

13.0 ADDITIONAL INFORMATION

13.1 Share Capital

- (i) Save for the ESOS Shares to be issued upon exercise of the ESOS Options to be offered and granted pursuant to the ESOS as mentioned in Section 14.0 of this Prospectus, no Shares will be allotted on the basis of this Prospectus later than twelve (12) months after the date of issue of this Prospectus.
- (ii) As at the date of this Prospectus, there is only one class of shares in the Company, namely ordinary shares of RM1.00 each, all of which rank pari passu with one another.
- (iii) Save for the eligible Directors and employees of the Group who will be eligible to participate in the ESOS as mentioned in Section 14.0 of this Prospectus, no other person has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of the Company or its subsidiary companies.
- (iv) Save for the IQGHB Shares issued and fully paid-up at par as consideration pursuant to the IQM Acquisition (as mentioned in Section 4.2 above), the Public Issue Shares to be issued at RM1.80 per Share (as mentioned in Section 4.3(b) above) and the ESOS Shares to be issued at RM1.80 upon exercise of the ESOS Options (as mentioned in Section 4.3(c) above), no shares or debentures of the Company or its subsidiary companies have been issued or are proposed to be issued immediately as partly or as fully paid-up for cash or otherwise than for cash within the two (2) years preceding the date of this Prospectus.
- (v) Save for the Public Issue Shares reserved for the eligible Directors and employees of the Group and the ESOS Options to be offered and granted to the eligible Directors and employees of the Group pursuant to the ESOS as mentioned in Sections 4.3 and 14.0 of this Prospectus respectively, there is currently no other scheme involving the employees of the Group in the shares of the Company or its subsidiary companies.
- (vi) As at the date of this Prospectus, the Company and its subsidiary companies have no outstanding convertible debt securities.
- (vii) Save for the ESOS Options, which are non-assignable, non-transferable, non-chargeable and non-disposable pursuant to By-law 9.1 of the By-Laws (as set out in Section 14.0 of this Prospectus), there is no restriction on the transfer of the securities of the Company, except as otherwise required by law.
- (viii) Save for the Public Issue Shares and ESOS Shares, there is no present intention on the part of the Directors of the Company to issue any part of the authorised but unissued share capital of the Company.

13.2 Articles of Association

The following provisions are extracted from the Company's Articles of Association. The following capitalised terms used in this section shall have the respective meanings as ascribed thereto in the Company's Articles of Association:-

"Act" means the Companies Act, 1965 and any statutory modification, amendment or re-enactment thereof for the time being in force.

"Articles" means these Articles of Association as originally framed or as altered from time to time by Special Resolution.

"Approved Market Place" means a stock Exchange which is specified to be an approved market place in the Securities Industries (Central Depositories) Exemption (No.2) Order, 1998.

"Board" means the Board of Directors for the time being of the Company.

"Bursa Depository" means Bursa Malaysia Depository Sdn. Bhd. (Company No. 165570-W)

13.0 ADDITIONAL INFORMATION (cont'd)

"Central Depositories Act" means Securities Industry (Central Depositories) Act, 1991.

"Company" means IQ GROUP HOLDINGS BERHAD (Company No.: 636944-U)

"Deposited Security" means the meaning given in Section 2 of the Securities Industry (Central Depositories) Act 1991.

"Depositor" means a holder of securities account, as defined in Section 2 of the Central Depositories Act.

"Directors" means the Directors for the time being of the Company.

"Dividend" includes bonus.

"Bursa Securities" means Bursa Malaysia Securities Berhad or any stock Exchange on which the shares of the Company are listed.

"Listing Requirements" means the Bursa Malaysia Securities Listing Requirements including any amendment thereto that may be made from time to time.

"Market Day" means any day on which there is official trading on the Bursa Securities.

"Members" means a depositor who shall be treated as if he was a member pursuant to Section 35 of the Securities Industry (Central Depositories) Act 1991 but excludes the Bursa Depository in its capacity as a bare trustee.

"Office" means the registered office for the time being of the Company.

"Record of Depositors" means the record provided by the Bursa Depository to the Company under Chapter 24.0 of the Rules.

"Register" means the Register of Members to be kept pursuant to the Act and unless otherwise expressed to the contrary; includes the record of depositors.

"Rules" means the Rules of Bursa Depository and any appendices thereto as amended from time to time.

"Seal" means the Common Seal of the Company.

"Secretary" means any person or persons appointed to perform the duties of the secretary of the Company and shall include a joint, temporary, assistant or deputy secretary.

"Securities" means the same meaning given in section 2 of the Securities Commission Act 1993.

"Securities Account" means an account established by the Bursa Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor as permitted under the Central Depositories Act and/or the Rules.

"Share seal" means the share seal of the Company.

"Shares" means shares in the Company.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

13.0 ADDITIONAL INFORMATION (cont'd)**13.2.1 Transfer Of Shares****Article 42**

Subject to these Articles, the Act, the Central Depositories Act and the Rules (with respect to transfer of Deposited Security) shares in the Company which have been deposited with the Bursa Depository shall be transferable but every transfer be by way of book entry by the Bursa Depository in accordance with the Rules of the Bursa Depository and, notwithstanding Section 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from the compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of listed securities.

Article 43

(1) *Where –*

- (a) *the securities of the Company are listed on an Approved Market Place; and*
- (b) *the Company is exempted from compliance with Section 14 of the Securities Industry (Central Depositories) Act, 1991 or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules of the Bursa Depository in respect of such securities, the Company shall, upon request by securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the Approved Market Place (hereinafter referred to as "the Foreign Register"), to the register of holders maintained by the registrar of the Company in Malaysia (hereinafter referred to as "the Malaysian Register") subject to the following conditions :-*
 - (i) *there shall be no change in the ownership of such securities; and*
 - (ii) *the transmission shall be executed by causing such securities to be credited directly into the securities account of such securities holder.*

(2) *For the avoidance of doubt, if the Company fulfils the requirements of paragraph (a) and (b) of Article 43(1), it shall not be allowed to transmit any securities from the Malaysian Register into the Foreign Register.*

Article 44

- (1) *Subject to the Central Depositories Act and the Rules, the Directors may in their absolute discretion and without assigning any reason thereof authorise its registrar to cause the Bursa Depository to decline to register any transfer of share upon which the Company has a lien or which are not fully paid-up.*
- (2) *Subject to the Central Depositories Act and the Rules, the Directors may also authorise its registrar to cause the Bursa Depository to decline to register any transfer unless such other evidence as the Director may reasonably require to show the right of the transferor to make the transfer is deposited at such place as the Directors may appoint.*

Article 45

The Register of Members may be closed at such time and for such period as the Directors may from time to time determine PROVIDED ALWAYS that they shall not be closed for more than thirty (30) days in any year. Any notice of intention to fix a books closing date and the reason therefor shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Bursa Securities, such notice shall state the books closing date, which shall be at least twelve (12) clear market days after the date of notification to the Bursa Securities, and the address of the share registry at which documents will be accepted for registration. In relation to such closure, the Company shall give written notice, in accordance with the Rules to issue the appropriate Record of Depositors.

13.0 ADDITIONAL INFORMATION (cont'd)**Article 46**

There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title of any shares, such fee, not exceeding Ringgit Malaysia Three (RM3.00) or such other sum as may be permitted by the Bursa Securities and as the Directors may from time to time require or prescribe.

Article 47

Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

Article 48

All transfer of securities deposited with a Bursa Depository, including but not limited to the Deposited Security, shall be in compliance with the relevant laws and rules.

13.2.2 Remuneration of Directors**Article 106**

The fees of the Directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provided) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office Provided Always that -

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;*
- (b) salaries payable to executive Directors may not include a commission on or percentage of turnover;*
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and*
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.*

Article 107

- (1) The Directors shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.*
- (2) If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.*

13.0 ADDITIONAL INFORMATION (cont'd)**Article 140**

The remuneration of the Managing Director and the Deputy Managing Director may subject to the terms of any agreement entered into in any particular case, be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement.

13.2.3 Voting and Borrowing Powers of Directors**Article 103**

- (1) *A Director may appoint a person approved by a majority of his co-Directors to act as his alternate Provided That any fee paid by the Company to the alternate shall be deducted from that Director's remuneration. The alternate Director shall be entitled to notices of all meetings and to attend, speak and vote at any such meeting at which his appointor is not present. Any appointment so made may be revoked at any time by the appointor or by a majority of the Directors, and any appointment or revocation under this Article shall be effected by notice in writing to be delivered to the Secretary of the Company. An alternate Director shall ipso facto cease to be an alternate Director if his appointor for any reason ceases to be a Director.*
- (2) *If any Director retires by rotation and is re-elected by the meeting or is, pursuant to these Articles, deemed to be re-elected at the meeting at which such retirement took effect, any appointment made by him of an alternate Director which was in force immediately prior to the appointor's retirement shall continue to operate after such re-election as if the appointor had not so retired.*

Article 111

- (1) *The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any related third party Provided Always that nothing contained in these Articles shall authorise the Directors to borrow any money or mortgage or charge any of the Company's 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.*
- (2) *The Directors shall cause a proper register to be kept in accordance with Section 115 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 108 of the Act in regard to the registration of mortgages and charges therein specified and otherwise.*
- (3) *If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.*

Article 116

Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he was not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as auditor of the Company.

Article 123

The Directors may meet together for the despatch of business at such time and place, adjourn and otherwise regulate their meetings and proceedings, as they think fit.

13.0 ADDITIONAL INFORMATION (cont'd)**Article 124**

Unless otherwise determined by the Directors from time to time, seven (7) days notice of all Directors' meeting shall be given to all Directors and their Alternate Directors, except in the case of emergency, reasonable notice shall be deemed sufficient. The notice of each Directors' meeting shall be deemed to be served in the case of a Director having an address for service anywhere in Malaysia, two (2) days following that on which a properly stamped letter containing the notice is posted anywhere in Malaysia.

Article 125

The quorum necessary for the transaction of the business of the Directors shall be two (2).

Article 126

A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretion by or under these Articles vested in or exercisable by the Directors generally. Subject to these Articles, questions arising at any meeting of the Directors shall be decided by a majority of votes. Where two (2) Directors form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue, shall not have a casting vote.

Article 127

The continuing Directors or sole continuing Director may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Director or Directors except in an emergency may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company, but for no other purposes.

Article 131

No Director shall vote in respect of any contract or arrangement in which he has directly or indirectly a personal interest, and if he should do so his vote shall not be counted.

Article 132

A Director, notwithstanding his interest may, provided that none of the other Directors present disagree, be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company, (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or whereat the terms of any such appointment as hereinafter mentioned are considered or where any decision is taken upon any contract or arrangement in which he is in any way interested provided always that he has complied with Section 131 and all other relevant provisions of the Act and of these Articles.

Article 133

A Director may vote in respect of -

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

13.0 ADDITIONAL INFORMATION (cont'd)**13.2.4 Changes in the Capital and Variation of Class Rights****Article 57**

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

Article 58

Subject to any direction to the contrary that may be given by the Company in general meeting, any original shares for the time being unissued and not allotted and any new shares from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under these Articles.

Article 59

Except so far as otherwise provided by the condition of issue, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company. All new shares shall be subject to the provisions herein contained with reference to allotments, the payment of calls and instalments, transmissions, forfeiture, lien or otherwise and shall also be subject to the Rules.

Article 60

- (1) *The Company may from time to time by ordinary resolution -*
- (a) *consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;*
 - (b) *sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject nevertheless to the provisions of the Act) and so that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived. Any resolution whereby any share is sub-divided may determine that, as between the holders of shares resulting from such subdivision, one or more of such shares may have such preferred or other special rights over, or may be given any preference or advantage as regards dividends, return of capital voting or otherwise over the other or others of such shares; or*
 - (c) *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.*
- (2) *The Company may by special resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner authorised by the Act and subject to any consent required by the law.*

13.0 ADDITIONAL INFORMATION (cont'd)**13.3 Directors and Substantial Shareholders**

- (i) The names, addresses and occupations of the Directors of IQGHB are set out in the "Corporate Information" of this Prospectus.
- (ii) A Director is not required to hold any qualification share in the Company or its subsidiary companies unless otherwise so fixed by the Company in general meeting.
- (iii) Save as disclosed in Section 5.7 and Section 6.1 of this Prospectus, no amount or benefit has been paid or given by the Company within the two (2) years preceding the date of this Prospectus, nor is it intended to be so paid or given to any promoter, Director or substantial shareholder.
- (iv) Based on the Register of Substantial Shareholders of IQGHB as at the Latest Practicable Date, the direct and indirect interests of the substantial shareholders of IQGHB (with not less than 5% shareholdings) in the issued and paid-up share capital of the Company before and after the Public Issue and Offer for Sale are as follows:-

Substantial Shareholder	Before the Public Issue <-----and Offer for Sale----->				After the Public Issue and <-----Offer for Sale----->			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chen, Wen-Chin also known as Kent Chen	1	*	39,871,970 ^(a)	55.38	400,001 ^(b)	0.47	34,087,740 ^(c)	40.10
Graham Arthur Clancy	8,893,377	12.36	-	-	6,585,364 ^(b)	7.75	-	-
Framework Associates Limited	4,679,610	6.50	-	-	3,275,727	3.85	-	-
Sensorlite Limited	38,432,090	53.38	-	-	34,087,740	40.10	-	-
Yayasan Islam Terengganu	14,398,800	20.00	-	-	14,398,800	16.94	-	-

Notes:-

* Immaterial.

(a) Deemed interested through his shareholdings in Sensorlite (M) Sdn Bhd and Sensorlite Limited.

(b) Assuming the allocation of Public Issue Shares to eligible Directors of the IQGHB Group have been subscribed in full based on their respective Pink Form Allocations.

(c) Deemed interested through his shareholding in Sensorlite Limited. Upon listing of IQGHB, Chang Su-Chu who is the wife of Chen, Wen-Chin also known as Kent Chen holds another 1,494,584 IQGHB Shares representing 1.76% of the enlarged issued and paid-up share capital of IQGHB.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

13.0 ADDITIONAL INFORMATION (cont'd)

- (v) Based on the Register of Directors' of IQGHB as at the Latest Practicable Date, the direct and indirect interests of the Directors in the issued and paid-up share capital of the Company before and after the Public Issue and Offer for Sale are set out below:-

Directors	Before the Public Issue and Offer for Sale				After the Public Issue and Offer for Sale			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chen, Wen-Chin also known as Kent Chen	1	*	39,871,970 ^(a)	55.38	400,001 ^(b)	0.47	34,087,740 ^(c)	40.10
Daniel John Beasley	-	-	-	-	280,000 ^(b)	0.33	-	-
Graham Arthur Clancy	8,893,377	12.36	-	-	6,585,364 ^(b)	7.75	-	-
Mat Zaid Bin Ibrahim	-	-	-	-	40,000 ^(b)	0.05	-	-
Ng Hai Suan @ Ooi Hoay Seng	-	-	-	-	40,000 ^(b)	0.05	-	-
Dato' Hong Tok Hiang @ Fang Chok Seong	-	-	-	-	40,000 ^(b)	0.05	-	-
YB Ustaz Khazan Bin Che Mat	-	-	-	-	-	-	-	-

Notes:-

* *Immaterial.*

(a) *Deemed interested through his shareholdings in Sensorlite (M) Sdn Bhd and Sensorlite Limited.*

(b) *Assuming the allocation of Public Issue Shares to eligible Directors of the IQGHB Group have been subscribed in full based on their respective Pink Form Allocations.*

(c) *Deemed interested through his shareholding in Sensorlite Limited. Upon listing of IQGHB, Chang Su-Chu who is the wife of Chen, Wen-Chin also known as Kent Chen holds another 1,494,584 IQGHB Shares representing 1.76% of the enlarged issued and paid-up share capital of IQGHB.*

- (vi) No Director was granted or had exercised any option to subscribe for securities of the Company or any of its subsidiary companies during the last financial year ended 31 March 2005.

13.4 General Information

- (i) The nature of the Company's business and the names of all corporations which are deemed to be related to the Company by virtue of Section 6 of the Companies Act, 1965 are disclosed in Section 4.0 of this Prospectus.
- (ii) The time of the opening and closing of the application for the Public Issue Shares and Offer Shares are set out in Section 2.2 of this Prospectus.
- (iii) The amount payable in full on application for the Public Issue Share and Offer Share is RM1.80 per share.

13.0 ADDITIONAL INFORMATION (cont'd)

- (iv) Save as disclosed below, there is no amount paid within the two (2) years immediately preceding the date of this Prospectus is payable by the Company or its subsidiary companies as commission, discount, brokerage or other special terms for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or debentures of the Company or its subsidiary companies and no Director, proposed Director, promoter or expert is entitled to receive any such commission:-
- (a) Underwriting commission payable by the Company to the Underwriters at a rate of 2.0% of the Public Issue Price of RM1.80 per Share on the total number of shares underwritten as stated in Section 2.11 of this Prospectus. In addition, the Managing Underwriter will be entitled to receive a management fee of 0.5% of the value of the Public Issue Shares underwritten payable by the Company; and
- (b) Brokerage is payable by the Company at the rate of 1.0% of the issue price of RM1.80 per Share in respect of successful applications for the Public Issue Shares bearing the stamp of MIMB, participating organisations of Bursa Securities, members of the Association of Merchant Banks in Malaysia, members of the Association of Banks in Malaysia or MIH.
- (v) Estimated expenses incidental to the IPO and the Listing of the Company on the Main Board of the Bursa Securities amounting to approximately RM2.7 million shall be borne by the Company.
- (vi) The name and address of the Auditors are set out under "Corporate Information" of this Prospectus.
- (vii) No property has been acquired or is proposed to be acquired by the Company or any of its subsidiary companies in contemplation of the Public Issue.
- (viii) The manner in which copies of this Prospectus together with the official Application Forms and envelopes may be obtained is set out in Section 15.4 of this Prospectus.
- (ix) All the Public Issue Shares being issued by the Company are subject to the terms and conditions of this Prospectus.

13.5 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 the Company and/or its subsidiary companies during the two (2) years immediately preceding the date of this Prospectus.

- (a) Conditional Sale and Purchase Agreement dated 1 April 2005 ("IQM Agreement") made between all the vendors as named in the IQM Agreement ("IQM Vendors") as mentioned in Section 4.3 of this Prospectus) of the one part and IQGHB of the other part wherein the IQM Vendors have agreed to sell to IQGHB and IQGHB have agreed to acquire the 100% of the issued and paid up share capital of IQM for the total purchase consideration of RM71,993,998, the consideration of which is satisfied by allotment of a total of 71,993,998 new IQGHB Shares at par to IQM Vendors;
- (b) Conditional Sale and Purchase Agreement dated 5 April 2005 ("IQC Agreement") made between IQM, as the vendor as named in the IQC Agreement ("IQC Vendor") of the one part and IQGHB of the other part wherein IQC Vendor have agreed to sell to IQGHB and IQGHB have agreed to acquire 100% of the capital contributed in IQC for the total purchase consideration of RM1.00, the consideration of which shall be satisfied by payment of cash to IQC Vendor in the manner as stated in the IQC Agreement;

13.0 ADDITIONAL INFORMATION (cont'd)

- (c) Conditional Sale and Purchase Agreement dated 5 April 2005 ("IQE Agreement") made between IQM as the vendor as named in the IQE Agreement ("IQE Vendor") of the one part and IQGHB of the other part wherein the IQE Vendor have agreed to sell to IQGHB and IQGHB have agreed to acquire 100% of the issued and paid-up share capital of IQE for the total purchase consideration of RM1.00, the consideration of which shall be satisfied by payment of cash to IQE Vendor in the manner as stated in the IQE Agreement;
- (d) Conditional Sale and Purchase Agreement dated 5 April 2005 ("IQJ Agreement") made between IQM as the vendor as named in the IQJ Agreement ("IQJ Vendor") of the one part and IQGHB of the other part wherein the IQJ Vendor have agreed to sell to IQGHB and IQGHB have agreed to acquire 100% of the issued and paid-up share capital of IQJ for the total purchase consideration of RM1.00, the consideration of which shall be satisfied by payment of cash to IQJ Vendor in the manner as stated in the IQJ Agreement;
- (e) Conditional Sale and Purchase Agreement dated 5 April 2005 ("IQGL Agreement") made between IQM as the vendor as named in IQGL Agreement ("IQGL Vendor") of the one part and IQGHB of the other part wherein the IQGL Vendor have agreed to sell to IQGHB and IQGHB have agreed to acquire 100% of the issued and paid up share capital of IQGL for the total purchase consideration of RM1.00, the consideration of which shall be satisfied by payment of cash to IQGL Vendor in the manner as stated in the IQGL Agreement; and
- (f) Underwriting agreement dated 15 August 2005 entered into among IQGHB, the Underwriters and the Managing Underwriter (as varied vide letter dated 5 September 2005) for the underwriting of 13,006,000 Public Issue Shares for the underwriting commission of 2.0% of the Public Issue Shares underwritten at RM1.80 per Share payable to the Underwriters and Managing Underwriter, and a management fee 0.5% of the value of the Public Issue Shares underwritten payable to the Managing Underwriter.

13.6 Material Agreements

Saved as disclosed below, there are no other subsisting material agreements (including but not limited to shareholders' agreement, agreements underlying the basis of the Group's business, suppliers' agreements, customers' agreements, insurance policies or Directors' service agreement) or informal arrangement or understanding, as at the date of this Prospectus which have been entered into by the Company and its subsidiaries:-

- (i) Fire insurance with Multi-Purpose Insurans Bhd by IQM for the period from 1 March 2005 to 31 March 2006 (Policy No. FIR-F0052548-40) for an aggregate insured sum of RM33,620,000 to cover against losses or damages caused by fire and lightning on the following:-
- (a) building plot 149 & 151, Bayan Lepas Free Trade Zone, Phase 1, 11900 Bayan Lepas, Penang including improvements, extensions, partitions, fixtures fittings, electrical installations, fire fighting equipment/installations, walls, gates, fences and guardhouse;
 - (b) plant, machinery, equipment, utensils, tools of trade and spares therein;
 - (c) office equipment of every description including air conditioners, furniture and fittings, computer systems & its peripherals, computer software and other items not specifically mentioned whilst therein; and
 - (d) stock of every kind and description whilst therein;
- (ii) Property insurance with PICC Property and Casualty Company Limited by IQC for the period from 3 August 2005 to 2 August 2006 (Policy No. PQZA200544192300000126) for an aggregate insured sum of RMB33,127,740.76 to cover against losses or damages arising from certain circumstances on property, plant & equipment and stocks;
- (iii) Fire insurance with Sompo Japan Insurance Inc. by IQJ for the period from 1 November 2004 to 1 November 2005 (Policy No. 3220914142) to cover against losses or damages arising from certain circumstances on warehouse/office, equipment therein and compensation to the owner of the building. The total amount insured is ¥22,000,000;

13.0 ADDITIONAL INFORMATION (cont'd)

- (iv) Product liability insurance with Sampo Japan Insurance Inc. by IQJ for the period from 1 April 2005 to 1 April 2006 (Policy No. 7205614845) to cover against compensation to consumers arising from accidents caused by IQGHB's products. The total amount insured is ¥100,000,000;
- (v) Fire insurance with The Kyoei Fire & Marine Insurance Co. Ltd by IQJ for the period from 20 July 2005 to 20 July 2006 (Policy No. 1192-0494-57) to cover against losses or damages arising from certain circumstances on office, equipment therein, closure of business, compensation to the owner of the building and compensation to the injured and death. The total amount insured is ¥73,000,000 excluding the amount insured for the loss on closure of business of ¥30,000 per day;
- (vi) Combined commercial insurance with AXA Commercial by IQE for the period from 6 November 2004 to 5 November 2005 (Policy No. LS COM 6140888) to cover against losses and damages arising from certain circumstances on fixtures, all other contents, tenants improvements to the premises, increased costs of working due to business interruption, staffs injury expenses, third parties legal liability on injury and damages and costs incurred in accidental injury or damage in connection with products supplied in the ordinary course of business and losses on damages on computer hardware, data, software and additional expenditure incurred. The total amount insured is £12,265,360;
- (vii) Marine insurance with Allianz Marine and Aviation by IQE for the period from 2 April 2005 to 1 April 2006 (Policy No. U15M12044405A) to cover against losses or damages on stocks during import, export, inland transport, storage and exhibitions. The total amount insured is £3,241,000;
- (viii) Building insurance with Shield Policies by IQE for the period from 15 October 2004 to 14 October 2005 (Policy No. 755/1510/34160) to cover against damages on the property for a total amount insured of £1,000,000. The building was insured to Primal Ltd. as the insurance policy with Shield Policies was arranged by Primal Ltd., who is the landlord and owner of the property in which IQE is renting;
- (ix) Trading agreement dated 1 April 2004 between IQM and Interquartz Taiwan whereby Interquartz Taiwan shall perform centralised purchasing services for IQM and IQM shall pay a commission of 4.0% of the amount payable by Interquartz Taiwan to the local Taiwanese vendors for such services; and
- (x) Trading agreement dated 1 April 2004 between IQC and Interquartz Taiwan whereby Interquartz Taiwan shall perform centralised purchasing services for IQC and IQC shall pay a commission of 4.0% of the amount payable by Interquartz Taiwan to the local Taiwanese vendors for such services.

13.7 Material Litigation

As at the Latest Practicable Date, neither the Company nor any of its subsidiary companies are engaged in any material litigation either as plaintiff or defendant and the Directors of IQGHB are not aware of any proceedings pending or threatened against the Company or its subsidiary companies or of any fact likely to give rise to any proceedings which might materially or adversely affect the position or business of the Company or its subsidiary companies.

13.8 Public Take-Overs

None of the following has occurred in the last financial year and during the current financial year up to the Latest Practicable Date :-

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

13.0 ADDITIONAL INFORMATION (cont'd)**13.9 Consents**

- (i) The written consents of the Adviser, Managing Underwriter, Company Secretary, Underwriters, Principal Bankers, Solicitors for the Listing Exercise, Share Registrar and the Issuing House 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;
- (ii) The written consents of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name, Accountants' Report and letters relating to the consolidated profit forecast of IQGHB Group for the year ending 31 March 2006 and proforma consolidated balance sheets of IQGHB Group as at 31 March 2005 in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn;
- (iii) The written consent of the Independent Business and Market Research Consultants to the inclusion in this Prospectus of their name and the summary Independent Business and Market Research Consultants' Report in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn; and
- (iv) The written consents of the Foreign Experts (as listed in the Corporate Directory on pages 3 and 4 of this Prospectus) to the inclusion in this Prospectus of their names and their reports/opinions in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

13.10 Documents for Inspection

Copies of the following documents are available for inspection at the Registered Office of the Company during normal business hours for a period of 12 months from the date of this Prospectus: -

- (i) Memoranda and Articles of Association of the Company and its subsidiary companies;
- (ii) The Reporting Accountants' letters relating to the consolidated profit forecast of the IQGHB Group for the financial year ending 31 March 2006 and the proforma consolidated balance sheets of the IQGHB Group as at 31 March 2005 as included in Sections 8.5 and 8.9 of this Prospectus respectively;
- (iii) The Accountants' Report and Directors' Report as included in Sections 9.0 and 11.0 of this Prospectus respectively;
- (iv) The audited financial statements of:-
 - (a) IQGHB for the financial period from 13 December 2003 (date of incorporation) to 31 March 2004 and the financial year ended 31 March 2005;
 - (b) IQM for the five (5) financial years ended 31 March 2001 to 2005;
 - (c) IQC for the financial period from 23 June 2000 (date of incorporation) to 31 March 2001 and for the four (4) financial years ended 31 March 2002 to 2005;
 - (d) IQE for the five (5) financial years ended 31 March 2001 to 2005;
 - (e) IQJ for the five (5) financial years ended 31 March 2001 to 2005; and
 - (f) IQGL for the financial period from 23 March 2000 (date of incorporation) to 31 March 2001 and for the four (4) financial years ended 31 March 2002 to 2005.

13.0 ADDITIONAL INFORMATION (cont'd)

- (v) The Independent Business and Market Research Report : An Assessment of the Lighting Industry Focusing on Sensor Lighting prepared by Vital Factor Consulting Sdn Bhd dated 24 September 2004 and the summary Independent Business and Market Research Consultants' Report updated 9 September 2005 as included in Section 10.0 of this Prospectus;
- (vi) The material contracts referred to in Section 13.5 of this Prospectus;
- (vii) The material agreements referred to in Section 13.6 and the tenancy agreements as mentioned in Section 6.1.1(b) of this Prospectus;
- (viii) The letters of consent referred to in Section 13.9 of this Prospectus;
- (ix) The By-Laws governing the ESOS;
- (x) Experts' Reports as included in Section 12.0 of this Prospectus; and
- (xi) Opinion letter from Messrs Ong and Manecksha dated 22 December 2004 referred to in Section 3.12 of this Prospectus.

13.11 Responsibility Statements

- (i) This Prospectus has been seen and approved by the Directors, Promoters and the Offerors of IQGHB and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm that having made all reasonable enquiries, to the best of their knowledge and belief, there are no false or misleading statement or other facts, the omission of which would make any statement herein false or misleading.
- (ii) MIMB 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 IPO and is satisfied that the consolidated profit forecast of the IQGHB Group (for which the Directors of IQGHB are solely responsible) prepared for inclusion in this Prospectus have been stated by the Directors of IQGHB after due and careful enquiry and have been duly reviewed by the Reporting Accountants.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

14.0 BY-LAWS OF ESOS**1.0 DEFINITIONS**

1.1 In these By-Laws, the following terms shall, unless the context otherwise requires, have the following meanings:-

“Act”	: The Companies Act, 1965 as amended from time to time and any re-enactment thereof.
“Auditors”	: Approved Auditors.
“Board”	: The Board of Directors of IQGHB.
“Bursa Securities”	: Bursa Malaysia Securities Berhad (635998-W).
“CDS”	: Depository System.
“CDS Account”	: The account established by the Depository for the recording of deposit and withdrawal of securities and for dealing in such securities by the depositor.
“Central Depositories Act”	: Securities Industry (Central Depositories) Act, 1991, as amended from time to time.
“Date of Acceptance”	: The date whereupon the Option Committee shall receive the written notice accepting an Offer from an Eligible Employee.
“Date of Offer”	: The date inscribed on a particular offer document, being the date on which an Offer is deemed to be issued/granted by the Option Committee.
“Eligible Employee(s)”	: Any employee or Director satisfying the conditions stipulated under By-Law 3.0 hereof.
“ESOS”	: The employees share option scheme for the grant of Options to the Eligible Employees to subscribe for new shares in the share capital of the Company according to the terms set out herein and such employees share option scheme to be known as “IQ GROUP HOLDINGS BERHAD EMPLOYEES SHARE OPTION SCHEME”.
“Executive Director(s)”	: Director(s) of IQGHB and/or its subsidiary companies who is/are on the payroll and who is/are involved in the day-to-day management of IQGHB and/or its subsidiary companies.
“Grantee”	: An Eligible Employee and eligible director who has accepted the Offer of an Option in accordance with the terms of the ESOS hereof.
“IQGHB” or “the Company”	: IQ Group Holdings Berhad (636944-U).
“IQGHB Group” or the “Group”	: IQGHB and its subsidiary companies (excluding any associated company) provided that the subsidiary companies are not dormant.
“IQGHB share(s)” or “share(s)”	: Ordinary share(s) of RM1.00 each in IQGHB.
“Listing Requirements”	: The listing requirements of Bursa Securities including any amendment thereto that may be made from time to time.
“Market Day”	: A day on which Bursa Securities is open for official trading.

14.0 BY-LAWS OF ESOS (cont'd)

“Rules of Depository”	: Rules of the Bursa Malaysia Depository Sdn Bhd as amended from time to time.
“Offer(s)”	: Written offer(s) by the Option Committee to any Eligible Employee to participate in the ESOS, in the manner indicated under By-Law 5.0 hereof.
“Option(s)”	: The right of a Grantee to subscribe for new shares in the capital of the Company pursuant to the contract constituted by an acceptance by an Eligible Employee in the manner indicated under By-Law 6.0 hereof of the Offer made to such Eligible Employee(s) in accordance with the terms of the ESOS.
“Option Certificate”	: The certificate issued by the Option Committee confirming the grant of the Option to an Eligible Employee and the Option Price together with the number of shares comprised in the Option.
“Option Committee”	: The committee appointed by the Board to administer the ESOS comprising a Director or Directors of the Company and other persons appointed from time to time by the Board.
“Option Period”	: The period commencing on the Date of Offer and expiring on the date as may be specifically stated in the Offer provided that no Option Period shall extend beyond the duration referred to under By-Law 19.0 hereof or in the event of a termination of the ESOS, the date of termination of the ESOS.
“Option Price”	: The price at which the Grantee shall be entitled to subscribe for each share in the manner indicated under By-Law 7.0 hereof.
“RM” and “sen”	: Ringgit Malaysia and sen respectively.
“the Depository”	: Bursa Malaysia Depository Sdn Bhd (165570-W).

1.2 In these By-Laws:-

- (a) any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and any listing requirements, policies and/or guidelines of Bursa Securities and/or SC respectively (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities and/or SC);
- (b) any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these By-Laws so far as such modification or re-enactment applies or is capable of applying to any Option offered and accepted during the Option Period and shall include also any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
- (c) words importing the singular meaning where the context so admits include the plural meaning and vice-versa;
- (d) words of the masculine gender include the feminine genders and all such words shall be construed interchangeably in that manner;
- (e) liberty or power which may be exercised or any determination which may be made hereunder by the Option Committee may be exercised at the Option Committee’s discretion and the Option Committee shall not be under any obligation to give any reason thereof except as may be required by the relevant authorities;

14.0 BY-LAWS OF ESOS (cont'd)

- (f) a reference to the term "discretion" vested in the Option Committee in the By-Laws shall confer the right to the possession, use and exercise of the said discretion in an absolute and unconditional manner;
- (g) the headings in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws; and
- (h) if an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day.

2.0 MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE ESOS

- 2.1 The maximum number of new IQGHB shares which may be subscribed on the exercise of Options granted under the ESOS shall not exceed fifteen per centum (15%) of the issued and paid-up share capital of the Company or such maximum percentages as allowable by any relevant authorities at any point of time during the existence of this ESOS.
- 2.2 Notwithstanding By-Law 2.1 hereof or any other provision herein contained, in the event the maximum number of shares comprised in the Options granted under the ESOS exceeds the aggregate of fifteen per centum (15%) of the issued and paid-up share capital of the Company (or such maximum percentage as allowable by the relevant authorities at any point of time during the existence of the ESOS) as a result of the Company purchasing its own shares or undertaking any other corporate proposal and thereby diminishing its issued and paid-up share capital, then such Options granted prior to the adjustment of the issued and paid-up share capital of the Company shall remain valid and exercisable in accordance with the terms and conditions of the By-Laws under the ESOS but the Option Committee shall not make any further Offer(s) until the total number of shares to be issued under this ESOS falls below fifteen per centum (15%) of its issued and paid-up share capital.

3.0 ELIGIBILITY AND PARTICIPATION

- 3.1 Any Eligible Employee of the Group shall be eligible to participate in the ESOS if, as at the Date of Offer, the employee:-
 - (a) is at least eighteen (18) years of age or above;
 - (b) has served the Group for a minimum duration of one (1) year;
 - (c) is a confirmed executive (including Executive Director) and employed full-time by and on the payroll of any company in the Group under any of the categories of executives as specified in By-Law 4.2 hereof; and
 - (d) in respect of retired employees who are re-employed under a new employment contract.
- 3.2 Any allocation of Options under the ESOS to a Director, and/or person connected with Director and/or shareholder of the Company shall require prior approval from the shareholders of the Company in a general meeting.
- 3.3 Eligibility, however, does not confer on an Eligible Employee a claim or right to participate in the ESOS unless an Offer has been made in writing by the Option Committee to the Eligible Employee under By-Law 5.0.
- 3.4 The selection for the participation in the ESOS shall be at the discretion of the Option Committee whose decision shall be final and binding.

14.0 BY-LAWS OF ESOS (cont'd)**4.0 BASIS OF ALLOCATION AND MAXIMUM ALLOWABLE ALLOTMENT**

4.1 Subject to any adjustment, which may be made under By-Law 15.0 hereof, the number of new shares that may be offered and allotted to any Eligible Employee of the Group shall be at the discretion of the Option Committee after taking into consideration the performance, seniority and length of service of the Eligible Employee and such other factors that the Option Committee may deem relevant subject to the following:-

- (i) not more than fifty per centum (50%) (or such percentage as allowable by the relevant authorities) of the shares available under the ESOS should be allocated, in aggregate, to directors and senior management of the Group; and
- (ii) not more than ten per centum (10%) (or such percentage as allowable by the relevant authorities) of the shares available under the ESOS should be allocated to any individual director or employee who, either singly or collectively through person connected with the director or employee (as defined in the Listing Requirement), holds twenty per centum (20%) or more in the issued and paid-up share capital of the Company;

provided always that it is in accordance with any prevailing guideline issued by Bursa Securities, the Listing Requirement or any other relevant authorities as amended from time to time.

4.2 Subject to By-Law 4.1 hereinbefore, the Option Committee shall offer to an Eligible Employee not less than one thousand (1,000) shares or more under an Option subject to the maximum entitlement stipulated hereunder:-

Category of Executives	←----- Maximum Allowable Allotment -----→	
	Percentage (%) *	No. of Shares
Executive Management	7.00	-
Senior Management	3.50	-
Management	1.75	-
Exempt	1.00	-

* Based on the total number of shares in the Company available under the ESOS.

4.3 The Option Committee may at its discretion at any time and from time to time it shall deem fit within the duration of the ESOS shall, in accordance with the scale provided in By-Law 4.2 hereinbefore:-

- (a) increase the maximum allowable allotment of an Eligible Employee who is promoted to a higher category upon the confirmation in the promoted category; or
- (b) reduce the maximum allowable allotment of an Eligible Employee who is moved to a lower category and that:-
 - (i) in the event that the total number of Options which has been accepted by him/her up to the date he/she is moved to a lower category is greater than his/her maximum allowable allotment under such lower category, he/she shall be entitled to continue to hold and exercise all unexercised Options held by him/her on such date but he/she shall not be entitled to be offered any further Options unless and until he/she is subsequently moved to a higher category so that his/her maximum allowable allotment is increased to an amount greater than the total number of Options which has been accepted by him/her; and
 - (ii) in the event that the total number of Options which has been accepted by him/her up to the date he/she is moved to a lower category is less than his/her maximum allowable allotment under such category, he/she shall be entitled to continue to hold and to exercise all unexercised Options held by him/her on such date and, subject to By-Law 4.2 hereinbefore, to be offered further Options up to his/her maximum allowable allotment under such category.

14.0 BY-LAWS OF ESOS (cont'd)

4.4 The Option Committee is given the discretion to determine the share-allocation criteria. A set of criteria of staff eligibility and allocation should be clearly specified and all employees made aware of by way of posting on the notice board of the Company or by notification in writing to the employees or by any other appropriate method. Verification of allocation is required to be carried out by a firm of chartered accountants as part of its annual audit exercise and this should be disclosed in the annual report.

5.0 OFFER OF OPTIONS

5.1 The Option Committee may at its discretion at any time and from time to time as it shall deem fit within the duration of the ESOS provided under By-Law 19.0 hereof, make an Offer in writing to any Eligible Employee whom the Option Committee may at its discretion select to subscribe for shares in accordance with the provisions of By-Law 4.0 hereof.

5.2 The actual number of new shares which may be offered to any Eligible Employee shall be at the discretion of the Option Committee provided that the number of new shares so offered shall be in multiples of one thousand (1,000) shares save for an offer of less than one thousand (1,000) new shares solely for the purpose of making into a board lot of one hundred (100) shares in the event of an adjustment made under By-Law 15.0.

5.3 Subject to By-Law 4.0 hereof, nothing herein shall prevent the Option Committee from making more than one Offer to an Eligible Employee after the first Offer made at any point of time provided always that the total aggregate number of new shares to be offered to Eligible Employees (inclusive of shares already offered under previous Offers, if any) shall not exceed the fifteen per centum (15%) of the issued and paid-up share capital of the Company at that time or such other limit that may be permitted by Bursa Securities or any other relevant authorities as amended from time to time.

5.4 No Option will be granted to any Director, substantial shareholder and/or person connected with a Director or substantial shareholder of the Company unless the grant of Option and the related allocation of shares to that Director shall have been previously approved by the shareholders of the Company in general meeting as required under By-Law 3.2.

5.5 Any Offer made by the Option Committee will be in writing and such Offer is personal to the Eligible Employee to whom the Offer is made, and is non-assignable, non-transferable, non-chargeable and non-disposable in any manner whatsoever.

6.0 ACCEPTANCE OF OFFER

6.1 An Offer made by the Option Committee to an Eligible Employee under By-Law 5.0 hereof shall be valid for a period of thirty (30) calendar days from the Date of Offer or any period as deemed fit by the option committee and shall be accepted within this prescribed period by the Eligible Employee to whom the Offer is made by a written notice to the Option Committee in such form as may be prescribed by the Option Committee of such acceptance accompanied by a payment to the Company of a non-refundable cash consideration of RM1.00 only for the grant of the Option. The day of receipt of such written notice shall constitute the Date of Acceptance.

6.2 If the Offer is not accepted in the manner aforesaid, such Offer shall upon the expiry of the said period of thirty (30) days automatically lapse and shall be null and void and of no effect.

6.3 Within thirty (30) calendar days after the Date of Acceptance in accordance with the provisions of these By-Laws, the Option Committee shall issue to the Grantee an Option Certificate in such form as may be determined by the Option Committee.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

14.0 BY-LAWS OF ESOS (cont'd)

7.0 OPTION PRICE

- (a) Where the ESOS Options are offered and granted before the Company is listed on Bursa Securities, the exercise price of the ESOS Options shall not be less than the initial public issue price of RM1.80 per IQGHB share.
- (b) Where the ESOS Options are offered and granted on or after the Company is listed on Bursa Securities, the exercise price shall be fixed at the discretion of the Option Committee:-
 - (aa) the weighted average market price of the shares as shown in the daily official list issued by Bursa Securities for the five (5) market days immediately preceding the date of offer with an allowance for a discount at the option committee's discretion, of not more than ten per centum (10%) therefrom or such higher limit as may be permitted from time to time by Bursa Securities and any other relevant authorities; or
 - (bb) such price as may be permitted from time to time by Bursa Securities and any other relevant authorities as amended from time to time.

PROVIDED THAT the Option Price per share shall in no event be less than the par value of the shares.

The Option Price shall be stipulated in each Option Certificate.

8.0 EXERCISE OF OPTION

8.1 Subject to By-Law 9.0 hereof, the Option granted to a Grantee under the ESOS is exercisable only by that Grantee during his lifetime and within the Option Period whilst the Grantee is in the employment by the Group.

8.2 An Option may be exercised by the Grantee in such manner as prescribed by the Option Committee on any working day during the Option Period.

The Options granted herein shall be exercisable by the Grantee in such proportions as shall be determined by the Option Committee at any time and from time to time during the Option Period and shall be set out in the Option Certificate issued to the Grantee.

Options not exercised can be carried forward to the subsequent years subject to the Option Period applicable thereto.

All unexercised or partially unexercised Options shall automatically lapse and become null and void upon expiry of the Option Period applicable thereto.

8.3 The Grantee shall notify the Option Committee in writing in the prescribed form of the Grantee's intention to exercise the Option. The Option may be exercised in respect of such lesser number of shares as the Grantee may decide to exercise provided that the number shall be in multiples of and not less than one hundred (100) shares. Such partial exercise of the Option shall not preclude the Grantee from exercising the Option as to the balance thereof at any time in the future but within the Option Period.

8.4 Every such notice to exercise the Option shall be accompanied by the relevant Option Certificate and a remittance for the full amount of the subscription monies in relation to the number of shares in respect of which the written notice is given. The Company shall upon receipt of such notice and remittance from the Grantee to exercise the Option, allot and issue the relevant number of new shares arising from the exercise of the Options and despatch notices of allotment to the Grantee in accordance with the Listing Requirements and/or the prevailing guidelines and/or requirements of the relevant regulatory authorities subject to the provisions of the Articles of Association of the Company, the Central Depositories Act and the Rules and Rules of Depository.

8.5 Pursuant to the relevant sections of the Central Depositories Act, all dealings in the shares will be by book entries through CDS Accounts. For Grantees who do not have a CDS Account, such Grantees are required to open a CDS Account at their own expense before they can exercise their Options.

14.0 BY-LAWS OF ESOS (cont'd)**9.0 NON-TRANSFERABILITY, TERMINATION OF OPTIONS AND SUSPENSION**

9.1 The Option granted is personal to the Grantee and is non-assignable, non-transferable, non-chargeable and non-disposable in any manner whatsoever. Any purported dealings with the Option in any manner whatsoever other than as permitted in these By-Laws shall render the Option void. The Option is exercisable only by:-

- (a) the Grantee personally during the Grantee's lifetime within the Option Period:-
 - (i) whilst the Grantee is in the employment of the Group; and/or
 - (ii) within six (6) calendar months, or such longer period determined at the discretion of the Option Committee, from the date of the Grantee's retirement in accordance with the relevant scheme of service; and/or
 - (iii) within six (6) calendar months, or such longer period determined at the discretion of the Option Committee, from the date of the Grantee ceasing to be employed by the Group on grounds of ill-health, being retrenched in a redundancy exercise or any other circumstances approved by the Option Committee, provided always that such termination is not due to dismissal arising from conduct inconsistent with the conditions of service; or
- (b) in the event that a Grantee dies or becomes permanently disabled before the expiry of the Option Period and, at the date of death or date of permanent disability (as the case may be), hold an Option or Options which are unexercised, such Option or Options may be exercised by the legal personal representatives of the Grantee after the date of death or by the Grantee after the date of permanent disability but not later than six (6) calendar months thereafter unless otherwise approved by the Option Committee in writing provided always that no Option shall be exercised after the expiry of the Option Period.

9.2 Except for the instances referred to under By-Laws 9.1 (a) and (b) hereof, if the Grantee ceases for whatever reason to be employed prior to the Grantee's exercise of the Option or upon the bankruptcy of the Grantee or upon the occurrence of any other event which results in the Grantee being deprived of the legal or beneficial ownership of such Option, then such unexercised Option shall become null and void, without any claim against the Company with immediate effect upon the occurrence of such aforesaid event.

9.3 In the event that a Grantee is subject to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of services of such Grantee) the Option Committee have the right, at its discretion, to suspend the rights of the Grantee to exercise the Grantee's Option(s) pending the outcome of such disciplinary proceedings. The Option Committee may impose such terms and conditions as the Option Committee shall deem appropriate having regard to the nature of the charges made or brought against such Grantee, provided always that:-

- (i) in the event such Grantee shall subsequently be found not guilty of the charge(s) which give rise to such disciplinary proceedings, the Option Committee shall reinstate the rights of such Grantee to exercise the Grantee's Option;
- (ii) in the event such Grantee is found guilty of the charge(s) and the same results in the dismissal or termination of service of such Grantee, the Option shall immediately upon pronouncement of the dismissal or termination of service of such Grantee, automatically lapse without notice and thereafter shall be null and void and be of no effect; or
- (iii) in the event such Grantee is found guilty of the charge(s) but no dismissal or termination of service is recommended, the Option Committee shall have the right to determine at its sole and absolute discretion whether or not the Grantee may exercise the Grantee's Option and, if so, to impose such terms and conditions as it deems appropriate, for the exercise thereof.

14.0 BY-LAWS OF ESOS (cont'd)

10.0 TAKE-OVER

In the event of a take-over offer being made for the Company by a general offer or otherwise, the Grantee shall be entitled during the Option Period to exercise in full or in part any Option as yet unexercised, within a period of six (6) calendar months after the date of the take-over offer and in accordance with the provisions of the By-Laws herein. In addition, if any party becomes entitled or bound to exercise rights of compulsory acquisition of the shares of the Company under the provisions of any written law relating thereto and gives notice to the Grantee that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Grantee till the expiry of the said period of six (6) calendar months or such specified date, whichever is the earlier. In the aforesaid circumstances, if the Grantee elects to exercise only in respect of a portion of such shares, then the Option in relation to the balance thereof shall after the aforesaid specified date automatically lapse and shall thereafter be null and void.

11.0 RANKING OF SHARES

The new shares to be allotted and issued upon exercise of any Option shall upon allotment, rank pari passu in all respects with the existing issued and paid-up shares of the Company except that the new shares so allotted shall not be entitled to any dividend, rights, allotment or other distribution unless the shares so allotted have been credited into the relevant securities accounts maintained by the Depository before the entitlement date and will be subject to all the provisions of the Articles of Association of the Company relating to the transfer, transmission or otherwise of the shares of the Company.

For the purpose hereof, the term "*entitlement date*" means the date and time at which the Record of Depositors with the Depository will be closed to determine the entitlements of the shareholders to participate in any dividend, rights, allotment or other distribution.

12.0 RETENTION PERIOD OF SHARES

The shares allotted and issued to a Grantee pursuant to the exercise of an Option will not be subject to any retention period or restriction on transfer.

13.0 QUOTATION OF SHARES

13.1 The shares (if any) to be allotted to the Grantee will not be listed or quoted on Bursa Securities, until the Option is exercised in accordance with By-Law 8.0 hereof whereupon the Company shall, subject to it having obtained the prior written approval of Bursa Securities and/or other relevant authorities, and making applications to Bursa Securities for the listing of and quotation for such additional shares on Bursa Securities, use its best endeavour to obtain permission for dealing therein.

13.2 The Company and the Option Committee shall not under any circumstances be held liable for any costs, losses and damages whatsoever and however arising relating to the delay on the part of the Company in allotting and issuing shares or in procuring Bursa Securities to list and quote the shares for which the Grantee has subscribed.

14.0 OBLIGATION OF COMPANY AS REGARD TO SHARE CAPITAL

The Company shall during the Option Period keep available sufficient authorised and unissued shares in the capital of the Company to satisfy all outstanding Options granted under the ESOS.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

14.0 BY-LAWS OF ESOS (cont'd)**15.0 ALTERATION OF SHARE CAPITAL DURING THE OPTION PERIOD**

15.1 The Option Price of the shares to which a Grantee is entitled to subscribe upon exercising of the Options shall from time to time be adjusted by the Directors in consultation with the Approved Advisers and certified by the Auditors in accordance with the provisions as contained herein. Accordingly, the Option Price of the shares and the number of the shares comprised in the Option to which a Grantee is entitled to subscribe will be adjusted in all or any of the following cases:-

- (a) an alteration of the par value of the shares by reason of any consolidation of shares or subdivision of shares as provided in By-Law 15.2(a); or
- (b) an issue by the Company of shares to shareholders credited as fully paid by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve fund as provided in By-Law 15.2(b); or
- (c) a Capital Distribution (as defined in By-Law 15.2(c)) to shareholders made by the Company whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (d) an offer or invitation to shareholders made by the Company whereunder they may acquire or subscribe for shares by way of rights; or
- (e) an offer or invitation to shareholders made by the Company by way of rights whereunder they acquire or subscribe for securities convertible into, or rights to acquire or subscribe shares.

15.2 Subject to the By-Law 15.4, the Option Price, the number of shares comprised in the Option held by a Grantee, and the par value of the shares which a Grantee is entitled to subscribe for upon exercising the Option shall from time to time be adjusted by the Directors in consultation with the Approved Adviser and certified by the external auditors of the Company to be in accordance with the following relevant provisions:-

- (a) if and whenever a share by reason of any consolidation or subdivision shall have a different par value, then:-
 - (i) the Option Price shall be adjusted by multiplying it by the revised par value and dividing the result by the former par value; and
 - (ii) the number of shares comprised in the Option held by a Grantee shall be adjusted by multiplying the existing number of shares comprised in the Option held at the former par value and divided by the revised par value.

Each such adjustment will be effective from the close of business of Bursa Securities on the Market Day immediately preceding the date on which the consolidation or subdivision becomes effective (that is, the date when the shares are traded on Bursa Securities at the new par value).

- (b) If and whenever the Company shall make any issue of shares to shareholders credited as fully paid, by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve fund), the Option Price shall be adjusted by multiplying it by the following fraction:-

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

and the number of shares comprised in an Option shall be adjusted by multiplying the existing number of shares comprised in an Option held, by the following fraction:-

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

14.0 BY-LAWS OF ESOS (cont'd)

Where:-

- A - the aggregate number of issued and fully paid up shares on the record date immediately before such 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 capitalisation of profits or reserves (including share premium account and capital redemption reserve fund).

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

(c) If and whenever the Company shall make:-

- (i) a Capital Distribution to shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (ii) any offer or invitation to shareholders whereunder they may acquire or subscribe for shares by way of rights;

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

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

and in respect of each such case referred to in By-Law 15.2(c)(ii), the number of shares comprised in an Option shall be adjusted by multiplying the existing number of shares comprised in an Option held by the following fraction:-

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

Where:-

- C - the current market price of each share on 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 by way of rights referred to in By-Law 15.2(c)(ii), the value of rights attributable to one share (as defined below); or
(bb) in the case of any other transaction falling within this By-Law 15.2(c)(i), the fair market value, as determined (with the concurrence of the Auditors) by an Approved Adviser, of that portion of Capital Distribution attributable to one (1) Share.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

14.0 BY-LAWS OF ESOS (cont'd)

For the purpose of sub-paragraph (aa) 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 - as C above;
- E - the subscription price for one (1) additional share under the terms of such offer or invitation; and
- 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.

For the purpose of this By-Law 15.2(c) “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distribution in cash or specie or by way of issue of shares (not falling under sub paragraph (h) above) or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund). Any dividend charged or provided for in the accounts of any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the Shareholders for any period as shown in the audited consolidated profit and loss accounts of the Company.

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

15.3 An adjustment pursuant to By-Law 15.1 shall be effective:-

- (a) in the case of a rights issue, bonus issue, on the Market Day immediately following the date of entitlement in respect of such issue; or
- (b) in the case of a consolidation or subdivision of shares or reduction of capital, on the Market Day immediately following the date of allotment of the new shares of the Company in respect of such consolidation, subdivision or reduction.

Upon any adjustment being made, the Options Committee shall give notice in writing to the Grantee (or his/her legal or personal representative where the Grantee is deceased), to inform him/her of the adjustment(s) and the event giving rise thereto as soon as practicable.

15.4 Notwithstanding the By-Laws 15.1 and 15.2 and subject to By-Law 15.6 herein, should there be any other circumstances where the Directors consider adjustments should be made in the circumstances set out in By-Law 15.1, where the Directors consider that the adjustments provided under By-Law 15.2 should not be made or should be calculated on a different basis or that adjustments should be made notwithstanding that no such adjustment is required under those provisions, the Company may appoint an Approved Adviser to consider whether for any reason whatsoever the adjustment should be modified or nullified or an adjustment be made instead of no adjustment in such manner as may be considered by such Approved Adviser to be appropriate.

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

- (a) any adjustment to the Option Price shall be rounded down to the nearest one (1) sen and in no event shall the Option Price be reduced to an amount which is below the par value of the shares;
- (b) upon any adjustment being made pursuant to this By-Law, the Options Committee shall notify the Grantee (or his/her legal personal representative where applicable) in writing of the adjusted Option Price and/or the adjusted number of shares comprised in the Option;
- (c) in determining a Grantee’s entitlement to subscribe for shares, any fractional entitlement arising from the adjustments will be disregarded.

14.0 BY-LAWS OF ESOS (cont'd)

15.6 The provisions under this By-Law 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 ESOS; or
- (b) an issue of warrants, convertible loan stocks or other instruments by the Company which give a right of conversion into the shares and an issue of shares arising from the conversion of such securities with a right of conversion into shares including warrants and convertible loan stocks; or
- (c) an issue of securities as consideration or part consideration for an acquisition of any securities, assets or business; or
- (d) an issue of securities by way of a private placement; or
- (e) an issue of securities as a special issue approved by the relevant governmental authorities to comply with the Government policy on Bumiputera capital participation; or
- (e) a purchase by the Company of its own shares pursuant to Section 67A of the Act.

15.7 All adjustments, other than adjustment on bonus issue, must be confirmed in writing by the external Auditors of the Company for the time being, acting as an expert and not as an arbitrator, to be referred to them by the Options Committee to be in their opinion fair and reasonable. In addition, the Options Committee shall, at the request of any Grantee, furnish such Grantee with a certificate from the external Auditors to the effect that in the opinion of such external auditors, such adjustment(s) are fair and reasonable either generally or as regards to such Grantee, and such certification shall be final and binding on all parties. For the purposes of this By-Law, the external Auditors shall have the meaning given in Section 8 of the Act.

15.8 In any circumstances where the Directors, the Approved Adviser and Auditors are unable to agree upon any adjustment required, the Directors shall refer the adjustment to the decision of another Approved Adviser acting as expert and not as arbitrator and whose decision as to such adjustment as shall be appropriate in terms of the conditions shall be final and conclusive and no certification by the Auditors shall be necessary.

16.0 ADMINISTRATION OF THE ESOS

The ESOS shall be administered by the Option Committee. The Board shall have the discretion as it deems fit to approve, rescind and/or revoke the appointment of any person(s) in the Option Committee. The Option Committee shall be vested with such powers and duties as are conferred upon it by the Board. In addition, the Option Committee may for the purpose of administering the ESOS do all acts and things and enter into any transaction, agreement, deed, document or arrangement, make rules, regulations or impose terms and conditions or delegate part of its powers relating to the ESOS, which the Option Committee may in its discretion consider to be necessary or desirable to give full effect to the ESOS and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interest of the Company.

17.0 AMENDMENT AND/OR MODIFICATION TO THE ESOS

The Option Committee may recommend to the Board who shall have the power at any time and from time to time by resolution to amend and/or modify all or any part of the provisions in the By-Laws of the ESOS PROVIDED THAT:-

- (a) no such amendment and/or modification which shall prejudice the rights of a Grantee shall be made without the Grantee's consent in writing; and
- (b) no such amendment and/or modification which shall render the rights of a Grantee more favourable shall be made without the approval of the shareholders of the Company in a general meeting.

The Company is required to submit to Bursa Securities, each time any amendments and/or modifications is made, a confirmation letter that the amendments and/or modifications does not contravene any of the provision of the Listing Requirements pertaining to the ESOS.

14.0 BY-LAWS OF ESOS (cont'd)**18.0 LIQUIDATION OF THE COMPANY**

In the event that any order is made or resolution is passed for the liquidation of the Company, all unexercised or partially exercised Options shall automatically lapse and shall be null and void and of no further effect.

19.0 DURATION OF THE ESOS

19.1 Subject to By-Law 19.2, the effective date for the implementation of the ESOS shall be the date of full compliance with the provisions of the Listing Requirements on ESOS including the following:-

- (a) submission of final copy of the By-laws of the ESOS to Bursa Securities;
- (b) receipt of approval-in-principle for the issuance and listing of the IQGHB Shares to be issued under the ESOS from Bursa Securities;
- (c) procurement of shareholders' approval for ESOS;
- (d) receipt of approval of any other relevant authorities, where applicable; and
- (e) fulfilment of all conditions attached to the above approvals, if any.

whereupon, the adviser of the Company shall submit a confirmation letter to Bursa Securities stating the effective date of full compliance together with a certified true copy of the relevant resolutions passed by the shareholders in the general meeting and such confirmation is to be submitted to Bursa Securities not later than five (5) Market Days after the effective date of implementation of the By-laws.

19.2 The ESOS shall continue to be in force for a period of five (5) years from its effective date. However, the ESOS may at the discretion of the Option Committee be extended or renewed (as the case may be) provided always that the initial ESOS period stipulated above and such extension of ESOS made pursuant to this By-Law shall not in aggregate exceed a duration of ten (10) years. For the avoidance of doubt, save as required by the relevant authorities, no further sanction, approval or authorisation of the shareholders of the Company in a general meeting is required for any such extension or renewal (as the case may be) PROVIDED THAT the Company shall inform the Grantees and/or make the necessary announcements within thirty (30) days prior to the expiry of the ESOS.

20.0 COSTS AND EXPENSES OF THE ESOS

Save as otherwise provided for in the ESOS and the Articles of Association of the Company, all fees, costs incurred in relation to the ESOS including but not limited to the fees, costs and expenses relating to the issue and allotment of the shares pursuant to the exercise of any Option, shall be borne by the Company save and except for any tax (including income tax), if any, arising from the Offer and/or exercise of any options under the ESOS.

Any cost in relation to the loss of Option Certificate will be fully borne by the Grantee and such Grantee will have to sign a statutory declaration to declare the loss of the Option Certificate.

21.0 DISPUTES

In case any dispute or difference shall arise between the Option Committee and an Eligible Employee or Grantee, as the case may be, as to any matter of any nature arising, hereunder the Option Committee shall determine such dispute or difference by a written decision (without any obligation to give any reason thereof) given to the Eligible Employee or the Grantee, as the case may be. The said decision shall be final and binding on the parties unless the Eligible Employee or Grantee, as the case may be, within thirty (30) calendar days of the receipt thereof by written notice to the Option Committee, disputes the same in which case such dispute or difference shall be referred to the Company auditors as defined under Section 8 of the Act, for the time being of the Company (acting as experts and not as arbitrators) for its consideration and decision, and whose decision shall be final and binding in all respects.

14.0 BY-LAWS OF ESOS (cont'd)

22.0 ACQUISITION OR INCORPORATION OF SUBSIDIARY COMPANIES

In the event of any acquisition or incorporation of any company into the Group as a subsidiary company as defined in Section 5 of the Act or any other statutory regulation in place thereof during the tenure of this ESOS, the ESOS shall apply to the employees of such company on the date such company becomes subsidiary of the Group (provided that such subsidiary company is not dormant) falling within the meaning of the expression of "Eligible Employee" under By-Law 1.0 hereof and the provisions of the By-Laws shall apply.

23.0 DIVESTMENT FROM THE GROUP

If the Grantee who was in the employment of a company in the Group which is subsequently divested from the Group resulting in a subsequent holding of fifty per centum (50%) or less by the Group, or in the event any subsidiary company shall cease to be a subsidiary, then such Grantee shall: -

- (a) notwithstanding such divestment or any of the provision of any By-Laws herein, be entitled to continue to exercise all such unexercised Option(s) which were granted to him/her under the ESOS within a period of six (6) calendar months from the date of such divestment or within the Option Period, whichever is earlier or such further period as the Option Committee may in its absolute discretion grant in writing, failing which the right of such Grantee to subscribe for the number of the new shares or any part thereof granted under unexercised Option(s) shall be null and void and of no further force and effect; and
- (b) not be eligible to participate for further Option(s) under the ESOS.

24.0 TRANSFER FROM THE GROUP TO ASSOCIATED COMPANIES/RELATED COMPANIES

24.1 In the event that the Grantee is transferred from the Group to associated companies of the Group (which definition shall be that which is adopted by the Malaysian Accounting Standard Board) or to any related companies (as defined in Section 6 of the Act) of the Company which have an existing employee share option scheme in which the Grantee will be entitled to participate, the Grantee shall be entitled to exercise all or part of any unexercised or partially exercised Options which were granted to the Grantee under the ESOS within a period of six (6) calendar months from the date of such transfer or such period as determined in writing by the Option Committee.

25.0 TRANSFER FROM OTHER COMPANIES TO THE GROUP

In the event that:-

- (a) an employee who was employed in a company which is not related to the Company pursuant to Section 6 of the Act (that is to say, a company which does not fall within the definition of "the Group") and is subsequently transferred from such company to any company within the Group; or
- (b) an employee who was in the employment of a company which subsequently becomes a member of the Group as a result of a restructuring or acquisition exercise or otherwise involving the Company and/or any company within the Group with any of the first mentioned company stated in (a) above;

(the first abovementioned company in (a) and (b) hereof referred to as the "Previous Company"), such an employee of the Previous Company will be eligible to participate in this ESOS for its remaining Option Period, if the affected employee becomes an "Eligible Employee" within the meaning under these By-Laws.

14.0 BY-LAWS OF ESOS (cont'd)

26.0 TERMINATION OF THE ESOS

Subject to compliance with requirements of Bursa Securities and any other relevant authorities and upon fulfilling the following conditions:

- (a) to obtain the clearance from Bursa Securities for the circular to the shareholders in relation to the termination of the ESOS;
- (b) to obtain the consent of its shareholders at a general meeting, wherein at least a majority of the shareholders present should vote in favour of the termination; and
- (c) to obtain written consent of all Grantees who have yet to exercise their Options, either in part or in whole,

the Company may terminate the continuation of this ESOS at any time and in such an event no further Offers shall be made by the Option Committee from the date of such ordinary resolutions in a general meeting and all Offer outstanding but not accepted by the Eligible Employee at the date of the said resolution and the Options as yet unexercised or partially exercised shall be deemed to be terminated at the date of such resolution.

27.0 DISCLAIMER OF LIABILITY

Notwithstanding any provisions contained herein and subject to the Act, the Company, the Board and the Option Committee shall not under any circumstances and in any event be held liable to any person for any cost, charges, losses, expenses, damages or liabilities whatsoever arising, including but not limited to any delay on the part of the Company in allotting and issuing the shares or in procuring Bursa Securities to list the shares subscribed for by a Grantee.

28.0 NOT A TERM OF EMPLOYMENT

This ESOS does not form any part of or constitute or in any way be construed as a term and condition of employment of any Eligible Employee.

29.0 ESOS TO CONFER NO SPECIAL RIGHTS

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

30.0 INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

Subject to the Articles of Association of the Company, all Grantees are entitled to inspect the latest audited financial statements of the Company during the usual office hours on any working day at the registered office of the Company.

31.0 ARTICLES OF ASSOCIATION OF THE COMPANY

Notwithstanding the terms and conditions contained herein, if a situation of conflict should arise between the By-Laws of this ESOS and the Articles of Association of the Company as may be amended from time to time in accordance with the Law, the provisions of the Articles of Association of the Company shall at all times prevail.

14.0 BY-LAWS OF ESOS (cont'd)

32.0 GOVERNING LAW

The ESOS and these By-Laws and all options granted hereunder shall be governed by and construed in accordance with the laws of Malaysia.

33.0 EFFECTS OF THE HEADINGS

The heading to the By-Laws herein are for convenience of reference only and do not form part of the By-Laws nor shall they affect the interpretation of the same.

34.0 SUBSEQUENT ESOS

Subject to the approval of Bursa Securities and any other relevant authorities, the Company may establish a new employee share option scheme after the expiry date of this ESOS or upon termination of this ESOS.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

15.0 PROCEDURE FOR APPLICATION AND ACCEPTANCE

15.1 Opening and Closing of Application

The Applications for the Public Issue Shares and Offer Shares will open at 10.00 a.m. on 16 September 2005 and will remain open until 5.00 p.m. on 27 September 2005 or such further date or dates as the Directors of IQGHB and Managing Underwriter may, in their discretion, mutually decide.

15.2 Methods of Application

Applications for the Public Issue Shares may be using any one of the following:

- (a) Application Forms;
- (b) Electronic Share Application.

Applications for the Offer Shares reserved for Bumiputera investors approved by the MITI must be made via Application Form printed and not by way of Electronic Share Application.

15.3 General Conditions for Application

The Applications shall be made in connection with and subject to the terms of this Prospectus and the Memorandum and Articles of Association of the Company.

(a) *Applications by the Malaysian Public*

Applications for the 5,106,000 Public Issue Shares made available for application by the Malaysian public must be made on the **White** Application Forms provided or by way of Electronic Share Application.

(b) *Applications by the Eligible Directors, Employees and Persons who have contributed to the success of the IQGHB Group*

Applications for the 7,900,000 Public Issue Shares reserved for the eligible Directors, employees and persons who have contributed to the success of the IQGHB Group must be made on the **Pink** Application Forms provided and **NOT** on any other Application Form or by way of Electronic Share Application.

(c) *Applications by the Approved Bumiputera Investors*

Applications for the 11,101,200 Offer Shares reserved for Bumiputera investors approved by MITI must be made on the **White** Application Forms provided and **NOT** by way of Electronic Share Application.

Only one (1) Application Form from each applicant will be considered and application must be for 100 Shares or multiples thereof. **MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED.** The amount payable in full on application is RM1.80 per Share. A person who submits multiple applications using the names of others, with or without their consents, commits an offence under Section 87A of the Securities Industry Act, 1983 ("SIA") and if convicted, may be punished with minimum fine of RM1,000,000 and a jail term of up to ten (10) years under Section 88B of the SIA. Persons submitting applications by way of Application Forms may not submit applications by way of Electronic Share Application and vice versa. A corporation or institution cannot apply for Shares by way of Electronic Share Application.

Persons submitting applications by way of Application Forms or by way of Electronic Share Applications **must have a CDS Account.**

15.0 PROCEDURE FOR APPLICATION AND ACCEPTANCE (cont'd)

IN THE CASE OF AN INDIVIDUAL APPLICANT OTHER THAN A MEMBER OF THE ARMED FORCES OR POLICE, THE NAME, NATIONAL REGISTRATION IDENTITY CARD NUMBER AND ADDRESS OF THE APPLICANT MUST BE EXACTLY THE SAME AS STATED IN:-

- (a) (i) THE APPLICANT'S IDENTITY CARD (NRIC);
- (ii) THE APPLICANT'S RESIT PENGENALAN SEMENTARA (JPN 1/9) ISSUED PURSUANT TO PERATURAN 5(5), PERATURAN-PERATURAN PENDAFTARAN NEGARA 1990;
- (iii) ANY VALID TEMPORARY IDENTITY DOCUMENT AS ISSUED BY THE NATIONAL REGISTRATION DEPARTMENT FROM TIME TO TIME; AND
- (b) THE RECORDS OF THE DEPOSITORY.

WHERE THE APPLICANT IS A MEMBER OF THE ARMED FORCES OR POLICE, THE NAME AND THE ARMED FORCES OR POLICE PERSONNEL NUMBER, AS THE CASE MAY BE, OF THE APPLICANT MUST BE EXACTLY THE SAME AS THAT STATED IN HIS/HER AUTHORITY CARD.

IN THE CASE OF A CORPORATION/INSTITUTIONAL APPLICANT, THE NAME AND THE CERTIFICATE OF INCORPORATION NUMBER OF THE APPLICANT MUST BE EXACTLY THE SAME AS THAT IN THE APPLICANT'S CERTIFICATE OF INCORPORATION.

15.4 Application Using Application Forms

- (i) Application Forms

The following relevant Application Forms issued with the notes and instructions printed therein are enclosed with this Prospectus and are deemed to form part hereof:-

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

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

- (ii) **Terms and Conditions for Application using Application Forms**

Applications by way of Application Forms shall be made on, and subject to, the terms and conditions appearing below:-

- (a) Applications for the Public Issue Shares and Offer Shares must be made on the Application Form issued together with this Prospectus and must be completed in accordance with the notes and instructions printed on the reverse side of the Application Form and in this Prospectus. In accordance with Section 41(2) of the SCA, the Application Form together with the notes and instructions printed is accompanied by a copy of this Prospectus which have been registered by the SC. Applications which do not **STRICTLY** conform to the terms of this Prospectus or notes and instructions printed therein or which are illegible will not be accepted.

15.0 PROCEDURE FOR APPLICATION AND ACCEPTANCE (cont'd)

- (b) EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY REMITTANCE IN RINGGIT MALAYSIA FOR THE FULL AMOUNT PAYABLE BY EITHER:-
- (i) BANKER'S DRAFT OR CASHIER'S ORDER PURCHASED WITHIN MALAYSIA ONLY AND DRAWN ON A BANK IN KUALA LUMPUR (DIFFERENTIATED BY A SPECIAL RED BAND FOR BUMIPUTERA APPLICANTS); OR
 - (ii) CHEQUES ISSUED BY PARTICIPATING LICENSED FINANCE COMPANIES IN MALAYSIA ONLY AND DRAWN ON A BANK IN KUALA LUMPUR (DIFFERENTIATED BY A SPECIAL RED BAND FOR BUMIPUTERA APPLICANTS); OR
 - (iii) MONEY ORDER OR POSTAL ORDER (FOR APPLICANTS FOR SABAH AND SARAWAK ONLY); OR
 - (iv) GUARANTEED GIRO ORDER ("GGO") FROM BANK SIMPANAN NASIONAL (DIFFERENTIATED BY A SPECIAL RED BAND FOR BUMIPUTERA APPLICANTS); OR
 - (v) ATM STATEMENTS OBTAINED FROM ANY OF THE FOLLOWING FINANCIAL INSTITUTIONS:-
 - AFFIN-ACF FINANCE BERHAD (6521-U);
 - ALLIANCE BANK MALAYSIA BERHAD (88103-W);
 - AMBANK (M) BERHAD (8515-D);
 - BUMIPUTERA-COMMERCE BANK BERHAD (13491-P);
 - EON BANK BERHAD (92351-V);
 - HONG LEONG BANK BERHAD (97141-X);
 - MALAYAN BANKING BERHAD (3813-K);
 - PUBLIC BANK BERHAD (6463-H);
 - RHB BANK BERHAD (6171-M);
 - SOUTHERN BANK BERHAD (5303-W); OR
 - SOUTHERN FINANCE BERHAD (3838-T).

AND MUST BE MADE OUT IN FAVOUR OF

MIH SHARE ISSUE ACCOUNT NO. 382

AND CROSSED "A/C PAYEE ONLY" (EXCLUDING ATM STATEMENTS) AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND ADDRESS OF THE APPLICANT (AS PER THE NATIONAL REGISTRATION IDENTITY CARD) OR ANY VALID TEMPORARY IDENTITY DOCUMENT AS ISSUED BY THE NATIONAL REGISTRATION DEPARTMENT FROM TIME TO TIME, WHERE APPLICABLE IN THE CASE OF INDIVIDUAL APPLICANTS EXCEPT FOR ARMED FORCES/POLICE PERSONNEL AND THE REGISTERED ADDRESS IN THE CASE OF CORPORATE/INSTITUTIONAL APPLICANTS. ARMED FORCES/POLICE PERSONNEL MUST USE THE ADDRESS OF THE RESPECTIVE CAMP/BASE/STATION.

APPLICATIONS ACCOMPANIED BY ANY MODE OF PAYMENTS OTHER THAN THOSE STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES OR INAPPROPRIATE BANKER'S DRAFT/CASHIER'S ORDER/CHEQUES ISSUED BY PARTICIPATING LICENSED FINANCE COMPANIES/ATM STATEMENT/MONEY ORDER/GGO WILL NOT BE ACCEPTED. DETAILS OF THE REMITTANCE MUST BE COMPLETED IN THE APPROPRIATE BOXES PROVIDED IN THE APPLICATION FORMS.

15.0 PROCEDURE FOR APPLICATION AND ACCEPTANCE (cont'd)

- (c) AN APPLICANT MUST STATE HIS/HER CDS ACCOUNT NUMBER IN THE SPACE PROVIDED IN THE APPLICATION FORM AND HE SHALL BE DEEMED TO HAVE AUTHORISED THE DEPOSITORY TO DISCLOSE INFORMATION PERTAINING TO THE CDS ACCOUNT TO MIH OR THE COMPANY.
- (d) THE NAME AND ADDRESS OF THE APPLICANT (AS PER THE NATIONAL REGISTRATION IDENTITY CARD) MUST BE WRITTEN ON THE REVERSE SIDE OF THE BANKERS' DRAFT, CASHIER'S ORDER, ATM STATEMENT, MONEY ORDER, CHEQUES ISSUED BY PARTICIPATING LICENSED FINANCE COMPANIES OR GGO FROM BANK SIMPANAN NASIONAL.
- (e) The Directors of the Company reserve the right to require any successful applicant to appear in person at the registered office of MIH within fourteen (14) days of the date of the notice issued to him to ascertain the regularity or proprietary of the application. The Directors of the Company shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.
- (f) MIH under the authority of the Directors of the Company reserves the right to reject applications which do not conform to these instructions or which are illegible or which are accompanied by remittances improperly drawn.
- (g) The Directors of the Company reserve the right not to accept any application or to accept any application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the shares to a reasonable number of applicants with a view to establishing an adequate market for the shares.
- (h) Where an application is not accepted or accepted in part only, the full amount or the balance of the application monies, without interest, will be returned and shall be despatched to the applicant within ten (10) market days from the date of the final ballot of the Application Lists by ordinary post at the Applicants' address last maintained with the Depository or where the application is not accepted due to the applicant not having provided a CDS account, to the address (as per the National Registration Identity Card or temporary identity document as issued by the National Registration Department from time to time, where applicable in the case of an individual applicant (except for armed forces/police personnel) and the registered address in the case of corporate/institutional applicants at the applicant's own risk.
- (i) MIH reserves the right to bank in all application monies from unsuccessful Bumiputera applicants and partial-successful applicants, which would subsequently be refunded without interest by registered post.
- (j) Each completed Application Form accompanied by the appropriate remittance and legible photocopy of the relevant documents must be despatched by **ORDINARY POST** in the official envelopes provided to the following address:

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

OR DELIVERED BY HAND AND DEPOSITED in the Drop-in Boxes provided at the back portion of Menara Multi-Purpose, Capital Square, No.8, Jalan Munshi Abdullah, 50100 Kuala Lumpur so as to arrive not later than 5:00 p.m. on 27 September 2005 or such further period or periods as the Directors of IQGHB and the Managing Underwriter in their absolute discretion may mutually decide.

15.0 PROCEDURE FOR APPLICATION AND ACCEPTANCE (cont'd)

Alternatively, applications may also be delivered in a drive-in-manner at Stadium Hoki Tun Razak, Jalan Duta, Kuala Lumpur on 27 September 2005 between 10:00 a.m. to 5:00 p.m. only.

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

- (k) PLEASE DIRECT ALL ENQUIRIES IN RESPECT OF THE WHITE APPLICATION FORM TO MIH.

15.5 Application Using Electronic Share Application**(i) Steps for Electronic Share Application through a Participating Financial Institution's ATM**

- (a) Applicant must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account;
- (b) Applicant must have a CDS account; and
- (c) Applicant is to apply for the Public Issue Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out on Section 15.5(ii) of the terms and conditions for Electronic Share Application. Applicant is to enter at least the following information through the ATM where the instructions on the ATM screen at which he/she enters his/her Electronic Share Application requires him/her to do so:-
- Personal Identification Number (PIN Number);
 - MIH Share Issue Account Number 382;
 - CDS account number;
 - Number of Shares applied for and/or the Ringgit amount to be debited from the account; and
 - Confirmation of several mandatory statements.

(ii) Terms and Conditions for Electronic Share Application

The procedures for Electronic Share Application at ATMs of Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("Steps"). For illustrative purposes, the procedures for Electronic Share Application at ATMs are set out in "Steps for Electronic Share Application through a Participating Financial Institution's ATM" in Section 15.5(i) of this Prospectus. The steps set out the actions that the applicant must take at the ATM to complete an Electronic Share Application. Please read carefully the terms of this Prospectus, the steps and the terms and conditions for Electronic Share Application set out below before making an Electronic Share Application. Any reference to the "applicant" in the terms and conditions for Electronic Share Application and the steps shall mean the applicant who applies for shares through an ATM of any of the Participating Financial Institutions.

Only an applicant who is an individual with a CDS account is eligible to utilise the facility.

The applicant must have an existing account with, and be an ATM cardholder of, one of the Participating Financial Institutions before he/she can make an Electronic Share Application at an ATM of the Participating Financial Institution. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for shares at an ATM belonging to other Participating Financial Institutions. Upon the completion of his/her Electronic Share Application transaction, the applicant will receive a computer-generated transaction slip ("Transaction Record"), confirming the details of his/her Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by the Company or MIH. The Transaction Record is for retention by the applicant and should not be submitted with any Application Form.

15.0 PROCEDURE FOR APPLICATION AND ACCEPTANCE (cont'd)

Upon the closing of offer for the application for the Public Issue Shares on 27 September 2005 at 5.00 p.m., the Participating Financial Institution shall submit a magnetic tape containing its respective customer's applications for the Public Issue Shares to MIH as soon as practicable but not later than 12.00 p.m. of the second business day after the closing date and time.

An applicant will be allowed to make an Electronic Share Application for shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which he/she has an account and its branches, subject to the applicant making only one application.

AN APPLICANT MUST ENSURE THAT HE/SHE USES HIS/HER OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. AN APPLICANT OPERATING A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION MUST ENSURE THAT HE/SHE ENTERS HIS/HER OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO HIM/HER IN HIS/HER OWN NAME. HIS/HER APPLICATION WILL BE REJECTED IF HE/SHE FAILS TO COMPLY WITH THE FOREGOING.

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

- (a) The Electronic Share Application shall be made in relation with and subject to the terms of this Prospectus and the Memorandum and Articles of Association of the Company.
- (b) The applicant is required to confirm the following statements (by depressing predesignated keys (or buttons) on the ATM keyboard) and undertake that the following information given is true and correct:-
 - (i) I have attained 18 years of age as at the closing date of the share application;
 - (ii) I am a Malaysian citizen residing in Malaysia;
 - (iii) I have read the relevant Prospectus and understood and agreed with the terms and conditions of this application;
 - (iv) This is the only application that I am submitting; and
 - (v) I hereby give consent to the Participating Financial Institution and the Depository to disclose information pertaining to him/herself and his/her account with the Participating Financial Institution and the Depository to MIH and other relevant authorities;

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless the applicant completes all the steps required by the Participating Financial Institutions. By doing so, the applicant shall be treated as signifying his/her confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 97 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Securities Industry (Central Depositories) Act, 1991 to the disclosure by the relevant Participating Financial Institution or the Depository, as the case may be, of any of the applicant's particulars to MIH or any relevant regulatory bodies.

- (c) THE APPLICANT CONFIRMS THAT HE/SHE IS NOT APPLYING FOR SHARES AS NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC SHARE APPLICATION THAT HE/SHE MAKES IS MADE BY HIM/HER AS BENEFICIAL OWNER. THE APPLICANT SHALL ONLY MAKE ONE ELECTRONIC SHARE APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE PUBLIC ISSUE SHARES, WHETHER AT THE ATMs OF ANY PARTICIPATING FINANCIAL INSTITUTION OR VIA THE PRESCRIBED APPLICATION FORMS.
- (d) The applicant must have sufficient funds in his/her account with the relevant Participating Financial Institutions at the time he/she makes his/her Electronic Share Application, failing which his/her Electronic Share Application will not be completed. Any Electronic Share Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made, will be rejected.

15.0 PROCEDURE FOR APPLICATION AND ACCEPTANCE (cont'd)

- (e) The applicant agrees and undertakes to subscribe for or purchase and to accept the number of Shares applied for as stated on the Transaction Record or any lesser number of Shares that may be allotted or allocated to him/her in respect of his/her Electronic Share Application. In the event that the Company decides to allot or allocate any lesser number of such Shares or not to allot or allocate any Shares to the applicants, the applicant agrees to accept any such decision as final. If the applicant's Electronic Share Application is successful, his/her confirmation (by his/her action of pressing the designated key on the ATM) of the number of Shares applied for shall signify, and shall be treated as, his/her acceptance of the number of shares that may be allotted or allocated to him/her and to be bound by the Memorandum and Articles of Association of the Company.
- (f) MIH under the authority of the Directors of the Company reserves the right not to accept any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the shares to a reasonable number of applicants with a view to establishing an adequate market for the shares.
- (g) Where an Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institutions will be informed of the non-successful or partially successful applications. Where an Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest into the applicant's account with that Participating Financial Institution within two (2) market days after the receipt of confirmation from MIH. MIH shall inform the Participating Financial Institutions of the non-successful or partially successful applications within two (2) market days after the balloting date. The applicants may check their accounts on the listing day of the Company.

Where an Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into the applicant's account with the Participating Financial Institution within two (2) market days after the receipt of confirmation from MIH. A number of applications will, however, be held in reserve to replace any successfully balloted applications, which are subsequently rejected. For such applications, which are subsequently rejected, the application monies without interest will be refunded to applicants by MIH by way of cheques issued by MIH. The cheques will be issued to the applicants not later than ten (10) market days from the day of the final ballot of the application list.

Should applicants encounter any problems in their applications, they may refer to the Participating Financial Institutions.

- (h) The applicant requests and authorises the Company:-
- (i) to credit the Shares allocated to the applicant into the CDS account of the applicant; and
 - (ii) to issue share certificate(s) representing such share allocated in the name of Bursa Malaysia Depository (Nominee) Sdn Bhd and sends the same to the Depository.
- (i) The applicant, acknowledging that his/her Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond the control of the Company, MIH or the Participating Financial Institution, irrevocably agrees that if:-
- (i) the Company or MIH does not receive the applicant's Electronic Share Application; and

15.0 PROCEDURE FOR APPLICATION AND ACCEPTANCE (cont'd)

- (ii) data relating to the applicant's Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to the Company,

the applicant shall be deemed not to have made an Electronic Share Application and the applicant shall not claim whatsoever against the Company, MIH or the Participating Financial Institution for the shares applied for or for any compensation, loss or damage.

- (j) All particulars of the applicant in the records of the relevant Participating Financial Institution at the time he/she makes his/her Electronic Share Application shall be deemed to be true and correct and the Company, MIH and relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (k) The applicant shall ensure that his/her personal particulars as recorded by both the Depository and relevant Participating Financial Institutions are correct and identical. Otherwise, his Electronic Share Application is liable to be rejected. The applicant must inform the Depository promptly of any change in address, failing which the notification letter of successful allocation will be sent to his/her registered address last maintained with the Depository.
- (l) By making and completing an Electronic Share Application, the applicant agrees that:-
- (i) In consideration of the Company agreeing to allow and accept the making of any application for shares via the Electronic Share Application facility established by the Participating Financial Institution at their respective ATMs, his/her Electronic Share Application is irrevocable;
- (ii) The Company, the Participating Financial Institutions, the Depository and MIH shall not be liable for any delays, failures or inaccuracies in the processing of data relating to his/her Electronic Share Application to the Company due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;
- (iii) Notwithstanding the receipt of any payment by or on behalf of the Company, the acceptance of the offer made by the applicant to subscribe for and purchase the shares for which the applicant's Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allocation for prescribed securities, in respect of the said shares;
- (iv) The applicant irrevocably authorises the Depository to complete and sign on his/her behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the shares allocated to the applicant; and
- (v) The Company agrees that in relation to any legal action or proceedings arising out of or in relation with the contract between the parties and/or the electronic share scheme and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that the Company irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (m) The Directors of the Company reserve the right to require any successful applicant to appear in person at the registered office of MIH within fourteen (14) days of the date of the notice issued to him to ascertain the regularity or propriety of the application. The Directors of the Company shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.
- (n) MIH under the authority of the Directors of the Company reserves the right to reject applications, which do not conform to these instructions.

15.0 PROCEDURE FOR APPLICATION AND ACCEPTANCE (cont'd)

- (o) Electronic Share Application may be made through an ATM of the following Participating Financial Institutions and their branches: -
- AMBANK (M) BERHAD; or
 - BANK MUAMALAT MALAYSIA BERHAD; or
 - BUMIPUTRA-COMMERCE BANK BERHAD; or
 - HSBC BANK MALAYSIA BERHAD; or
 - MALAYAN BANKING BERHAD; or
 - OCBC BANK (MALAYSIA) BERHAD; or
 - STANDARD CHARTERED BANK MALAYSIA BERHAD (at selected branches only).
- (p) A surcharge of RM2.50 per Electronic Share Application will be charged by the respective Participating Financial Institution.

15.6 Applications and Acceptances

The Directors of IQGHB reserve the right not to accept any application which does not strictly comply with the instructions or to accept any application in part only without assigning any reason therefor.

ALL APPLICATIONS MUST BE FOR 100 SHARES OR MULTIPLES THEREOF.

THE SUBMISSION OF AN APPLICATION FORM DOES NOT NECESSARILY MEAN THAT THE APPLICATION WILL BE SUCCESSFUL.

In the event of an over-subscription, acceptance of applications by the Malaysian public shall be subject to ballot to be conducted in a manner as approved by the Directors of IQGHB. The basis of allotment to be devised shall be in such fair and equitable manner as to spread the shareholding base in IQGHB over a reasonable number of applicants with a view to establishing an adequate market in IQGHB Shares. Pursuant to the Listing Requirements of the Bursa Securities, at least 25% of the issued and paid-up share capital of the Company must be held by a minimum of 1,000 public shareholders, holding not less than 100 Shares each. The Company is expected to achieve this at the point of listing. However, in the event that the above requirement is not met pursuant to Public Issue and Offer for Sale, the Company may not be allowed to proceed with its listing on the Main Board of the Bursa Securities. In the event thereof, monies paid in respect of all applications will be returned without interest, to the applicants

In the event of an under-subscription by the Malaysian public, all the Public Issue Shares not applied for will be made available for subscription by the Underwriters in accordance with the terms and conditions of the Underwriting Agreement. Any Shares not subscribed by eligible Directors and employees and persons who have contributed to the success of the IQGHB Group pursuant to the Pink Form Allocation will first be made available to identified investors by way of private placement failing which they shall be made available for application by the Malaysian public. Any balance unsubscribed Shares shall, thereafter be taken up by the Underwriters in accordance with the terms and conditions in the Underwriting Agreement.

Directors and employees of MIH and their immediate families are strictly prohibited from applying for the Public Issue Shares.

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST TO THE APPLICANT WITHIN TEN (10) DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS BY ORDINARY POST OR REGISTERED POST, RESPECTIVELY, TO THE ADDRESS LAST MAINTAINED WITH THE DEPOSITORY AT THE APPLICANT'S OWN RISK.

MIH RESERVES THE RIGHT TO BANK IN ALL APPLICATION MONIES FROM UNSUCCESSFUL BUMIPUTERA APPLICANTS AND FROM PARTIALLY SUCCESSFUL APPLICANTS. REFUND MONIES IN RESPECT OF UNSUCCESSFUL APPLICANTS WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN TEN (10) DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS BY REGISTERED POST TO THE LAST ADDRESS MAINTAINED WITH BURSA DEPOSITORY OR AS SHOWN ON THE APPLICATION FORM AT THE APPLICANT'S OWN RISK.

15.0 PROCEDURE FOR APPLICATION AND ACCEPTANCE (cont'd)

NO APPLICATION SHALL BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCES BEING PRESENTED FOR PAYMENT.

15.7 CDS Accounts

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed the securities of IQGHB as Prescribed Securities. In consequence thereof, the IPO Shares issued/offered through this Prospectus will be deposited directly with the Depository and any dealings in these shares will be carried out in accordance with aforesaid Act and Rules of the Depository.

Following the above, in accordance with Section 29 of the Securities Industry (Central Depositories) Act, 1991, all dealings in the Shares in IQGHB including the IPO Shares will be by book entries through CDS accounts. No share certificates will be issued to successful applicants.

Only an applicant who has a CDS account can make an Application by way of Application Form. The application shall furnish his/her CDS account number in the space provided on the Application Form and he/she shall be deemed to have authorised the Depository to disclose information pertaining to the CDS account, he/she should open a CDS Account at an ADA prior to making an application for the IQGHB Shares. Failure to comply with these specific instructions as the Application Form requires or inaccuracy in the CDS account number may result in the application being rejected. If a successful applicant fails to state his/her CDS account number, MIH under the instruction of the Company will reject the application.

Only an applicant who has a CDS account can make an Electronic Share Application and the applicant shall furnish his/her CDS account number to the Participating Financial Institution or by way of keying in his/her CDS account number if the instructions on the ATM screen at which he/she enters his/her Electronic Share Applications requires him/her to do so. Failure to comply with these specific instructions as the Electronic Share Application requires or inaccuracy in the CDS account number may result in the application being rejected.

The Directors of the Company reserve the right to reject any incomplete or inaccurate application. Applications may also be rejected if the applicants' particulars provided in their Application Forms, or in the case of Electronic Share Application, if the records of the Participating Financial Institutions at the time of making the Electronic Share Applications differ from those in the Depository's records, such as the identity card numbers, names and nationalities.

15.8 Notice of Allotment

Shares allotted to all successful or partially successful applicants will be credited to their respective CDS accounts. A notice of allotment will be despatched to the successful or partially successful applicants at their addresses last maintained with the Depository at the applicants' own risk prior to the Listing of IQGHB. For Electronic Share Application, the notices of allotment will be despatched to the successful or partially successful applicants at his/her address last maintained with the Depository at the applicants' own risk prior to the listing of IQGHB. This is the only acknowledgement of acceptance of the application.

All applicants must inform the Depository of his/her updated address promptly by adhering to certain rules and regulation of the Depository, failing which, the notification letter on successful allotment shall be sent to the applicant's address last maintained with the Depository.

Applicants may also check the status of their application by calling their respective ADAs or at the telephone numbers stated below between five (5) to ten (10) market days (during office hours only) after the balloting date:-

MIH Telephone Hotline : 03-2693 2075 (10 lines)

MIH WEBSITE : www.mih.com.my