (h) the formulas for adjustments to the Subscription Price or number of shares comprised in the Options (so far as unexercised) as set out in By-Law 15 hereto.

22.2 Any such modification/change shall be in compliance with the requirements of Bursa Securities or any other relevant authorities. If required, the Company is to submit to Bursa Securities, each time a modification/change is made, a confirmation letter that the modification/change does not contravene any provisions of the guidelines on an employee share option scheme as stipulated under the Listing Requirements.

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

25. NO COMPENSATION FOR TERMINATION

- 25.1 An Eligible Person 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.
- 25.2 No Eligible Person 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 however 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, or as the same may be amended from time to time in accordance with By-Law 22 hereof.

26. DISPUTES

In the event of any dispute between the Option Committee and an Eligible Person 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 given to the Eligible Person or Grantee, as the case may be. The said decision shall be final and binding on the parties unless the Eligible Person or Grantee, as the case may be, shall dispute the same by written notice to the Option Committee within fourteen (14) days of the receipt of the written decision, in which case such dispute shall be referred to the decision of the Auditor, acting as experts and not as arbitrators, whose decision shall be final and binding in all respects. In the event that the Auditor is unable to reach a decision in respect of the dispute, such dispute shall be referred to a court of law of competent jurisdiction in Malaysia, whose decision shall be final and binding in all respects.

16 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 Shares pursuant to the exercise of Options, shall be borne by the Company.

28. ARTICLES

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

29. TAXES

All taxes (including income tax) arising from the exercise of any Option granted to any Grantee under the Scheme shall be borne by the Grantee.

30. DISCLAIMER OF LIABILITY

Notwithstanding any provisions contained herein and subject to the Act, the Option Committee and the Company shall not under any circumstances be held liable for any cost, loss, expense and/or damage whatsoever arising in any event, including but not limited to the Company's delay in issuing and allotting the new Shares or applying for or procuring the listing of the new Shares on the Bursa Securities in accordance with By-Law 21 hereof (and any other stock exchange on which the new Shares are quoted or listed).

31. CONDITION OF OPTION

Every Option shall be subject to the condition that no new Shares shall be issued pursuant to the exercise of an Option if such issue would be contrary to any law or enactment, or any rules or regulations of any legislative governing body for the time being in force in Malaysia or any other relevant country.

32. NOTICES

- 32.1 Any notice which under the Scheme is required to be given to or served upon the Option Committee by an Eligible Person or Grantee or any correspondence to be made between an Eligible Person or Grantee and the Option Committee shall be given or served in writing and either delivered by hand or sent to the Registered Office of the Company by telex, facsimile, registered letter or electronic mail.
- 32.2 Any notice which under the Scheme is required to be given or served upon an Eligible Person or Grantee or any correspondence to be made between an Eligible Person or Grantee shall be deemed sufficiently given or served in writing and either delivered by hand or sent to the Eligible Person or Grantee at the place of employment or at the last address known to the Company as being his/her address. Any notice served by post as aforesaid shall be deemed to have been received at the time when such registered letter would in the ordinary course of post be delivered.

33. GOVERNING LAW

The Scheme shall be governed by and construed in accordance with the laws of Malaysia. The Grantee, by accepting the Options in accordance with the By-Laws and terms of the Scheme and the Articles of the Company, irrevocably submits to the exclusive jurisdiction of the courts of Malaysia.

17 OTHER GENERAL INFORMATION

17.1 SHARE CAPITAL

- (a) Save as disclosed in Section 5.2(e) of this Prospectus, 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.
- (b) We have no founder, management or deferred shares. As at the date of this Prospectus, there is only one (1) class of shares in our Company, namely ordinary shares of RM0.10 each, all of which rank pari passu with one another.
- (c) Save for the Issue Shares reserved for the eligible employees, directors and business associates of our Group and ESOS Options which have been or will be granted under the ESOS (as disclosed in Sections 5.2(f) and 16 of this Prospectus) as at the date of this Prospectus:-
 - (i) no person or Director or employee of our Group has been or is entitled to be given an option to purchase or subscribe for any Shares, stocks or debentures of our Company or our subsidiaries; and
 - (ii) there is currently no other scheme for or involving the Directors or employees of our Company or our subsidiaries.
- (d) Save as disclosed in Sections 3.4 and 5.3 of this Prospectus, no shares, debentures, outstanding options, convertible debt securities or uncalled capital of ours' and/or our subsidiaries have been or are proposed to be issued as partly or fully paid-up for cash or otherwise than for cash, within the two (2) years preceding the date of this Prospectus.

17.2 ARTICLES OF ASSOCIATION

The following provisions are reproduced from our Articles of Association. Terms defined in our Articles of Association shall have the same meanings when used here unless they are otherwise defined here or the context otherwise requires.

Transfer of securities

The provisions in the Articles of Association of our Company in respect of transfer of shares in the Company are as follows:

Article 44

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

Article 45

Subject to these Articles, the Act, the Central Depositories Act and the Rules (with respect to transfer of deposited security) the instrument of transfer shall be executed by or on behalf of the transferor and the transferee and the transferor shall be deemed to remain the holder of the share until the transferee's name is entered in the Register as the holder of that share and or the Record of Depositors, as the case may be.

Article 47

Subject to the Listing Requirements and the Rules, the transfer of any securities may be suspended at such time and for such period(s) as the Directors may from time to time determine.

17 **OTHER GENERAL INFORMATION (Cont'd)**

Article 48

The Central Depository may refuse to register any transfer that does not comply with the Central Depositories Act and the Rules.

Article 49

Subject to the provision of the Central Depositories Act and the Rules, any member may transfer all or any of its shares by instrument in writing in the form prescribed and approved by the Bursa Securities and the Registrar (as the case may be). The instruments shall be executed by or on behalf of the transferor and transferee and the transferor shall remain the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the Register and /or the Record of Depositors as the case may be, in respect thereof. All transfer of deposited securities shall be effected in accordance with the Act, the Central Depositories Act and the Rules.

Article 50

The Register shall be closed for such periods as the Directors may from time to time determine but such register shall not be closed for more than 30 days in any year. The Company shall before it closes such register:

- (1) give notice of such intended closure (in the case of the Register) in accordance with Section 160 of the Act;
- (2) give notice of such intended closure to the Bursa Securities at least 12 clear Market Days before the intended date of such closure including in such notice, such date, the reason for such closure and the address of the share registry at which documents will be accepted for registration;
- (3) publish in a daily newspaper circulating in Malaysia, a notice of such intended closure including the information to be included in the notice referred to in Article 50(2);

At least three (3), clear Market Days prior notice shall be given to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors.

Remuneration of Directors

The provisions in the Articles of Association of our Company dealing with the remuneration of the Directors are as follows:

Article 112

Subject to these Articles, the remuneration of the Directors shall from time to time be determined by the Company in general meeting but:

- (1) Directors' fees payable to Directors not holding any executive office in the Company shall be a fixed sum and shall not be payable by a commission on or percentage of profits or turnover;
- (2) Salaries payable to Directors holding executive office in the Company shall be determined by the directors and may be of any description but such salary shall not include a commission on or a percentage of turnover;
- (3) all remuneration payable to Directors shall be deemed to accrue from day to day;
- (4) fees payable to Directors shall not be increased except pursuant to a resolution passed by the Company in general meeting, where notice of the proposed increase has been given in the notice convening the meeting;

17 **OTHER GENERAL INFORMATION (Cont'd)**

- (5) any fee paid to an alternate Director shall be agreed between him and his appointor and shall be deducted from his appointor's remuneration.

Article 113

The Directors may be paid all travelling, hotel and other expenses, properly incurred by them in attending and returning from meetings of the Directors or any committee of Directors or general or other meetings of the Company or in connection with the business of the Company.

Article 114

The Directors may grant special remuneration to any Director who (on request by the Directors) is willing to:

- (1) render any special or extra services to the Company; or
- (2) to go or reside outside his country of domicile or residence in connection with the conduct of any of the Company's affairs.

Such special remuneration may be paid to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be paid in a lump sum or by way of salary, or by a percentage of profits, or by all or any of such methods but shall not include (where such special remuneration is paid by way of salary) a commission on or a percentage of turnover.

Voting and borrowing powers of directors

The provisions in the Articles of Association of our Company dealing with the voting and borrowing powers of the Directors including voting powers in relation to the proposals, arrangements or contracts in which they are interested are as follows:

Article 126

Except as provided by Article 127, the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether as primary or collateral security for any debt, liability or obligation of the Company or its subsidiaries or of its related companies.

Article 127

The Directors shall not borrow any money or mortgage or charge any of the Company's or its Subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

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Article 152

Except as otherwise provided by these Articles, a Director shall not vote at a meeting of Directors or of a committee of Directors on any resolution concerning any contract, proposed contract, arrangement or other matter in which he has, directly or indirectly, a personal interest or duty which is material and which conflicts or may conflict with the interests of the Company unless his interest or duty arises only because the case falls within one or more of the following paragraphs:

- (1) any arrangement for giving him any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company or any of its Subsidiaries;
- (2) 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 or any of its Subsidiaries for which he has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of a security;

A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

Changes in capital and variation of class rights

The provisions in the Articles of Association of our Company as to changes in capital or variation of class rights which are no less stringent than those required by law are as follows:

Article 12

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may (subject to Sections 55 and 65 of the Act and whether or not the Company is being wound up) be varied or abrogated with:

- (1) the consent in writing of the holders of three-fourths of the issued shares of that class; or
- (2) 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, except that the necessary quorum shall be 2 persons at least holding or representing by proxy one-third of the issued shares of the class (but so that if at any adjourned meeting of such holders, a quorum is not present, the holders present, shall form a quorum), and any holder of shares of the class present in person or by proxy may demand a poll.

Article 14

Subject to Section 65 of the Act, the rights attached to any class shall not (unless otherwise provided by the terms of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking in any respect *pari passu* with that class.

Article 15

Subject to the Act and these Articles, any unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Directors who may offer, issue, allot (with or without conferring a right of renunciation), grant options over, grant any right or rights to subscribe for such shares or any right or rights to convert any security into such shares, or otherwise deal with or dispose of them to such persons at such times and on such terms and conditions as they may determine.

17 **OTHER GENERAL INFORMATION (Cont'd)**

Article 16

Article 15 shall be subject to the following provisions:

- (1) the Company shall not offer, issue, allot, grant options over shares, grant any right or right to subscribe for shares or any right or rights to convert any security into shares or otherwise deal with or dispose of shares which will or may have the effect of transferring a controlling interest in the Company without the prior approval of the Members in general meeting;
- (2) no Director shall participate in an issue of shares to employees unless Members in general meeting have approved the specific allotment to such Director;
- (3) no shares shall be issued at a discount except in accordance with Section 59 of the Act;
- (4) the total nominal value of issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time;
- (5) the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating them.

Article 17

Subject to the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or as the Directors (subject to being duly authorised to do so by an ordinary resolution of the Company) may determine provided that where the capital of the Company consists of shares of different monetary denominations, voting rights shall be determined in such a manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.

Article 18

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 issue be offered to Members who 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, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiry 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 likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Article.

Article 19

Notwithstanding Article 18 (but subject to the Act), the Company may waive the requirement from convening an extraordinary general meeting to obtain shareholders' approval for further issue or issues of shares (other than bonus or rights issues) where:

- (1) the aggregate issues of shares (other than bonus and rights issues and other issues of shares which have been specifically approved by the shareholders in an extraordinary general meeting) in any one financial year in which such further issue or issues are made do not exceed 10% (or such higher percentage as the Bursa Securities may from time to time allow either in respect of a particular financial year, generally or otherwise) of the Company's issued share capital; and

17 **OTHER GENERAL INFORMATION (Cont'd)**

- (2) there is in force a resolution of the Company in general meeting authorising the Directors to make such further issue or issues as stated above.

Article 28

Preference shareholders shall have:

- (1) the same rights as ordinary shareholders as regards:
- (a) receiving notices, reports and audited accounts; and
 - (b) attending general meetings of the Company;
- (2) the right to vote any meeting convened for the purposes of reducing the capital, or to wind up the Company and during the winding up of the Company, or disposing the whole of the Company's property, business and undertaking or directly affecting the rights and privileges attached to the shares or when the dividend or part of the dividend on the preference shares is in arrears for more than 6 months;
- (3) the right to a return of capital in the preference to holders of ordinary shares when the Company wound up.

Article 29

The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholders' rights, may only be made pursuant to a special resolution of the preference shareholders concerned but where the necessary majority for such a special resolution is not obtained at the meeting consent in writing if obtained from the holders of three-fourths of the preference capital concerned within 2 months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.

Article 71

The Company may by ordinary resolution:

- (1) consolidate and divide all or any of its share capital into shares of larger amount;
- (2) (subject to Section 62(1) of the Act) subdivide its existing shares or any of them into shares of smaller amount;
- (3) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Article 75

Without prejudice to the rights attached to any existing shares or class of shares, the Company in general meeting may by ordinary resolution increase its capital by the creation of shares of such nominal amounts, and carrying such rights and restrictions, as the resolution specifies provided that where the capital of the Company consists of shares of different monetary denominations, voting rights (if specified in such resolution) shall be prescribed in such a manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.

17 OTHER GENERAL INFORMATION (Cont'd)

17.3 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- (a) The names, addresses and occupations of our Directors are set out in the Section 1 of this Prospectus.
- (b) A Director is not required to hold any qualification shares in our Company.
- (c) Other than salaries and employment related benefits as disclosed in Section 9.2.4 of this Prospectus, no amount or benefit has been paid or given within the two (2) years immediately preceding the date of this Prospectus, nor is it intended to be so paid or given, to any of our promoters, Directors or substantial shareholders.
- (d) Save for the risk factors which are described in Section 4 of this Prospectus, our 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 our Group.
- (e) None of our Directors and/or substantial shareholders and/or person(s) connected with them are interested in any contract or arrangement subsisting at the Latest Practicable Date, which is significant in relation to the business of our Company taken as a whole.
- (f) Save as disclosed in Sections 4(C)(b), 9.1.1 and 9.2.2 of this Prospectus, there are no other persons who are able, directly or indirectly, jointly or severally, to exercise control over our Company and its subsidiaries.

17.4 GENERAL

- (a) The nature of our Group's business and the names of all corporations, which are deemed to be related to us by virtue of Section 6 of the Act are set out in Section 5 of this Prospectus.
- (b) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 18 of this Prospectus.
- (c) The time of the opening of the Application of the Public Issue is set out in Section 18.1 of this Prospectus.
- (d) The amount payable in full on application is RM0.50 per Issue Share.
- (e) As at the Latest Practicable Date, our Group does not have any outstanding convertible debt securities.
- (f) Save as disclosed in Sections 4, 5 and 7 of this Prospectus, the financial conditions and operations of our Company are not affected by any of the following:-
 - (i) known trends, demands, commitments, events, uncertainties that have had or that our Group reasonably expects to have a material favourable or unfavourable impact on the financial performance, position and operations of our Group;
 - (ii) unusual, infrequent events or transactions or any significant economic changes that materially affected the financial performance, position and operations of our Group;
 - (iii) known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial information and position; and

17 OTHER GENERAL INFORMATION (Cont'd)

- (iv) pending and threatened litigation and arbitration proceedings having an impact on the financial position of the Group.
- (g) Our Promoters will collectively exercise control over our Company and will hold approximately 67.60% of our enlarged issued and paid-up share capital upon listing.
- (h) The name and address of our Auditors and Reporting Accountants are set out in Section 1 of this Prospectus.

17.5 EXPENSES AND COMMISSIONS

- (a) We will bear the 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 our entire issued and paid-up share capital on the MESDAQ Market estimated to be approximately RM1,500,000.
- (b) Brokerage fee relating to the Issue Shares is payable by us at the rate of one percent (1.0%) of the Issue Price in respect of successful applications, which bear the stamps of Kenanga, or the Issuing House, a participating organisation of Bursa Securities, members of the Association of Banks in Malaysia or members of the Malaysian Investment Banking Association.
- (c) Kenanga has arranged for the placement of the Issue Shares at a rate of one point five percent (1.5%) of the value of JHM Shares that have been successfully placed by Kenanga based on the Issue Price. A management fee is payable by us to Kenanga at a rate of zero point five percent (0.5%) of the aggregate value of JHM Shares under the private placement based on the Issue Price.
- (d) The Underwriter has agreed to underwrite 8,200,000 of the Issue Shares, which will be made available for application by our eligible employees, directors and business associates, and for application under the public offer. Underwriting commission is payable by us to Kenanga at the rate of two percent (2.0%) of the Issue Price.
- (e) Save as disclosed above, no commissions, discounts, brokerage or other special terms have, within the two (2) preceding years prior to the date of this Prospectus, 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 our Company in connection with the issue or sale of any capital of our Company.

17.6 PUBLIC TAKE-OVERS

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

- (a) public take-over offers by third parties in respect of our Shares; and
- (b) public take-over offers by us in respect of other companies' shares.

17.7 MATERIAL LITIGATION

As at the Latest Practicable Date, neither we nor our subsidiaries is engaged in any material litigation or arbitration proceedings, either as plaintiff or defendant, and our Board has no knowledge of any proceeding pending or threatened against our Group or of any fact likely to give rise to any proceeding which may materially affect the financial position and business of our Group.

17 OTHER GENERAL INFORMATION (Cont'd)

17.8 MATERIAL CONTRACTS

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by our Group within the two (2) years preceding the date of this Prospectus:-

- (a) Underwriting Agreement dated 17 May 2006 between us and the Underwriter, for the underwriting of 8,200,000 JHM Shares made available for application by the public and by our eligible employees, directors and business associates pursuant to the Public Issue for an underwriting commission of two percent (2.0%) of the Issue Price;
- (b) Placement Agreement dated 3 May 2006 between us and Kenanga for the placement of 12,940,000 Issue Shares for a placement fee of one point five percent (1.5%) of the Issue Price;
- (c) SSA dated 19 August 2005 between Dato' Tan King Seng, NMSB and FSSB as vendors and JHM as purchaser for the acquisition of the entire issued and paid-up share capital of Morrissey comprising 1,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM4,380,173 to be satisfied by an issuance of 43,797,952 new JHM Shares at an issue price of approximately RM0.10 per Share;
- (d) SSA dated 19 August 2005 between Dato' Tan King Seng, Ooi Yeok Hock and Tan Chin Hong as vendors and JHM as purchaser for the acquisition of the entire issued and paid-up share capital of JH Tech comprising 200,000 ordinary shares of RM1.00 each for a purchase consideration of RM1,706,350 to be satisfied by an issuance of 17,062,028 new JHM Shares at an issue price of approximately RM0.10 per Share; and
- (e) Placement Management Agreement dated 2 May 2006 between us and Kenanga for the management of the private placement exercise in respect of the Issue Shares, for a placement management fee of zero point five percent (0.5%) of the Issue Price for the portion of Issue Shares under the private placement.

17.9 LETTERS OF CONSENT

- (a) The written consents of the Corporate and Due Diligence Solicitors, Registrar, Adviser, Underwriter and Placement Agent, Principal Bankers, Issuing House and Company Secretary to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (b) The written consent of the Independent Market Researcher to the inclusion in this Prospectus of its name, extractions of the Independent Market Research Report and its Executive Summary Research Report and the letter thereon in the manner and form and context in which they appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (c) The written consent of the Auditors and Reporting Accountants to the inclusion of their name, Accountants' Report and their letters relating to the Consolidated Profit Forecast for the FYE 31 December 2006 and the Proforma Financial Information of JHM in the form and context in which they appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

17 OTHER GENERAL INFORMATION (Cont'd)

17.10 RESPONSIBILITY STATEMENTS

- (a) This Prospectus has been seen and approved by the Directors and Promoters of JHM and we collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, that to the best of our knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading. Our Board hereby accept full responsibility for the profit forecast included in this Prospectus and confirm that the profit forecast has been prepared based on the assumptions made.
- (b) Kenanga, being the Adviser, Underwriter and Placement Agent acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Public Issue. Kenanga is satisfied that the profit forecast (for which the Directors of JHM are fully responsible), prepared for inclusion in this Prospectus, have been stated by the Directors after due and careful enquiry and have been duly reviewed by the Reporting Accountants.

17.11 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of JHM during normal office hours for a period of twelve (12) months from the date of this Prospectus:-

- (a) Memorandum and Articles of Association of JHM;
- (b) The Directors' Report and Accountants' Report, referred to in Sections 13 and 14 respectively of this Prospectus;
- (c) The By-Laws of ESOS referred to in Section 16 of this Prospectus;
- (d) The material contracts referred to in Section 17.8 of this Prospectus;
- (e) The Reporting Accountants' Letter relating to the Consolidated Profit Forecast for the FYE 31 December 2006 as included in Section 7.9 of this Prospectus;
- (f) The Reporting Accountants' Letter relating to the Proforma Financial Information of JHM as included in Section 15 of this Prospectus;
- (g) The letters of consent referred to in Section 17.9 of this Prospectus;
- (h) The audited financial statements of JHM (from the date of incorporation on 26 March 2005) to 31 December 2005;
- (i) The audited financial statements of Morrissey for the past two (2) financial years ended 31 August 2004, the four (4) months' period ended 31 December 2004 and for the sixteen (16) months' period ended 31 December 2005;
- (j) The audited financial statements of JH Tech for the past three (3) financial years ended 31 December 2005;
- (k) Independent Market Research Report by Infocredit D&B dated April 2006; and
- (l) The Executive Summary of the Independent Market Research Report as included in Section 12 of this Prospectus.