

10. BYE-LAWS OF THE ESOS

1. NAME OF SCHEME

This Scheme shall be called the "Greenyfield 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 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 Bye-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
"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 Bye-Law 4.2 and after deducting all Options which have been offered and accepted
"Board"	- The Board of Directors of the Company
"Bursa Depository"	- Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	- Bursa Malaysia Securities Berhad (635998-W)
"Bye-Laws"	- The rules, terms and conditions of the Scheme (as may be amended, varied or supplemented from time to time in accordance with Bye-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
"Company" or "Greenyfield"	- Greenyfield Berhad
"Date of Expiry"	- The last day of the duration of the Scheme as provided in Bye-Law 19.3
"Date of Offer"	- The date on which an Offer is made by the Option Committee to an Eligible Employee in the manner provided in Bye-Law 7
"Director"	- A natural person who holds a directorship in any company in the Group and shall have the meaning given in Section 4 of the Act
"Effective Date"	- The effective date for the launching/implementation of the Scheme as provided in Bye-law 19.1

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- “Eligible Employee” - An Employee who is designated in writing by the Option Committee to be an Eligible Employee described in Bye-Law 5, and falling within any of the categories of Employees set out in Bye-Law 6
- “Employee” - A natural person who is employed by and on the payroll of any company in the Group. Employees include Executive and Non-Executive Directors.
- “Entitlement Date” - The date as at the close of business on which shareholders’ names must appear on Greenfield’s Record of Depositors in order to participate in any dividends, rights, allotments or other distributions
- “Grantee” - An Eligible Employee who has accepted an Offer in the manner provided in Bye-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 Bye-Law 17.2.
- “Listing Requirements” - The Listing Requirements of 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 Bursa Securities is open for the trading of securities
- “Maximum Entitlement” - The maximum number of Options that can be offered to an Eligible Employee as stipulated in Bye-Law 6.1
- “Offer” - A written offer made by the Option Committee to an Eligible Employee in the manner provided in Bye-Law 7
- “Option” - The right of a Grantee to subscribe for one (1) new Share for each Option pursuant to the contract constituted by acceptance by the Grantee in the manner provided in Bye-Law 8 of an Offer made to such Grantee by the Option Committee pursuant to Bye-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 Bye-Law 19.3. 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.
- “SC” - Securities Commission
- “Scheme” - The scheme for the granting of Options to Eligible Employees to subscribe for new Shares upon the terms as herein set out, such scheme to be known as the “Greenfield Employee Share Option Scheme”
- “Shares” - Ordinary shares of RM0.10 each in the Company

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"Subscription Price" - The price at which a Grantee shall be entitled to subscribe for each Share as calculated in accordance with the provisions of Bye-Law 11

- 3.2 Headings are for ease of reference only and do not affect the meaning of a Bye-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 Bye-Laws.
- 4.2 The aggregate number of Options exercised and Options offered and to be offered under the Scheme shall not exceed 15,000,000 at any one time during the duration of the Scheme as provided in Bye-Law 19.3, 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) The allocation to an Eligible Employee who, either singly or collectively through persons connected (as defined under the Listing Requirements) with the Eligible Employee, holds twenty per centum (20%) or more of the issued and paid-up capital of the Company, must not exceed ten per centum (10%) of the Shares available under the Scheme.
- 4.3 Notwithstanding Bye-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 thirty per centum (30%) 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 undertaking any other corporate proposal and thereby diminishing the issued and paid-up capital of the Company, the Options granted shall remain valid and exercisable in accordance with these Bye-Laws. However, in such a situation, the Option Committee shall not make any further Offers, unless and until such time when the total number of Options granted and to be granted under the Scheme will not exceed thirty per centum (30%) of the Company's issued and paid-up share capital.
- 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 Employees who fulfil the following conditions shall be eligible to participate in the Scheme:-
 - (a) An Employee must be at least eighteen (18) years of age on the Date of Offer;
 - (b) An Employee must fall under one of the categories of Employees listed in Bye-Law 6.1;

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- (c) An Employee must have been confirmed and must have served the Group on a continuous basis for a period of not less than one (1) year on the Date of Offer;
- (d) If an Employee is employed by a subsidiary of the Company, the Employee's period of employment in the Group, for purposes of determining the minimum period of continuous service as stipulated in paragraph (c) above, shall be deemed to commence from the date on which the Employee commenced employment with the subsidiary, or the date on which such company became a subsidiary of the Company, whichever is later;
- (e) A person employed under a contractual arrangement may be classified as an Eligible Employee subject to the discretion of the Company; and
- (f) If an Employee is not a Malaysian citizen, he must, in addition to the conditions stipulated in paragraphs (a) to (e) above, also fulfil the following conditions:-
 - (i) The Employee's contribution must be deemed by the Option Committee to be vital to the Group;
 - (ii) Where the Employee is of executive status, the Employee has served the Group on a full time basis for at least one (1) year as at the Date of Offer; and
 - (iii) Where the Employee is of non-executive status, the Employee has served the Group on a full time basis for at least one (1) year as at the Date of Offer.

Provided always that the selection of any Eligible Employee 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 For the avoidance of doubt, no Employee 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 Bye-Laws 4.2 and 6.1, in the event that the Option Committee has determined that certain Eligible Employees 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 Each Director can only participate in the Scheme in one (1) capacity irrespective of the number of directorships or positions he holds in the Group.

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10. BYE-LAWS OF THE ESOS (CONT'D)**6. MAXIMUM ENTITLEMENT AND BASIS OF ALLOTMENT**

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

Category of Eligible Employee	Maximum Entitlement (No. of Options)
Group Managing Director / Deputy Group Managing Director / Executive Director	1,000,000
Non-Executive Director	250,000
General Manager / Assistant General Manager	350,000
Senior Manager / Manager / Assistant Manager	250,000
Senior Executive / Executive	150,000
Non-Executive	20,000

- 6.2 (a) An Offer by the Option Committee to an Eligible Employee shall be subject to a minimum of one hundred (100) Options and in multiples of one hundred (100) Options.
- (b) In the event that an Eligible Employee is moved to a higher category, the following provisions shall apply:-
- (i) His Maximum Entitlement shall be increased in accordance with the scale provided in Bye-Law 6.1 upon his confirmation in the higher category;
 - (ii) The Option Committee shall have sole discretion in deciding whether to grant Options or further Options, as the case may be, notwithstanding any such change in the Maximum Entitlement; and
 - (iii) Options that have been offered to the Eligible Employee under the lower categories shall be considered as part of his increased Maximum Entitlement;
- (c) In the event that an Eligible Employee 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 Bye-Law 6.1;
 - (ii) In the event that the total number Options which have been offered to 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 or there is an increase to his Maximum Entitlement under such lower category pursuant to an amendment of Bye-Law 6.1, so that his Maximum Entitlement is increased to an amount greater than the total number of Options which have already been offered to him; and
 - (iii) In the event that the total number of Options which have been offered to 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 Bye-Law 6.3, to be offered

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further Options up to his Maximum Entitlement under such lower category.

- 6.3 Notwithstanding Bye-Law 6.1, the number of Options to be offered to each Eligible Employee shall, subject to each Eligible Employee'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 Employee. The Option Committee shall not be obliged in any way to offer to an Eligible Employee all of the specified Maximum Entitlement. The decision of the Option Committee shall be final and binding.
- 6.4 The Option Committee may at its discretion introduce additional categories of Eligible Employees 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 Employee provided that the aggregate number of Options offered to an Eligible Employee throughout the entire duration of the Scheme does not exceed his Maximum Entitlement.

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 Employee, subject to the Eligible Employee's Maximum Entitlement under Bye-Law 6.1 hereof.
- 7.2 The Option Committee shall state the following particulars in the letter of Offer:-
- (a) The number of Options that are being offered to the Eligible Employee;
 - (b) The number of Shares which the Eligible Employee shall be entitled to subscribe for upon the exercise of the Options being offered;
 - (c) The Option Period;
 - (d) The Subscription Price; and
 - (e) The Offer Period as defined in Bye-Law 7.3.
- 7.3 An Offer shall be valid for a period of fourteen (14) days from the Date of Offer ("**Offer Period**").
- 7.4 No Offer shall be made to any Director or substantial shareholder of the Group or any Employee who is a person connected with a Director or substantial shareholder of the Group, unless such Offer and the related allotment of Shares have previously been approved by the shareholders of the Company in general meeting.
- 7.5 Without prejudice to Bye-Law 21, in the event of an error on the part of the Company in stating any of the particulars referred to in Bye-Law 7.2, the following provisions shall apply:-
- (a) Within one (1) month after the discovery of the error, the Company shall issue a supplemental letter of Offer, stating the correct particulars referred to in Bye-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 correct Subscription Price applicable as at the date of the original letter of Offer, but it

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shall not apply to any Options which have already been exercised as at the date of issue of the supplemental letter of Offer.

- 7.6 After each adjustment following an alteration of the share capital of the Company as stipulated in Bye-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.

8. ACCEPTANCE

- 8.1 An Offer shall be accepted by an Eligible Employee within the Offer Period by written notice to the Company accompanied by a payment to the Company of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) only for the grant of the Options.
- 8.2 If an Offer is not accepted in the manner aforesaid, the Offer shall automatically lapse upon the expiry of the Offer Period. 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 Employee, and the Eligible Employee shall not be entitled to be offered the number of Options offered in the lapsed Offer, in any Offers made in the future. However, Options not taken up resulting from the non-acceptance of Offers within the Offer Period shall thereafter form part of the balance of Options available under the Scheme for future Offers.

9. NON-TRANSFERABILITY

- 9.1 An Option is personal to the Grantee and subject to the provisions of Bye-Laws 14.2 and 14.3, is exercisable only by the Grantee personally during his lifetime whilst he is in the employment of or holding a directorship in any of the companies in the Group.
- 9.2 An Option shall not be transferred, assigned, disposed of or made subject to any encumbrances by the Grantee save and except in the event of the death of the Grantee as provided under Bye-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 Bye-Laws 14.2, 14.3, 16 and 17, a Grantee shall be allowed to exercise the Options granted to him on the terms set out in the letter of Offer, within three (3) working days from the first (1st) day and the fifteenth (15th) day of the month or such other period that may be stipulated by the Option Committee, during his lifetime whilst he is in the employment of or holding a directorship in 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			
Number of Options	Year 1	Year 2	Year 3
Less than or equal to 10,000	50%	50%	-
More than 10,000	33%	33%	34%

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

- 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 three (3) years as at 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.

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- 10.3 Options which are exercisable in a particular year but are not exercised shall be carried forward to subsequent years subject to the Option Period. Any balance of Options not exercised within six (6) 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 Bye-Laws 10.1 and 10.2 are subject to the provisions of this Bye-Law 10.3.
- 10.4 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 ("**Exercise Notice**"). 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. The Options shall be exercised in multiples of and not less than one hundred (100) Options. 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.
- 10.5 Every Exercise Notice shall be accompanied by a remittance in Ringgit Malaysia in the form of a banker's draft or cashier's order for the full amount of the subscription money in relation to the number of Shares in respect of which the Exercise Notice is given.
- 10.6 Within ten (10) Market Days of the receipt by the Company of such Exercise Notice and payment, or such other period as may be prescribed by Bursa Securities, and subject to the Articles of Association of the Company, the Company shall allot the relevant number of Shares to the Grantee. The said Shares will be credited directly into the Grantee's individual/nominee CDS Account as stipulated by the Grantee in the Exercise Notice, 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.
- 10.7 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 Exercise Notice or for any errors in any Offers.

11. SUBSCRIPTION PRICE

- 11.1 The Subscription Price of each Share comprised in any Option shall, subject always to the provisions of Bye-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 MESDAQ Market of Bursa Securities:-
 - (i) The weighted average market price of the Shares for the five (5) Market Days immediately preceding the Date of Offer on which the Shares were traded, with a discount of not more than ten per centum (10%) or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the Scheme; or
 - (ii) The par value of the Shares, whichever is the higher amount.

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11.2 The Subscription Price shall be subject to any adjustments in accordance with Bye-Law 15 herein.

12. RIGHTS ATTACHING TO SHARES

The new Shares to be allotted upon the exercise of any Options will, upon allotment and issue, rank pari passu in all respects with the existing issued and paid-up Shares of the Company, except that the new Shares will not be entitled to any dividends, rights, allotments or other distributions, the Entitlement Date of which is prior to the date of allotment of the said Shares. The new Shares will be subject to all the provisions of the Articles of Association of the Company.

13. HOLDING OF SHARES

The Company encourages Grantees to hold the Shares subscribed for by them for as long as possible although a Grantee may sell the Shares subscribed for by the Grantee at any time after such Shares have been credited to the Grantee's individual/nominee 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.

Notwithstanding the foregoing, a Grantee who is a Non-Executive Director must not sell, transfer or assign the Shares obtained through the exercise of Options offered to and accepted by him within one (1) year from the Date of Offer.

14. TERMINATION OF EMPLOYMENT

14.1 Any Option which has not been exercised by a Grantee shall be automatically terminated in the following circumstances:-

- (a) Termination of employment 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
- (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 for any loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed, whether arising from 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 termination of his right to exercise his Options or his Options ceasing to be valid.

14.2 Notwithstanding Bye-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

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- (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 Bye-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 OF CAPITAL

15.1 Subject to Bye-Law 15.3 hereof, in the event of any alteration in the capital structure of the Company during the Option Period, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Shares or reduction of capital or otherwise howsoever, the Company shall cause such adjustment to be made to:-

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

so as to ensure that any adjustments made must be consistent with the provisions for adjustment set out in the Schedule to these Bye-Laws.

An adjustment shall be made on the Market Day immediately following the Entitlement Date for the event giving rise to the adjustment.

15.2 Bye-Law 15.1 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:-

- (a) An issue of Shares pursuant to the exercise of Options under the Scheme; or
- (b) An issue of securities as consideration for an acquisition; or
- (c) An issue of securities as a private placement; or
- (d) An issue of securities as a special issue approved by the relevant governmental authorities; or
- (e) A restricted issue of securities; or
- (f) An issue of Shares arising from the exercise of any conversion rights in respect of securities convertible into new Shares including but not limited to warrants and convertible loan stocks; or
- (g) An issue of further Options to Eligible Employees under these Bye-Laws; or
- (h) A purchase by the Company of its own Shares pursuant to Section 67A of the Act. In this event, the following provisions shall apply:-
 - (i) If the number of Shares in respect of Options granted by the Company as at the date of designation of the Shares so purchased as treasury Shares or cancellation of such Shares is greater than 30% of the issued capital of the Company after such designation or cancellation, the Option Committee shall not make any further Offers; and

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- (ii) If the number of Shares in respect of Options granted by the Company as at the date of designation of the Shares so purchased as treasury Shares or cancellation of such Shares is less than 30% of the issued capital of the Company after such designation or cancellation, the Option Committee may make further Offers only until the total number of Options granted by the Company is equivalent to 30% of the issued capital of the Company after such designation or cancellation, subject always to Bye-Law 4.2.
- 15.3 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part VII of the Act, Bye-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 Bye-Law 15.1 is applicable, but Bye-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 Bye-Law 15.1 is not applicable as set out in Bye-Law 15.2.
- 15.4 Upon any adjustment being made, the Option Committee shall give notice in writing within a period of two (2) months from the date of the adjustment, to the Grantee, or his legal or personal representative where the Grantee is deceased, to inform him of the adjustment and the event giving rise thereto. Any adjustments other than on a bonus issue must be confirmed in writing by the Company's auditors. Nevertheless, for the avoidance of doubt, by virtue of Bye-Law 26, the decision of the Board shall be final and binding in all respects.
- 15.5 In the event of a dispute in respect of any adjustment, any Grantee may request the Company to seek the opinion of an approved company auditor, acting as an expert and not as an arbitrator, as to its fairness and that this be confirmed in writing. In addition, the Company shall in such situations, at the request of any Grantee, furnish such Grantee with a certificate from an approved company auditor stating the opinion of such auditor, acting as an expert and not as an arbitrator. For the purposes of this Bye-Law, an approved company auditor shall have the meaning given in Section 8 of the Act. Nevertheless, for the avoidance of doubt, by virtue of Bye-Law 26, the decision of the Board shall be final and binding in all respects.

16. TAKE-OVERS AND MERGERS

- 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 Bye-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 Bye-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

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become entitled in the period up to but excluding the date on 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 on which such compromise or arrangement becomes effective.

- 16.3 For the avoidance of doubt, the limits on the exercise of Options stipulated in Bye-Law 10.1 shall not apply in respect of Bye-Laws 16.1(a), 16.1(b) and 16.2 above.

17. DIVESTMENT FROM GROUP

- 17.1 In the event that a company within the Group shall be divested from the Group, a Grantee who is employed by such company:-

- (a) Shall be entitled to continue to hold and to exercise all the Options held by him on the date of completion of such divestment within a period of one (1) year from the date of completion of such divestment or the Option Period, whichever expires first, and in accordance with the provisions of Bye-Law 10.4. In this instance, the limits on the exercise of Options stipulated in Bye-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 Bye-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 effective date for the implementation and launching of the Scheme ("**Effective Date**") shall be the date of full compliance with all the relevant requirements of the Listing Requirements including the following:-

- (a) Submission of the final copy of these Bye-Laws pursuant to paragraph 6.38(2) of the Listing Requirements;
- (b) Receipt of approval-in-principle from Bursa Securities for the listing of the Shares to be issued under the Scheme;
- (c) The approval of the Company's shareholders in a general meeting for the Scheme and the approvals of any other relevant authorities; and
- (d) The fulfillment of all conditions attaching to the aforesaid approvals, if any.

- 19.2 The Adviser of the Company shall submit a confirmation letter to Bursa Securities of full compliance pursuant to paragraph 6.40(2) of the Listing Requirements stating the Effective Date of the Scheme together with a certified true copy of a resolution passed by the shareholders of the Company in general meeting. The confirmation letter shall be submitted to Bursa Securities no later than five (5) Market Days after the Effective Date.

- 19.3 The Scheme shall be in force for a period of three (3) years from the Effective Date ("**Option Period**"), provided always that on or before the expiry thereof, the Option

10. BYE-LAWS OF THE ESOS (CONT'D)

Committee shall have the absolute discretion, without the approval of the Company's shareholders in general meeting, to extend the duration of the Scheme (as the Option Committee may deem fit) for up to a further seven (7) years provided that the Company shall serve appropriate notices on each Grantee and/or make the necessary announcements to Bursa Securities (if required) within thirty (30) days prior to the expiry of the original Scheme. Any extended Scheme under this provision shall be implemented in accordance with the terms of these Bye-Laws, subject however to any revisions and/or changes to the relevant laws and/or regulations currently in force.

- 19.4 Offers can only be made during the duration of the Scheme before the Date of Expiry.
- 19.5 Notwithstanding anything to the contrary, all unexercised Options shall lapse on the Date of Expiry.
- 19.6 Notwithstanding the provisions of Bye-Law 19.3, the Scheme may be terminated by the Company prior to the expiry of its duration PROVIDED ALWAYS THAT prior to the termination of the Scheme, the following conditions must have been satisfied by the Company:-
- (a) The approval of the Company's shareholders in general meeting has been obtained for the termination; and
 - (b) The written consent of all Grantees who have yet to exercise their Options, either in part or in whole, has been obtained.

All unexercised Options shall be deemed to have been terminated and be null and void on the date on which the last of the abovementioned conditions is fulfilled.

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 Bye-Law 19.6 herein.

21. ADMINISTRATION

- 21.1 The Scheme shall be administered by the Option Committee. The Option Committee shall, subject to these Bye-Laws, administer the Scheme in such manner as it shall think fit.
- 21.2 Without limiting the generality of Bye-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 Bye-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 Bye-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 Bye-Laws upon such recommendation subject to the Company submitting a confirmation letter to Bursa Securities for the amendment made, that the said amendment is in compliance with the provisions of the Listing Requirements pertaining to employee share option schemes pursuant to paragraph 6.38 of the Listing Requirements.

10. BYE-LAWS OF THE ESOS (CONT'D)

22.2 The approval of the shareholders of the Company in general meeting shall not be required PROVIDED THAT no additions or amendments to or deletions of these Bye-Laws shall be made which will:-

- (a) Prejudice any rights then accrued to any Grantee without the prior consent or sanction of that Grantee; or
- (b) Provide an advantage to any Grantee or group of Grantees or all Grantees; or
- (c) Increase the number of Shares available under the Scheme beyond the maximum imposed by Bye-Law 4.2.

22.3 For the purpose of complying with the provisions of Appendix 6F of the Listing Requirements, the matters in relation to items (1) to (8) of Appendix 6F of the Listing Requirements shall not be amended in any way whatsoever to the advantage of Eligible Employees or Grantees without the prior approval of shareholders in a general meeting.

23. INSPECTION OF ACCOUNTS

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

24. SCHEME NOT A TERM OF EMPLOYMENT

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

25. NO COMPENSATION FOR TERMINATION

No Eligible Employee or Grantee or legal or personal representative shall bring any claim, action or proceeding against the Company or the Option Committee or any other person for compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his Options or his Options ceasing to be valid or the termination of any Options or this Scheme pursuant to the provisions of these Bye-Laws, as the same may be amended from time to time in accordance with Bye-Law 22.

26. DISPUTES

Any disputes arising hereunder shall be referred to the decision of the Board, whose decision shall be final and binding in all respects, provided that any Directors of the Company who are also in the Option Committee shall abstain from deliberations and voting, and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these Bye-Laws.

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 OF ASSOCIATION

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

10. BYE-LAWS OF THE ESOS (CONT'D)

29. NOTICES

Any notice which under the Scheme is required to be given to or served upon the Option Committee by an Eligible Employee or a Grantee or any correspondence to be made between an Eligible Employee or a Grantee and the Option Committee shall be given or served in writing and either delivered by hand or sent to the head office of the Group by facsimile or registered letter.

Any notice which under the Scheme is required to be given to or served upon an Eligible Employee or a Grantee by the Option Committee or any correspondence to be made between the Option Committee and an Eligible Employee or a Grantee shall be given or served in writing and either delivered by hand or sent to the Eligible Employee or Grantee by facsimile or registered letter addressed to the Eligible Employee or Grantee at the place of employment or at the last address known to the Company as being his 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.

30. GOVERNING LAW

The Scheme and these Bye-Laws and all Options granted hereunder shall be governed by and construed in accordance with the laws of Malaysia.

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

10. BYE-LAWS OF THE ESOS (CONT'D)**THE SCHEDULE****ADJUSTMENT TO THE SUBSCRIPTION PRICE
OR THE NUMBER OF SHARES**

The Subscription Price and/or the number of Shares to be comprised in the Option in respect of the right to subscribe for new Shares so far as unexercised to which a Grantee may be entitled from time to time be adjusted, calculated or determined by the Option Committee and certified by the external auditors (acting as experts and not as arbitrators) in accordance with the following relevant provisions:

- (a) If and whenever a Share by reason of any consolidation or subdivision or conversion shall have a different par value, the Subscription Price and the additional Shares comprised in the Options so far unexercised ("Additional Shares Under Option") shall be adjusted, calculated or determined in the following manner:

$$\text{New Subscription Price} = \frac{S \times \text{Revised par value for each Share}}{\text{Original par value for each Share}}$$

$$\text{Additional Shares Under Option} = \frac{T \times \text{Original par value for each Share}}{\text{Revised par value for each Share}} - T$$

where:-

S - Existing Subscription Price; and

T - Existing number of Shares comprised in the Option in respect of the right to subscribe for new Shares so far as unexercised

(The par value shall be adjusted to the revised par value)

Each such adjustment will be effective from the close of business of the Market Day immediately following the date of allotment of new shares of the Company in respect of such consolidation or subdivision or conversion.

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

$$\text{New Subscription Price} = \frac{S \times A}{A + B}$$

whilst the Additional Shares Under Option shall be calculated in the following manner:

$$\text{Additional Shares Under Option} = \frac{T \times (A+B)}{A} - T$$

Where:

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

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

S = Existing Subscription Price; and

T = Existing number of Shares comprised in the Option in respect of the right to subscribe for new Shares so far as unexercised

10. BYE-LAWS OF THE ESOS (CONT'D)

Each such adjustment will be effective (if appropriate, retroactively) on the Market Day immediately following the Entitlement Date in respect of such issue.

- (c) If and whenever the Company shall make:
- (1) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
 - (2) any offer or invitation to ordinary shareholders whereunder they may acquire or subscribe 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 any such case, the Subscription Price shall be adjusted in the following manner:

$$\text{New Subscription Price} = \frac{S \times (C - D)}{C}$$

Where:

- S = Existing Subscription Price;
- C = the Current Market Price (as defined in paragraph (h) below) of one (1) Share on the Market Day immediately preceding the date on which the Capital Distribution, or as the case may be, the offer or invitation is publicly announced or (failing any such announcement), immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and
- D = (aa) in the case of an offer or invitation to acquire or subscribe for Shares under paragraph (c)(2) above or for securities convertible into Shares or securities with rights to acquire or subscribe for Shares under paragraph (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 this paragraph (c), the fair market value, as determined (with the concurrence of the external auditors of the Company) by a licensed 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 in this paragraph (c);
- E = the subscription price of one (1) additional Share under the terms of such offer or invitation to acquire 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 it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or security convertible into Shares or right to acquire or subscribe for Shares; and
- 1 = one (1).

10. BYE-LAWS OF THE ESOS (CONT'D)

In the case of paragraphs (c)(2) and (c)(3) above, the Additional Shares Under Option shall be calculated as follows:

$$\text{Additional Shares Under Option} = T \times \frac{(C)}{(C-D^*)} - T$$

Where:

T = Existing number of Shares comprised in the Option in respect of the right to subscribe for new Shares so far as unexercised;

C = C in this paragraph (c); and

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

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

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

Where:

C = C in this paragraph (c);

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

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

1 = one (1).

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

Each such adjustment will be effective (if appropriate, retroactively) on the Market Day immediately following the Entitlement Date for the above transaction.

- (d) If and whenever the Company makes any allotment to its ordinary shareholders as provided in paragraph (b) above and also makes any offer or invitation to its ordinary shareholders as provided in paragraph (c)(2) or paragraph (c)(3) above and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose for the offer or invitation, the Subscription Price shall be adjusted in the following manner:

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

and in respect of each case referred to in paragraph (b) and paragraph (c)(2) above, the Additional Shares Under Option shall be calculated in the following manner:

$$\text{Additional Shares Under Option} = \frac{T \times [(G + H^* + B) \times C]}{(G \times C) + (H^* \times I^*)} - T$$

10. BYE-LAWS OF THE ESOS (CONT'D)

Where:

- G = the aggregate number of issued and fully paid-up Shares on the entitlement date;
- C = C in paragraph (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 with rights to acquire or subscribe for Shares as the case may be;
- H* = the aggregate number of Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;
- I = the subscription price of one (1) additional Share under an offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of 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 in paragraph (b) above;
- S = Existing Subscription Price; and
- T = Existing number of Shares comprised in the Option in respect of the right to subscribe for new Shares so far as unexercised.

Such adjustment will be effective (if appropriate, retroactively) on the Market Day immediately following the Entitlement Date in respect of such issues.

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

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

and the Additional Shares Under Option shall be calculated in the following manner:

$$\text{Additional Shares Under Option} = \frac{T \times (G + H^*) \times C}{(G \times C) + (H^* \times I^*)} - T$$

Where:

- G = G as in paragraph (d) above;
- C = C as in paragraph (c) above;
- H = H as in paragraph (d) above;
- H* = H* as in paragraph (d) above;
- I = I as in paragraph (d) above;
- I* = I* as in paragraph (d) above;

10. BYE-LAWS OF THE ESOS (CONT'D)

- J = the aggregate number of Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders;
- K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one additional Share;
- S = Existing Subscription Price; and
- T = Existing number of Shares comprised in the Option in respect of the right to subscribe for new Shares so far as unexercised.

Such adjustment will be effective (if appropriate, retroactively) on the Market Day immediately following the Entitlement Date for the above transaction.

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in paragraph (b) above and also makes an offer or invitation to acquire or subscribe for Shares to its ordinary shareholders as provided in paragraph (c)(2) above together with rights to acquire or subscribe for securities convertible into or with rights to acquire or subscribe for Shares as provided in paragraph (c)(3) above and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose of offer or invitation, the Subscription Price shall be adjusted in the following manner:

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

and the Additional Shares Under Option shall be calculated in the following manner:

$$\text{Additional Shares Under Option} = \frac{T \times [(G + H^* + B) \times C]}{(G \times C) + (H^* \times I^*)} - T$$

Where:

- G = G as in paragraph (d) above;
- C = C as in paragraph (c) above;
- H = H as in paragraph (d) above;
- H* = H* as in paragraph (d) above;
- I = I as in paragraph (d) above;
- I* = I* as in paragraph (d) above;
- J = J as in paragraph (e) above;
- K = K as in paragraph (e) above;
- B = B as in paragraph (b) above;
- S = Existing Subscription Price; and
- T = Existing number of Shares comprised in the Option in respect of the right to subscribe for new Shares so far as unexercised.

Such adjustment will be effective (if appropriate, retroactively) on 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 ordinary shareholders alike and requiring an adjustment under paragraphs (c)(2), (c)(3), (d), (e) or (f) above), the Company shall issue either any Shares or any securities 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 per cent (90%) of the Average

10. BYE-LAWS OF THE ESOS (CONT'D)

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 in the following manner:

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

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 (exclusive of expenses);
- N = the aggregate number of Shares which 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; and
- S = Existing Subscription Price.

For the purposes of this paragraph (g) the "Total Effective Consideration" shall be as determined by the directors of the Company with the concurrence of a licensed merchant banker or universal broker and shall be:

- (1) in the case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares; or
- (2) 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
- (3) 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;

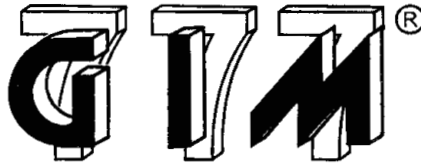
in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the "Total Effective Consideration per Share" shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid or, in the case of securities convertible into Shares 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 this paragraph (g), the Average Price of a Share shall be the average price of one (1) Share as derived from the last dealt prices for one (1) or more board lots of the Shares as quoted on the Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

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

- (h) For the purpose of paragraphs (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 Securities Commission.

11. DIRECTORS' REPORT (PREPARED FOR INCLUSION IN THIS PROSPECTUS)



Serving the Global Plantation Industry since 1937

Registered Office:

Level 7, Setia 1
15 Lorong Dungun
Damansara Heights
50490 Kuala Lumpur

18 September 2006

The Shareholders

GREENYIELD BERHAD ("GREENYIELD" OR "COMPANY")

Dear Sir/Madam,

On behalf of the Board of Directors of Greenyield, I report that after making due enquiries in relation to the interval between 31 March 2006, being the date to which the last audited financial statements of the Company and its subsidiary companies have been made up, and 18 September 2006, being a date not earlier than fourteen (14) days before the issue of this Prospectus:

- (a) The business of the Company and its subsidiary companies has, in the opinion of the Directors, been satisfactorily maintained;
- (b) In the opinion of the Directors, no circumstances have arisen since the last audited financial statements of the Company and its subsidiary companies which have adversely affected the trading or the value of the assets of the Company or any of its subsidiary companies;
- (c) The current assets of the Company and its subsidiary companies appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) No contingent liabilities have arisen by reason of any guarantees or indemnities given by the Company or any of its subsidiary companies;
- (e) There has not been any default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings which the Directors are aware of; and
- (f) Save as disclosed in the Accountants' Report as set out in Section 5.16 of this Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the profits of the Company and its subsidiary companies since the last audited financial statements of the Company and its subsidiary companies.

Yours faithfully

For and on behalf of the Board of Directors of
GREENYIELD BERHAD

A handwritten signature in black ink, appearing to read 'Tham Foo Keong', is written over the printed name.

THAM FOO KEONG
Executive Chairman and Group Managing Director

GREENYIELD BERHAD

(No: 582216-T)

No. 21 & 23, Jalan Seksyen 3/7, Taman Kajang Utama,
43000 Kajang, Selangor Darul Ehsan, Malaysia.

Tel: 603-87368777 Fax: 603-87372636 (Marketing) / 87370723 (Finance)
Website: www.greenyield.com.my E-mail: enquiry@greenyield.com.my

12. VALUATION CERTIFICATE



KHONG & JAAFAR SDN BHD (31218-T)

REGISTERED VALUERS AND ESTATE AGENTS PROPERTY CONSULTANTS PROPERTY AND PROJECT MANAGERS
PROPERTY INVESTMENT ADVISORS MARKET AND FEASIBILITY RESEARCHERS

PENILAI DAN EJEN HARTA BERDAFTAR PERUNDING HARTA PENGURUS HARTA DAN PROJEK PENASIHAT
PELABURAN PENGKAJI KEMUNGKINAN DAN KAJIAN PASARAN HARTA. V(1) 0005

57-1 JALAN TELAWI TIGA, BANGSAR BARU 59100 KUALA LUMPUR. TEL: 03-22829699 FAX: 03-22829799



Our Ref: MV(S) 532/2004 (A & B)

30 August 2006

The Directors
Greenyard Industries (M) Sdn Bhd/
GIM Triple Seven Sdn Bhd
No. 21 & 23, Jalan Seksyen 3/7
Taman Kajang Utama
43000 Kajang, Selangor

Attention: Mr Loke Chee Kien

Dear Sirs

- (A) LOT PT 4055 IN THE MUKIM OF TANJUNG DUA BELAS, DISTRICT OF KUALA LANGAT, SELANGOR DARUL EHSAN (THE INDUSTRIAL PREMISES OF GREENYIELD INDUSTRIES (M) SDN BHD LOCATED AT NO. 116, JALAN 8, KOMPLEKS PERABOT OLAK LEMPIT, BANTING)
- (B) LOT PT 35634 (NOW KNOWN AS LOT 37811) AND PT 35635 (NOW KNOWN AS LOT 37810) IN THE MUKIM OF KAJANG, DISTRICT OF HULU LANGAT, SELANGOR DARUL EHSAN (SHOP/OFFICE NOS. 21 AND 23, JALAN SEKSYEN 3/7, TAMAN KAJANG UTAMA, KAJANG)

(Hereinafter referred to as the "Properties")

INSTRUCTIONS:

We have been instructed by Greenyard Industries (M) Sdn Bhd ("Greenyard") and GIM Triple Seven (M) Sdn Bhd ("GIM") to ascertain the market value of the leasehold interest (for a factory premises owned by Greenyard) and freehold interest (for 2 adjoining 4-storey shop/offices owned by GIM) jointly referred to as the "Properties" for the purpose of a proposed acquisition by Greenyard Berhad and inclusion in the prospectus pursuant to the listing exercise of Greenyard Berhad on the MESDAQ market of Bursa Malaysia Securities Berhad.

We are pleased to certify that we have conducted two formal Reports and Valuation and valued the legal interests in the Properties as at 14 June 2004 for each of the Properties.

VALUATIONS:

Our valuation reports were prepared based on the Guidelines on Asset Valuations issued by the Securities Commission and professional standards prescribed by the Board of Valuers, Appraisers and Estate Agents, Malaysia. The basis of valuation for the purpose of the valuation reports, is **Market Value** as defined in the *Malaysian Valuation Standards* issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

Under Standard 1 – "Market Value" is defined as the estimated amount for which the properties should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

12. VALUATION CERTIFICATE (CONT'D)

All necessary title searches have been conducted at the Kuala Langat Land Office and the Registry of Land Titles, Shah Alam. The valuation reports were prepared with reference to all the relevant information provided by Greenyield and GIM, and as obtained during our inspection of the Properties and other searches and investigations. All data and information thus obtained from the said sources are deemed correct for the purpose of these valuations.

RELIANCE FOR THIS LETTER:

For the purposes of this Prospectus, we have prepared this letter which summarises our reports and outlines key factors which have been considered in arriving at our opinion of the respective Market Values. This letter does contain all the key data and support information included in our reports. For further information to that contained herein, reference should be made to the said reports, provided to the client.

We have provided the client with two comprehensive formal reports of the Properties. The valuations and formal information are not guarantees or predictions and must be read in consideration of the following:-

- The reports contain conclusions of the estimated values based on factual information and estimates regarding the Properties as provided by the client and furnished in the reports. Whilst we have endeavoured to ensure the accuracy of the factual information, not all information provided by the client has been independently verified. We believe that every investor, before making an investment in Greenyield Berhad, should review the reports to understand the complexity of the methodologies and the variables involved.
- We have adopted the Cost Method, Comparison Method and Investment Method in assessing the Market Values of the Properties under consideration.
- The reports were undertaken based upon information available as at 14 June 2004. We accept no responsibility for subsequent changes in information as to income, expenses or market conditions.

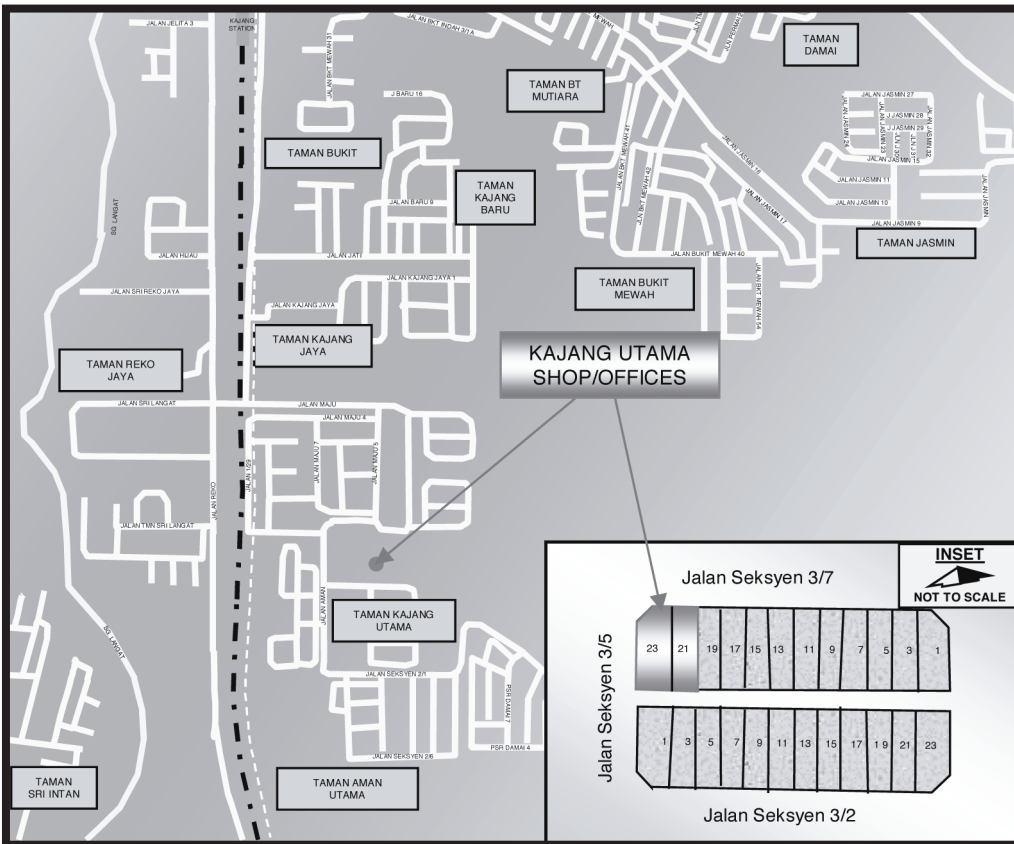
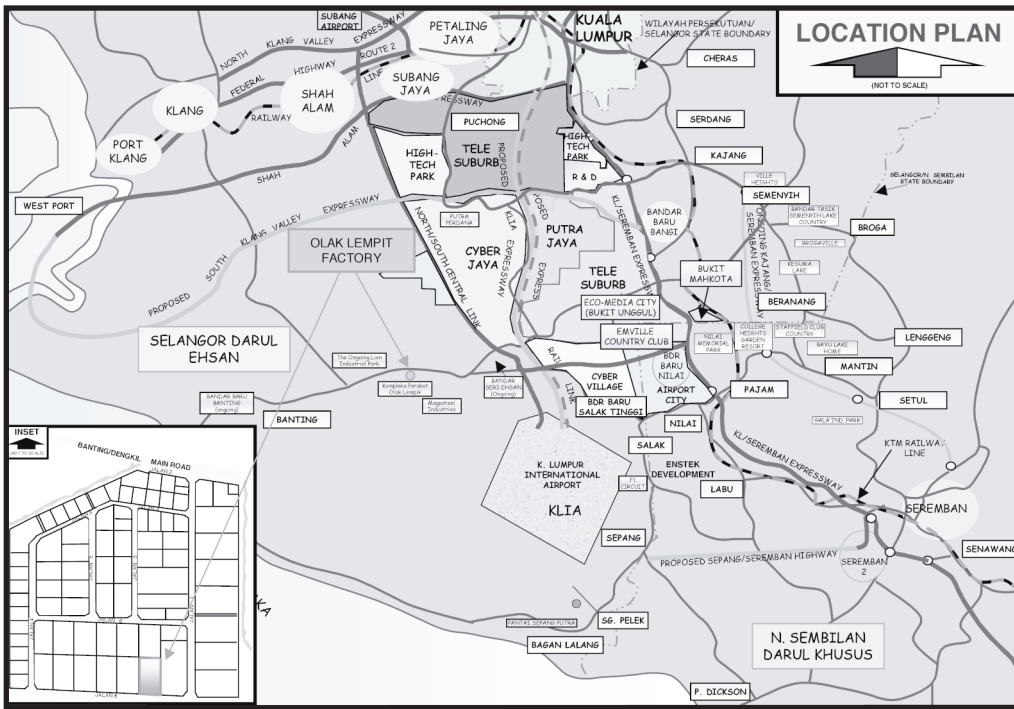
12. VALUATION CERTIFICATE (CONT'D)**THE PROPERTIES UNDER CONSIDERATION:**

The Properties comprise a factory premises located within Kompleks Perabot Olak Lempit, Banting and two adjoining 4-storey terrace shop/offices located within Taman Kajang Utama, Kajang. The respective buildings are described as Olak Lempit Factory and Kajang Utama Shop/Offices. Further details are tabulated as below:-

Reference No.	Properties	Land Area (in square feet)	Gross Floor Area (in square feet)	Type Of Properties
MV(S) 532/2004 (A)	Olak Lempit Factory	130,680	<u>Building A</u> Office Section – 9,000 Factory Section – 18,000 <u>Building B</u> 15,000 <u>Building C</u> 15,000 <u>Building D</u> 9,000 <u>Building E</u> 9,000 <u>Guard House</u> 110	An industrial premises built upon with a single storey factory with a 3-storey office section at the front, 4 units of single storey factories and a guard house.
MV(S) 532/2004 (B)	Kajang Utama Shop/Offices			
	a) Lot PT 35634 (now known as Lot 37811) (Shop Office No. 21)	1,650	6,562	A 4-storey intermediate shop/office
	b) Lot PT 35635 (now known as Lot 37810) (Shop Office No. 23)	2,078	8,057	A 4-storey corner shop/office

12. VALUATION CERTIFICATE (CONT'D)

Location map indicating the approximate sites of the respective buildings are provided as follows:-



12. VALUATION CERTIFICATE (CONT'D)

Brief details of the Properties are as follows:-

MV(S) 532/2004 (A) – Olak Lempit Factory	
Property	Lot PT 4055 held under HS(M) 5725, Mukim of Tanjung Dua Belas, District of Kuala Langat, Selangor Darul Ehsan
Tenure	Leasehold for a term of 99 years expiring on 26 September 2087 (the unexpired term is about 83.28 years)
Category of Land Use	"Perusahaan/ Perindustrian"
Express Condition	"Kilang perabut" (Note : This property has been approved for operation of "injection moulding & vacuum forming of plastic parts" by the Unit Perancang dan Pembangunan Negeri, Selangor Darul Ehsan vide a letter of approval bearing reference number (02)dlm.IPK.Sel.01.03.7/1605 dated 24 March 2004)
Restriction-in-interest	"Tanah ini tidak boleh dijual, dipajak, digadai atau dipindahmilik dengan apa cara sekalipun melainkan dengan kebenaran Pihak Berkuasa Negeri."
Encumbrances	Charged to Malayan Banking Berhad vide :- i) Presentation No. 41/2000, Volume 144, Folio 48 dated 11 January 2000; and ii) Presentation No. 42/2000, Volume 144, Folio 49 dated 11 January 2000.
Registered Owner	Greenyfield Industries (M) Sdn Bhd
Description	<p>This property is an industrial premises built upon with a single storey factory with a 3-storey office section at the front, 4 units of single storey factories and a guard house.</p> <p>It is located within Kompleks Perabot Olak Lempit, a fairly large industrial development project in the Mukim of Tanjung Dua Belas, District of Kuala Langat, Selangor Darul Ehsan. It lies off the south side of the Banting/Dengkil main road at about 15 kilometres north-east of the town of Banting and 11 kilometres west of the town of Dengkil.</p> <p>Kompleks Perabot Olak Lempit is developed by Selangor Industrial Corporation Sdn Bhd. It comprises about 83 industrial lots and is specifically meant for the furniture industry. Presently, about 50% of the industrial lots have been built with numerous industrial concerns.</p> <p>The site which consists of a provisional title land area of 3 acres (130,680 square feet) is a rectangular shaped parcel of industrial land.</p>

12. VALUATION CERTIFICATE (CONT'D)

MV(S) 532/2004 (B) – Kajang Utama Shop/Office	
Property	Lot PT 35634 (now known as Lot 37811) held under HS(D) 49776 (now known as GRN 80929) and Lot PT 35635 (now known as Lot 37810) held under HS(D) 49777 (now known as GRN 80930) in the Mukim of Kajang, District of Hulu Langat, Selangor Darul Ehsan
Tenure	Grant-in-perpetuity (commonly referred to as freehold)
Category of Land Use	"Bangunan"
Express Condition	"Bangunan Perniagaan"
Restriction-in-interest	Nil
Encumbrances	Nil
Registered Owner	Kajang Utama Berhad (The registered owner of this property is now GIM Triple Seven Sdn Bhd)
Description	<p>This property is two adjoining 4-storey shop/offices located within Taman Kajang Utama, a fairly large ongoing housing development scheme which lies off the east side of Jalan Reko or the Kajang/Bangi main road at about 2.5 kilometres south-east of the Municipal Centre of Kajang.</p> <p>Lot PT 35634 is a rectangular shaped intermediate terrace shop lot having a provisional title land area of 153.285 square metres (1,650 square feet).</p> <p>Lot PT 35635 is a near rectangular shaped corner terrace shop lot having a provisional title land area of 193.0462 square metres (2,078 square feet).</p>

VALUATION METHODOLOGY:

In arriving at the Market Values of the Properties under consideration, we have adopted the Cost Method, Comparison Method and Investment Method in our valuation.

The estimate of value for the Olak Lempit Factory is based on the Cost Method of valuation. In the Cost Method, the value of the land is added to the depreciated replacement cost of the buildings and other site improvements. The land value is arrived at by using the Comparison Method of valuation whilst the building value is derived from the estimated replacement cost of new buildings of similar construction and design, less observed physical deterioration, functional or technological obsolescence and economic or external obsolescence.

For the Kajang Utama shop/office, we have applied the Comparison Method of valuation. The Comparison Method implies the principle of substitution which states that a prudent purchaser will not pay more than it would cost to buy an equally desirable substitute property, subject to the supply and demand in the market. It involves the gathering, analysing and comparison of data on similar properties that either have been sold, for which offers have been made or that are offered for sale. The unit price of each comparable is then adjusted by comparing or contrasting the recent sale of properties comparable to the Property under consideration and adjusting for any significant differences between them i.e. time factor, location and accessibility, physical condition, size, market conditions, tenure, title restrictions if any, planning approval and other relevant characteristics to arrive at the market value.

We have also counterchecked our valuation by the Investment Method of valuation. The Investment Method is a value estimate based on the present or discounted worth of the future net earnings that can be expected from the property. It involves determining the net annual income by deducting the annual outgoings from the gross annual income and capitalising the net income by a market derived capitalisation rate consistent with the type and quality of investment.

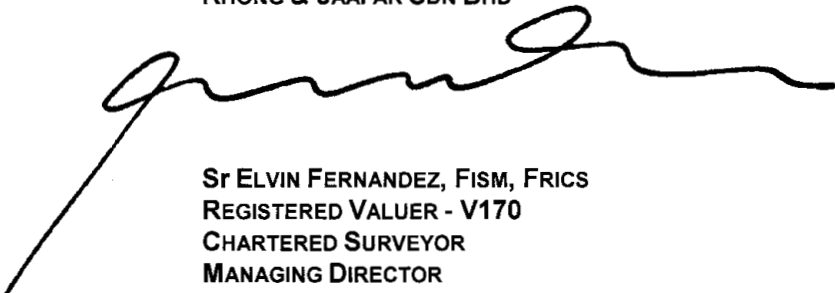
12. VALUATION CERTIFICATE (CONT'D)**CONCLUSION:**

Taking into consideration all relevant factors, it is our opinion that the Properties can command an aggregate Market Value of RM7,990,000 (Ringgit Malaysia Seven Million Nine Hundred And Ninety Thousand Only) as at 14 June 2004, made up as follows:-

Description	Type of Properties	Market Value
Olak Lempit Factory	An industrial premises built upon with a single storey factory with a 3-storey office section at the front, 4 units of single storey factories and a guard house.	RM6,500,000
Kajang Utama Shop/Office	4-storey intermediate shop/office	RM660,000
	4-storey corner shop/office	RM830,000
Total		RM7,990,000

Yours faithfully

For and on behalf of
KHONG & JAAFAR SDN BHD



Sr ELVIN FERNANDEZ, FISM, FRICS
REGISTERED VALUER - V170
CHARTERED SURVEYOR
MANAGING DIRECTOR