

10 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

10.3.2 Shareholdings in China Stationery

The direct and indirect shareholdings of our Directors before and after the Public Issue are as follows:-

Directors	Nationality/ Country of Incorporation	As at the LPD				< After the Public Issue and Offer For Sale >			
		<-- Direct -->		<-- Indirect-->		<-- Direct -->		<-- Indirect-->	
		No. of Share	% held	No. of Share	% held	No. of Share	% held	No. of Share	% held
Chan Fung @ Kwan Wing Yin	PRC (Hong Kong SAR)	-	-	1,000,000,000	90.7 ⁽¹⁾	-	-	893,000,000	74.9 ⁽¹⁾
Jiang Danping Angus Kwan Chun Jut	PRC PRC (Hong Kong SAR)	-	-	1,000,000,000	90.7 ⁽¹⁾	-	-	893,000,000	74.9 ⁽¹⁾
Tan Sri Dato' Bentara Istana Nik Hashim bin Nik Ab Rahman	Malaysian	-	-	-	-	-	-	-	-
Tan Choon Hwa	Malaysian	-	-	-	-	-	-	-	-
Dr. Richard Izaac Risambessy	Indonesian	-	-	-	-	-	-	-	-

Note:

(1) Deemed interested via Lead Champion applying Section 6A of the Malaysian Companies Act.

10.3.3 Involvement of Executive Directors in Other Businesses or Corporations

Save as disclosed below, none of our Executive Directors has any involvement in other businesses and corporations as at the LPD:-

Name of Executive Director	Name of Company	Date Appointed/ (Resigned) as Director	Shareholdings				Principal Activities
			Direct		Indirect		
			No. of shares held	% held	No. of shares held	% held	
Chan Fung @ Kwan Wing Yin	Kawan Kita ⁽¹⁾	Since October 1980 – Present	1,500,000	75.0	500,000	25.0 ⁽²⁾	Trading in hardware, light industry products and chemical products
	Yuan Teng ⁽¹⁾	Since 13 August 2007 - present	7,778	77.8	2,222	22.2 ⁽³⁾	Investment holding
Jiang Danping	Wingday ⁽¹⁾	Since 13 August 2007 - present	10,000	100.0	-	-	Investment holding
Angus Kwan Chun Jut	Yuan Teng ⁽¹⁾	Since 13 August 2007 - present	2,222	22.2	7,778	77.8 ⁽⁴⁾	Investment holding

10 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Notes:

- (1) Their involvements in the above companies do not require their involvement in the day-to-day activities, supervision and operation. As such, their involvement in the above companies will not affect their contribution to our Group and will not negatively affect their ability to act as our Directors.
- (2) Kwan Chun Chu owns the remaining 25% of the shares in Kawan Kita. Kwan Chun Chu is the wife of our Executive Chairman, Chan Fung @ Kwan Wing Yin and the mother of our Executive Director, Angus Kwan Chun Jut.
- (3) Deemed interested via his son, Angus Kwan Chun Jut's shareholding.
- (4) Deemed interested via his father, Chan Fung @ Kwan Wing Yin's shareholding.

10.3.4 Directors' Other Directorships and Substantial Shareholdings Outside the Group for the Past Five (5) Years up to the date of this Prospectus

Based on the declarations by our Directors, save as disclosed under Section 10.3.3 above which sets out our Executive Directors' involvement in other businesses/corporations as at the LPD, and the following, none of our Directors has any other directorships outside the Group for the past five (5) years prior to the LPD:

Name of Director	Name of Company *	Principal Activities
Chan Fung @ Kwan Wing Yin	Current directorships:	
	Kawan Kita	Trading in hardware, light industry products and chemical products
	Yuan Teng	Investment holding
	Past directorships:	
	JDL	Investment holding
	Acevision Group Limited (威时集团有限公司)	Real Estate
Jiang Danping	Weishi (Jingdezhen) Real Estate Development Co., Ltd (威时(景德镇)房地产有限公司)	Real Estate
	Current directorships:	
	Wingday	Investment holding
Angus Kwan Chun Jut	Past directorships:	
	JDL	Investment holding
	Current directorships:	
Yuan Teng	Investment holding	
Tan Sri Dato' Nik Hashim Bin Nik Ab Rahman	Past directorships:	
	JDL	Investment holding
	Current directorships:	
	Inch Kenneth Kajang Rubber Public Limited Company	Oil palm growers
	Olympia Industries Berhad	Investment holding
	Web Power Sdn Bhd	Design, specification, functional, deliverables, implementation, testing and support of "E-Police Force Solution" project with Royal Malaysia Police
Jetoil Bhd	Investment holding	

**10 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT
 (Cont'd)**

Name of Director	Name of Company *	Principal Activities
	Jetoil Plantation Sdn Bhd	Oil palm plantation
	Miles and Miles Leisure Sdn Bhd	Travel agency
	Tropicana Golf & Country Resort Berhad	Golfing, sporting and recreational facilities to members in its wholly-owned, operated recreation centre, property development and sale of land
	Past directorship:	
	Baswell Resources Bhd	Investment holding
	WG Capital (M) Sdn Bhd	Investment holdings and consultancy
Tan Choon Hwa	Current directorships:	
	Aturmaju Resources Berhad	Operating integrated wood processing complex producing veneer, plywood, blockboard, multiple plywood, wooden flooring board and sawn timber
	VTI Vintage Berhad	Investment holding, provision of management services to its subsidiaries
	TCH International Resources Group Sdn Bhd	Investment holding
	TCH Vision Trading Corporation Sdn Bhd	General trading, investment and real property
	Pasaraya Besar Bilal Sdn Bhd	Wholesaling and retailing of food stuff and groceries.
	Intergold Nexus (M) Sdn Bhd	Investment holding
	Linapro Sdn Bhd	Investment holding
	Tok Aman Bali Beach Resort Sdn Bhd	Dormant
	Eksklusif Pandan Sdn Bhd	Dormant
	Intergold Entity (M) Sdn Bhd	Investment holding
	Bakat Mentari Sdn Bhd	Investment holding
	Sri Uda Sdn Bhd	Investment holding company
	IB Builders Sdn Bhd	Dormant
	Maxrise Vista (M) Sdn Bhd	General merchants, investment in shares and investment in immovable properties
	Famous Unity Sdn Bhd	Dormant
	Aturmaju (Sabah) Holding Sdn Bhd	Operations in integrated wood processing complex producing plywood, fancy and decorative plywood, blockboard and sawn timber.
	Corak Anggerik Sdn Bhd	Investment holding
	Sri Sejahtera Sdn Bhd	General suppliers and retailers
	Terus 88 Sdn Bhd	Dormant

10 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name of Director	Name of Company *	Principal Activities
	Fonpoint Foncare Enterprise Sdn Bhd	Wholesaler & dealers, agents & repairers of telecommunication and general engineers
	Past directorship:	
	Semarak Layang Sdn Bhd	Breeding of swifts and sale of bird nests
	Bonusmatic Sdn Bhd	Dormant
	Ciptaan Layang Sdn Bhd	Bird farming and dealer of its products
	MCS Mining Group Sdn Bhd	Dormant
	Misutai Corporation Sdn Bhd	Dormant
	Sofaration Sdn Bhd	Investment holding company and providing management services to casino and recreation clubs
	Tok Aman Bali Aquatics Sdn Bhd	Dormant
	Tok Aman Bali Development Sdn Bhd	Dormant
	Widewin Venture Sdn Bhd	General trading holding company, property and investment
	Eksklusif Pandan Sdn Bhd	Dormant
	Famous Unity Sdn Bhd	Dormant
	Principal Avenue Sdn Bhd	Dormant
	Sri Sejahtera Sdn Bhd	General suppliers and retailers
	Terus 88 Sdn Bhd	Dormant
Dr Richard Izaac Risambessy	Current business: Richard Risambessy and Rekan	Provision of audit, accounting services, management services and tax services

Note:

* The list does not include companies and businesses that have been dissolved, deregistered, struck-off and winding-up.

10.3.5 Directors' Remuneration and Benefits

The aggregate remuneration and material benefit-in-kind paid and proposed to be paid to our Directors (including CEO) for services rendered in all capacities to our Company for the FYE2010, FYE2011 and proposed for the FYE2012 is as follows:-

Directors	FYE2010 ⁽¹⁾	FYE2011 ⁽¹⁾	FYE2012 ⁽¹⁾
	RM	RM	RM
Chan Fung @ Kwan Wing Yin	750,000 – 800,000	750,000 – 800,000	750,000 – 800,000
Jiang Danping	600,000 – 650,000	600,000 – 650,000	600,000 – 650,000
Angus Kwan Chun Jut	600,000 – 650,000	600,000 – 650,000	600,000 – 650,000
Tan Sri Dato' Nik Hashim Bin Nik Ab Rahman	-	-	50,000 – 100,000
Tan Choon Hwa	-	-	50,000 – 100,000
Dr Richard Izaac Risambessy	-	-	50,000 – 100,000

10 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Note:

(1) Based on the exchange rate of RMB1.00: RM0.4621.

The above remunerations which comprise Directors' fees, any contingent or deferred compensation accrued for the year or to be paid at a later date, allowances as well as benefits in kind must be considered and recommended by the Nominating and Remuneration Committees and subsequently approved by our Board. Our Directors' fees must be further approved or endorsed by our Shareholders at a general meeting.

Save for the above, no other amount or benefit has been paid or intended to be paid or given to our Directors within two (2) years preceding the date of this Prospectus.

10.4 AUDIT, REMUNERATION AND NOMINATION COMMITTEE

10.4.1 Audit Committee

Our Audit Committee was established on 28 December 2011 and its members are appointed by our Board. Our Audit Committee shall comprise not fewer than three (3) members, the majority of whom shall be Independent Non-Executive Directors and all members should be Non-Executive Directors of our Company. In the event of any vacancy resulting in non-compliance with the membership of our Audit Committee, our Board shall, within three (3) months of that event, appoint such number of new members required to fulfil the minimum requirement. All members of our Audit Committee, including the Chairman of our Audit Committee, shall hold office only so long as they serve as Directors of our Company.

Our Audit Committee is primarily responsible for, amongst others, the following:-

- (i) review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to management and the management's response. Also ensuring a clear and direct line of communication between our Board and the external auditors through meetings and discussions;
- (ii) review the half yearly and annual, and quarterly if applicable, financial statements and results announcements before submission to our Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern assumption and compliance with accounting standards and compliance with the Bursa Securities LR and any other relevant statutory or regulatory requirements;
- (iii) review the internal control procedure and ensure co-ordination between the external auditors and our management, and review the assistance given by our management to the auditors, and discuss problems and concerns, if any, arising from the audits, and any matters which the auditors may wish to discuss (in the absence of management where necessary); and
- (iv) in relation to audit function, to do the following:-
 - (a) review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;

**10 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT
 (Cont'd)**

- (b) review the internal audit plan and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendation of the internal audit function;
- (c) review any appraisal or assessment of the performance of members of the internal audit function;
- (d) approve any appointment or termination of person exercising the internal audit function and take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- (v) review and discuss with the external auditors any problems and reservations which has or is likely to have a material impact on our Group's operating results or financial position, and our management's response;
- (vi) consider and recommend the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the auditors;
- (vii) ensuring the independence of the external and internal auditors function through active participation in the audit process;
- (viii) review related party transactions (if any) falling within the scope of the Bursa Securities LR;
- (ix) review potential conflict of interest (if any);
- (x) review and approve all hedging policies and instruments (if any) to be implemented by our Group;
- (xi) undertake such other reviews and projects as may be requested by our Board, and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee;
- (xii) review and establish procedures for receipt, retention and treatment of complaints received by our Group;
- (xiii) monitor the operational of our China Subsidiaries and take appropriate actions if any issues are identified;
- (xiv) generally undertake such other functions and duties as may be required by statute or the Bursa Securities LR, or by such amendments as may be made thereto from time to time; and
- (xv) to monitor, review and assess the utilisation of proceeds are consistent with the intention presented to investors for any fund raising exercise.

Our Audit Committee currently comprises the following members:-

Name	Designation	Directorship
Dr. Richard Izaac Risambessy	Chairman of the Committee	Independent Non-Executive Director
Tan Sri Dato' Bentara Istana Nik Hashim Bin Nik Ab Rahman	Member of the Committee	Independent Non-Executive Director

10 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Tan Choon Hwa	Member of the Committee	Non-Independent Non-Executive Director
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10.4.2 Remuneration Committee

Our present Remuneration Committee was established on 28 December 2011 and its members are appointed by our Board. Our Remuneration Committee shall comprise mainly of Non-Executive Directors and shall comprise of no fewer than three (3) members.

Our Remuneration Committee is primarily responsible for recommending to our Board a remuneration framework for our Directors and Executive Officers, and determines specific remuneration packages for each Executive Director. The recommendations of our Remuneration Committee will be submitted for endorsement by the Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind will be considered by our Remuneration Committee. Each member of the Remuneration Committee shall abstain from voting on any resolutions in respect of his own remuneration package.

Our Remuneration Committee currently comprises the following members:-

Name	Designation	Directorship
Tan Sri Dato' Bentara Istana Nik Hashim Bin Nik Ab Rahman	Chairman of the Committee	Independent Non-Executive Director
Dr. Richard Izaac Risambessy	Member of the Committee	Independent Non-Executive Director
Tan Choon Hwa	Member of the Committee	Non-Independent Non-Executive Director
Chan Fung @ Kwan Wing Yin	Member of the Committee	Executive Chairman

10.4.3 Nomination Committee

Our present Nomination Committee was established on 28 December 2011 and its members are appointed by our Board. Our Nomination Committee shall comprise all Non-Executive Directors and shall comprise no fewer than three (3) members.

Our Nomination Committee is primarily responsible for (a) the re-nomination of our Directors having regard to our Director's contribution and performance, (b) determining annually whether or not a Director is independent and (c) deciding whether or not a Director is able to and has been adequately carrying out his duties as a director. Our Nomination Committee will, subject to the approval of our Board, decide how our Board's performance is to be evaluated and propose objective performance criteria which address how our Board has enhanced long-term shareholder value. Our Board will also implement a process to be carried out by our Nomination Committee for assessing the effectiveness of our Board as a whole and for assessing the contribution by each individual Director to the effectiveness of our Board. Each member of our Nomination Committee shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as a director.

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10 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Our Nomination Committee currently comprises the following members:-

Name	Designation	Directorship
Tan Sri Dato' Bentara Istana Nik Hashim Bin Nik Ab Rahman	Chairman of the Committee	Independent Non-Executive Director
Dr. Richard Izaac Risambessy	Member of the Committee	Independent Non-Executive Director
Tan Choon Hwa	Member of the Committee	Non-Independent Non-Executive Director

10.5 KEY MANAGEMENT

10.5.1 Key Management

Our key management is responsible for our Group's day-to-day management and operations. Our key management consists of experienced personnel in charge of matters related to sales, marketing, procurement, production, research and development, finance, human resource, and administration.

The members of our key management, as at the date of this Prospectus, are set forth below:-

Name	Nationality	Age	Designation
Chan Fung @ Kwan Wing Yin	PRC (Hong Kong SAR)	62	Executive Chairman
Jiang Danping	PRC	52	CEO
Angus Kwan Chun Jut	PRC (Hong Kong SAR)	41	Executive Director
Tan Poay Lin	Malaysian	34	Chief Financial Officer
Ang Chung	Malaysian	37	Financial Controller
Lam Chun Wah	PRC (Hong Kong SAR)	48	Vice-President of Sales & Marketing
Kwan Wing Sang	PRC (Hong Kong SAR)	54	Vice-President of Procurement, Production & R&D
Zhong Yaochun	PRC	48	Vice-President of Human Resource, Administration and Finance

10.5.2 Profiles of Key Management

The profile of **Chan Fung @ Kwan Wing Yin**, **Jiang Danping** and **Angus Kwan Chun Jut** are set out in Section 10.3.1 of this Prospectus.

Tan Poay Lin, aged 34, is our Chief Financial Officer. She graduated with a Bachelor of Accounting from University Putra Malaysia in 2001. She began her career in audit with Messrs BDO Binder in 2001 and moved on to Messrs PricewaterhouseCoopers in 2004. She remained there until 2011 when she left as a Manager to join our Company as Chief Financial Officer. She has over 10 years of experience in audit, servicing several notable public listed companies in the manufacturing, energy, oil and gas and plantation industries.

10 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Note: She is on medical leave since 21 November 2011. Her role is temporarily being performed by our Financial Controller.

Lam Chun Wah, aged 48, is our Vice-President for Sales & Marketing. He graduated with a Diploma in English Language from Putian Normal School (莆田师范大专班), now known as Putian College (莆田学院), in 1987. He further obtained a Diploma in Business Management from The KvB College of Visual Communication, Sydney, Australia, in 1992.

He started his career in Kawan Kita, the former holding company of Sakura Stationery, in 1997 as a purchaser in the Shipping and Procurement department of Kawan Kita, managing the affairs for Kawan Kita's subsidiary, Sakura Stationery. In 2000, he was promoted to manager of the department and was responsible for overseeing the imports and exports of Sakura Stationery. He was subsequently promoted to overseas marketing manager in 2002. He was subsequently transferred from Kawan Kita to our Group upon completion of our corporate restructuring in 2007. As our Vice-President for Sales & Marketing, he is responsible for all sales and marketing activities of our Group.

Kwan Wing Sang, aged 54, is our Vice-President for Procurement, Production and R&D. He is responsible for effectively planning, directing and coordinating all procurement, production and R&D activities of our Group.

He started his career in Kawan Kita, the former holding company of Sakura Stationery, in 1991 in the production department where his role was to manage the production affairs of Sakura Stationery. He was subsequently transferred from Kawan Kita to our Group upon completion of our corporate restructuring in 2007. He has been the Vice-President of Production since 2007 and has over 15 years of experience in the production of plastic stationery products.

Zhong Yaochun, aged 48, is our Vice-President for Human Resource, Administration and Finance. Since 2004, Ms Zhong was the finance manager of Kawan Kita, responsible for the overall financial and operation of the group (including Sakura Plastic and Sakura Stationery). Ms Zhong was transferred from Kawan Kita to our Group upon completion of our corporate restructuring in 2007

Prior to 2004, Ms Zhong was working as a finance manager in Shenzhen SDCIC Decoration and Construction Industrial Co., Ltd. (深圳市深装总装饰工程工业有限公司) ("SDCIC"), then a state-owned enterprise. She joined SDCIC in April 1988. In November 1993, she was conferred the title of Accountant Specialising in Enterprise Accounting by the Ministry of Finance of the People's Republic of China (中华人民共和国财政部) in November 1993.

As our Vice President for Human Resource, Administration and Finance, she is responsible for the Group's development of human resource and administration strategies, the general overseeing of employment, compensation, benefits, training and development and employee relations of our Group, and the general overseeing of the administration affairs of our Group. She is also assisting our Chief Financial Officer in the overall financial and accounting operations and management accounting of our Group.

Ang Chung, aged 37, is our Financial Controller. He graduated with a Degree in Accountancy from Systematic College, Malaysia in 1998. Mr Ang has been a Member of the Association of Chartered Certified Accountants ("ACCA"), United

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Kingdom, since 2002 and a Member of the Malaysian Institute of Accountants since 2004.

He began his career with YT Yee & Co. on March 1998 as an Audit Assistant and was subsequently promoted to Audit Semi-senior. In 2000, he joined Stantani Sdn Bhd as an Assistant Accountant. He was subsequently promoted to Accountant in mid 2002. Initially his job scope is to assist Accountant to monitor all the daily operational work in account department. Later he was fully in charge of all the financial reporting duties. Thereafter, in mid 2006, he joined Jiangsu IAQ Engineering Co Ltd. ("IAQ") as Finance Manager. His work in IAQ involved financial reporting, management accounting, planning and forecasting and to ensure compliance to the local requirements. In 2011, he joined Tint Bright Group Co. Ltd. as Chief Financial Officer. He subsequently joined our Group on 23 November 2011 as our Financial Controller, and his job scope including but not limited to assist our Chief Financial Officer and also overseeing our Group's financial reporting.

Please refer to Section 10.8 for relationship/ association of Directors with other substantial shareholders, Promoters, Directors and key management personnel.

10.5.3 Our Key Management's Shareholding

Save as disclosed above at Section 10.3.2 in this Prospectus, none of our key management has interest in our Shares before and after the IPO as at the date of this Prospectus.

10.6 INVOLVEMENT OF KEY MANAGEMENT IN OTHER BUSINESSES/CORPORATIONS

As at the LPD, and save as disclosed in Section 10.3.3, none of our Executive Directors and other key management is involved in other businesses or corporations.

10.7 DECLARATION OF PROMOTERS, DIRECTORS AND KEY MANAGEMENT

None of our Promoters, Directors and key management personnel is or was involved in the following events, whether in or outside Malaysia:-

- (a) a petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (b) was disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (c) was charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (d) any judgement was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (e) the subject of any order, judgement or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

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10.8 RELATIONSHIPS AND ASSOCIATES

Save as disclosed below, none of the Substantial Shareholders, Promoters, Directors and key management personnel are related by blood or marriage to one another nor are they related to any of our Substantial Shareholders, Promoters, Directors or key management personnel: -

- (a) Angus Kwan Chun Jut, our Executive Director, is the son of Chan Fung @ Kwan Wing Yin, our Executive Chairman; and
- (b) Kwan Wing Sang, our Vice-President (Procurement, Production and R&D) is Chan Fung @ Kwan Wing Yin's cousin.

10.9 SERVICE AGREEMENTS

Our Company has entered into separate service agreements dated 21 July 2010 (the "Service Agreements", and each, a "Service Agreement") with (i) their Executive Chairman, Chan Fung @ Kwan Wing Yin, (ii) their CEO, Jiang Danping and (iii) their Executive Director, Angus Kwan Chun Jut (collectively, the "Executives", and each, an "Executive"). The Service Agreements are for a period of 3 years with effect from 1 January 2010 (the "Initial Term"). After the Initial Term, unless either party notifies the other in writing at least six (6) months prior to the last day of the existing period, the Service Agreements are automatically renewed for a further period of three (3) years. The appointment of the Executive may be terminated without cause at anytime by our Company giving to the Executive six (6) months' notice in writing of such intended termination or in lieu of the said six (6) months' notice, an amount equivalent to six (6) months' salary based on the Executive's last drawn monthly salary. The Executive may terminate his appointment by giving our Company twelve (12) months' notice in writing of such intended termination or in lieu of the said twelve (12) months' notice, an amount equivalent to twelve (12) months' salary based on the Executive's last drawn monthly salary.

Our Company may also terminate the appointment of the Executive if the Executive, amongst other things, breaches any of the material provisions of his Service Agreement, becomes bankrupt or is guilty of any gross misconduct. The Executive shall automatically terminate if, amongst other things, the Executive is or may be suffering from a mental disorder. None of the Executives shall be entitled to claim any compensation or damages for or in respect or by reason of such termination of their respective Service Agreements. The Service Agreements cover the terms of employment, specifically salaries and bonuses.

Pursuant to the terms of their respective Service Agreements, each of Chan Fung @ Kwan Wing Yin, Jiang Danping and Angus Kwan Chun Jut is entitled to a yearly salary of RMB1,500,000, RMB1,200,000 and RMB1,200,000, respectively. Our Company shall pay the incentive bonus calculated as follows:

Audited PBT (excluding non-recurring exceptional items and extraordinary items) but before minority interests of China Stationery Group for the relevant financial years	Rate of incentive bonus
Where PBT is RMB500 million and above	2% of the PBT

Each Executive's entitlement to the incentive bonus shall be determined by the Remuneration Committee.

Each of the Executive also enjoys the use of a motorcar with the running costs incurred (including all road tax, insurance and maintenance costs) being borne by our Group.

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Directors' fees do not form part of the terms of the Service Agreements as these require the approval of our Shareholders of our Company's annual general meeting.

All travelling, hotel, entertainment and expenses reasonably incurred by the Executives in the reasonable performance of their duties will be borne by our Company.

Save as disclosed above, there are no existing or proposed service agreements between our Company, our subsidiaries and any of our Directors. Save as disclosed above, there are no existing or proposed service agreements entered or to be entered into by our Directors with our Company or any of our subsidiaries which provide for benefits upon termination of employment.

10.10 EMPLOYEES

Our total number of full time employees for the past three (3) FYEs 2008, 2009 and 2010, and as at the LPD are as follows:-

Category of employee	Number of Employees			
	2008	2009	2010	LPD
Management	3	3	3	3
Sales and Marketing	15	15	15	15
Procurement and Production	563	692	750	781
Research & Development	11	11	11	11
Finance	16	25	26	27
Human Resource & Administration	49	56	63	64
Total Number of employees	657	802	868	901

Save for Tan Poay Lin and Ang Chung, our CFO and Financial Controller who are based in Malaysia, all our employees are based in the PRC, The increase in procurement and production employees from FYE2008 to FYE2009 was in line with the increase in the Group's production capacity.

As at the LPD, the employees of Sakura Stationery, Sakura Plastic and Ruiyuan are unionised. The respective trade unions are known as Sakura (Fujian) Packaging & Stationery Co., Ltd. Trade Union, Sakura (Fujian) Plastic Enterprise Co., Ltd's Trade Union and Ruiyuan (Fujian) Enterprise Co., Ltd's Trade Union. The relationship between our management and staffs has been cordial and satisfactory and is expected to continue to be so in the future. There has not been any incidence of work stoppages or labour disputes that affected our operations.

The increase in the number of employees over the Review Periods was attributable to an increase in production staff in line with our Group's increase in production and sales.

Training and development

We believe in developing our human capital. It is our policy to develop and train employees to improve their skills sets and professionalism, in order to enhance productivity and operational efficiencies. As training and development is a continuing process, we encourage our employees to continually increase their skills and knowledge through hands-on training.

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(Cont'd)**

All new employees are required to undergo orientation programs to familiarise themselves with our working environment, products, operations and safety procedure. New recruits also undergo on-the-job training to equip themselves with the requisite skills for performing their specific functions. Employees involved in manufacturing and production processes are required to undergo in-house operational training sessions to familiarise themselves with our operational procedures, policies and practices. Our training regime aims to equip our staff with knowledge pertaining to quality assurance, the mechanics of the manufacturing processes and safety awareness.

In addition, we outsource safety training and accounting training for our Safety and Finance personnel, respectively, in compliance with the laws of the PRC. Accountants in the PRC are required to attend at least 24 hours of accounting training every year to obtain their renewable professional certificate. Meanwhile, our safety personnel is required to attend at least 12 hours training annually which is certified by the relevant recognized training institutions.

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11 APPROVALS AND CONDITIONS

11.1 CONDITIONS TO THE APPROVALS AND COMPLIANCE THEREOF

Pursuant to the Listing, the SC had granted approval under Section 212 (5) of the CMSA, vided its letter dated 25 February 2011 and 28 October 2011 which the terms and conditions are stated there ("**SC Approval Letters**"). The conditions as stipulated in the SC Approval Letters are set out as follows:-

SC's Conditions	Status of compliance
(i) China Stationery is to obtain the property ownership certificates for the following buildings prior to submitting the confirmation for prospectus registration and confirm to the SC of the same: <ul style="list-style-type: none"> (a) a three (3) – storey detached factory used for production of the PP sheets, warehouse for PP resin, PP sheets and recycle PP resins; (b) a five (5) – storey detached factory used as manufacturing of PP films, warehouse for finished goods, accessories, parts and storage boxes, assembling line for stationery products and future production envelopes; and (c) a seven (7) – storey building used for dormitory and cafeteria; 	Complied. The Property Ownership certificates were obtained on 24 February 2011.
(ii) China Stationery should ensure that, post-listing, China Stationery's auditors is an internationally affiliated accounting firm;	Complied and we will continue to comply as our Company had signed the undertaking letter dated 23 March 2011. Our Company's current auditors, Foo Kon Tan Grant Thornton is an international affiliated accounting firm.
(iii) China Stationery's investors as identified below are not allowed to sell, transfer or assign their shareholdings in China Stationery for a period of six (6) months from the date of admission of China Stationery to the Main Market of Bursa Securities:	This condition was removed vide the SC's letter dated 28 October 2011.

Pre-IPO investors	No. of the Shares held	Percentage (%) of the enlarged share capital of China Stationery
LTH	26,332,230	3.9
WWD Ruby	26,950,000	4.0

11 APPROVALS AND CONDITIONS (Cont'd)

SC's Conditions	Status of compliance
(iv) China Stationery is required to obtain prior clearance of the SC for the appointment of the independent non-executive directors of China Stationery prior to submitting the confirmation for prospectus registration;	The SC had vide its letter dated 23 December 2011 given clearance for the appointment of our independent non-executive directors.
(v) China Stationery is required to seek shareholders' approval for the sale / transfer of the utility model patent for the plastic tape printer registered in China if the sale / transfer is effected prior to 23 June 2013;	To be complied
(vi) the legal adviser to provide a legal opinion and confirmation on whether there is any restriction relating to the enforcement of the Malaysian rules and regulations on the China Subsidiaries and the repatriation of capital and remittance of dividends or profits from the China Subsidiaries to the shareholders of China Stationery;	Complied. The legal opinions from Messrs Raja, Daryl & Loh (dated 19 April 2011), Messrs Appleby (dated 8 September 2010) and GFE Law Office (dated 6 August 2010) have been submitted on 13 May 2011.
(vii) China Stationery is required to amend its constituent documents and disclosures in the prospectus to ensure that the company addresses the concerns on any of the restriction mention in paragraph (vi) above; and	Messrs Raja, Darryl & Loh, the legal advisor for the IPO, advised that our Company is registered as a foreign company under the Malaysian Companies Act and will be listed on Main Market on Bursa Securities, the relevant provision of the Malaysian Companies Act and generally, the Bursa Securities LR, will apply to our Company, our China Subsidiaries, our officers and our China Subsidiaries' officers. Legal opinions from the foreign counsels had been submitted to the SC on 13 May 2011 to confirm that there are no issue on the repatriation of capital and remittance of dividends or profits from our China Subsidiaries to the Shareholders.

11 APPROVALS AND CONDITIONS (Cont'd)

SC's Conditions	Status of compliance
(viii) The Adviser / China Stationery should fully comply with the requirements of the SC Equity Guidelines and SC Prospectus Guidelines pertaining to the implementation of the Listing	Noted

11.2 APPROVALS IN BERMUDA

A copy of this Prospectus has been or will, as soon as reasonably practicable, be filed with the Registrar of Companies in Bermuda. The Bermuda Monetary Authority has given its consent to the allotment and issue as well as transfer of shares of the Company in relation to the listing of shares of the Company on the Main Market of Bursa Malaysia Securities Berhad. In accepting this Prospectus for filing and in granting such consent, the Registrar of Companies in Bermuda and the Bermuda Monetary Authority accept no responsibility for the financial soundness of our Group or any proposal or for the correctness of any of the statements made or opinions expressed herein or any of the other documents referred to in this Prospectus.

11.3 APPROVALS IN PRC

GFE Law Office, our PRC solicitors have confirmed that:

- (i) there are no governmental or regulatory consents, approvals, authorisations or orders which are required in the PRC to enable our Company to carry out or perform any of the matters listed below:
 - (a) list on the Main Market of Bursa Securities; and
 - (b) carry out the listing scheme as set out in Section 3.4 of this Prospectus;(the matters referred to in (a) and (b) above shall be referred to as the "PRC Matters")
- (ii) there are no registration, filing or similar formalities required in the PRC in respect of the PRC Matters.

11.4 APPROVALS IN THE BVI

Appleby, our BVI solicitors have confirmed that:

- (i) there are no governmental or regulatory consents, approvals, authorisations or orders which are required in the BVI to enable our Company to carry out or perform any of the matters listed below:
 - (a) list on the Main Market of Bursa Securities; and
 - (b) carry out the listing scheme as set out in Section 3.4 of this Prospectus;(the matters referred to in (a) and (b) above shall be referred to as the "BVI Matters")
- (ii) there are no registration, filing or similar formalities required in the BVI in respect of the BVI Matters.

11 APPROVALS AND CONDITIONS (Cont'd)

11.5 MORATORIUM ON PROMOTERS'

In accordance with the SC Guidelines, our Promoters will not be allowed to sell, transfer or assign their entire shareholdings in our Company for six (6) months from the date of admission of our entire enlarged issued and paid-up share capital to the Official List of Bursa Securities ("**Admission**") ("**Moratorium Period**").

Upon completion of the IPO, the amount of our Promoters' Shares to be placed under moratorium are as follows:-

Promoters	Direct		Indirect	
	No of Shares	% of enlarged issued and paid-up share capital	No of Shares	% of enlarged issued and paid-up share capital
Lead Champion	893,000,000	74.9	-	-
Chan Fung @ Kwan Wing Yin	-	-	893,000,000 ⁽¹⁾	74.9
Jiang Danping	-	-	893,000,000 ⁽¹⁾	74.9
Angus Kwan Chun Jut	-	-	893,000,000 ⁽¹⁾	74.9

Note:

(1) Deemed interested via Lead Champion applying Section 6A of the Malaysian Companies Act

Our Promoters have provided undertaking letters to the SC that they will not sell, transfer or assign their shareholdings under moratorium for the Moratorium Period.

The Share Registrar and Bursa Depository have been informed in relation to the moratorium restriction on our Promoters to ensure that they do not register any transfer of Shares contravening the above moratorium restriction.

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12 RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

12.1 RELATED PARTY TRANSACTION

Under Bursa Securities LR that are applicable to companies listed on the Main Market of Bursa Securities, a related party transaction is a transaction entered into by a listed company or its subsidiaries that involves the interests, direct or indirect of a related party. A related party of a listed company is:-

- (i) a director;
- (ii) a major shareholder having an interest in one or more voting shares in a company and the nominal amount of those shares is:
 - (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the company; or
 - (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the company where such person is the largest shareholder of the company,

of the listed company or its subsidiaries or holding company or the subsidiaries of its holding company and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive officer or a major shareholder of the Company, its subsidiary or holding company. Further, a related party includes a person connected with a director or major shareholder.

A disclosure is also required if the Group enters into a transaction with its key management.

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12 RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

12.1.1 Non-recurrent Related Party Transaction

Save as disclosed in Section 12.1.5, there have been no existing or presently proposed related party transactions involving our Company or our Group with related parties for the Review Periods.

12.1.2 Outstanding Loans and Guarantees by our Group to Related Parties

There are no outstanding loans and guarantees made by our Group to or for the benefits of our related parties during the Review Period and up to the LPD.

12.1.3 Recurrent Related Party Transactions

Our Group, in the ordinary course of business, may enter into transactions that are of revenue or trading in nature with related parties ("Recurrent Transactions"), which are necessary for our day-to-day operations. Our Directors confirm that such Recurrent Transactions are carried out and will be carried out (if any) on an arm's length basis and on commercial terms which are not more favourable to the related parties than those generally available to third parties and which will not be detrimental to our minority shareholders.

Under Chapter 10 of the Bursa Securities LR, a listed company may seek a shareholders' mandate for recurrent transactions of revenue or trading nature or those necessary for its day to day operations such as supplies and materials, which may be carried out with the listed company's interested persons.

Transactions, which do not fall within the ambit of the shareholders' mandate, shall be subject to the relevant provisions of the Bursa Securities LR.

Save as disclosed below, there have been no existing or presently proposed recurrent related party transactions involving our Company or our Group with related parties for the Review Periods.

Transacting Parties	Nature of relationship and related parties	Nature of transactions	Transaction value			
			FYE2008 ('000)	FYE2009 ('000)	FYE2010 ('000)	FPE2011 ('000)
Kawan Kita and Sakura Plastic	Chan Fung @ Kwan Wing Yin, being our Executive Chairman and major shareholder, owns 75% of the issued and paid up capital of Kawan Kita. The remaining 25% of the issued and paid up capital	Sakura Plastic entered into a purchasing agreement with Kawan Kita on 18 December 2003 to purchase PP granules from Kawan Kita ("Purchasing Agreement"). Under the Purchasing Agreement, Kawan Kita was appointed as its exclusive supplier for the procurement of PP granules. The purchase price was based on the price paid by Kawan	-	-	-	-

12 RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

Transacting Parties	Nature of relationship and related parties	Nature of transactions	Transaction value			
			FYE2008 ('000)	FYE2009 ('000)	FYE2010 ('000)	FYE2011 ('000)
Kawan Kita and Sakura Plastic (cont'd)	<p>of Kawan Kita is owned by Kwan Chun Chu, the spouse of Chan Fung @ Kwan Wing Yin and the mother of our Executive Director Angus Kwan Chun Jut.</p> <p>Chan Fung @ Kwan Wing Yin and Kwan Chun Chu are also directors of Kawan Kita.</p>	<p>Kita with a commission mark-up. However, it was also agreed that the purchase price, including the commission, must not be more than the market price of similar products sold during the relevant period. The tenure of the Purchasing Agreement was for the period commencing from 1 January 2004 to 30 June 2007.</p> <p>The commission paid to Kawan Kita was in accordance with market practice and on terms which were no less favourable to our Group than terms that could have been obtained by our Group in comparable transactions on arm's length basis with a person that is not related to our Group.</p> <p>Our Directors are of the view that the transactions with Kawan Kita were carried out on an arm's-length basis and were on terms beneficial to our Group.</p> <p>To obviate the need to pay commission to Kawan Kita, we decided to purchase the PP granules directly from the suppliers. Kawan Kita has ceased supplying us with PP granules since 1 July 2007 and moving forward we do not foresee that we will make any purchases from Kawan Kita.</p>				
Campus and Kwan Chun Chu	<p>Kwan Chun Chu is the spouse of our Executive Chairman and major shareholder, Chan Fung @ Kwan Wing Yin and the</p>	<p>Campus had on 29 March 2010 entered into a Lease Agreement with Kwan Chun Chu ("Lease Agreement"). Under the Lease Agreement, Kwan agreed to lease the 2 units, 6A and 7A at Lianhua Building, No. 2011,</p>	RMB120	RMB120	RMB120	RMB70

12 RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

Transacting Parties	Nature of relationship and related parties	Nature of transactions	Transaction value			
			FYE2008 ('000)	FYE2009 ('000)	FYE2010 ('000)	FYE2011 ('000)
	mother of our Executive Director and major shareholder, Angus Kwan Chun Jut.	South People's Road, Luohu District, Shenzhen, to Campus for a term of one (1) year commencing from 1 April 2010 and ending on 31 March 2011 for use as office premises. Monthly rental for each unit is RMB5,000. On 28 March 2011, the renewal contract was signed for a term of two (2) years commencing from 1 April 2011 and ending on 31 March 2013. The monthly rental remain the same. Our Directors are of the view that although the transaction is not at an arm's-length basis, the terms are beneficial to our Group.				

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12 RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

12.1.4 Transactions entered into that are unusual in their nature or conditions

There are no unusual transactions in their nature or conditions, involving goods, services, tangible or intangible assets to which our Group was a party during the Review Periods and up to the LPD.

12.1.5 Acquisitions of assets

Save as disclosed below none of our Directors and/or Substantial Shareholders has, in the Review Periods and up to the LPD, have any interest, direct or indirect, in the promotion of, or in any material assets acquired or disposed of by or leased to us or are proposed to be acquired or disposed of by or leased to us:-

- (i) Pursuant to an Equity Transfer Agreement dated 8 May 2007 entered into between Campus and Kawan Kita, Campus acquired 100.0% of the equity interests in Sakura Stationery from Kawan Kita for USD3.80 million. The consideration is equivalent to the registered capital of Sakura Stationery and was satisfied in cash. Following the completion of the above acquisition, Sakura Stationery became the wholly-owned subsidiary of Campus. The acquisition was effected on 24 August 2007.

Chan Fung @ Kwan Wing Yin, being our Executive Chairman and major shareholder, owns 75% of the issued and paid up capital of Kawan Kita. The remaining 25% of the issued and paid up capital of Kawan Kia is owned by Kwan Chun Chu, the spouse of Chan Fung @ Kwan Wing Yin and the mother of our Executive Director and major shareholder, Angus Kwan Chun Jut.

- (ii) Pursuant to two (2) Sale and Purchase Agreements, both dated 17 September 2007 entered into between our Company, Chan Fung @ Kwan Wing Yin his spouse, Kwan Chun Chu and Jiang Danping, our Company acquired 100.0% of the issued and paid-up capital of both Campus and Sunwealth from Chan Fung @ Kwan Wing Yin, Kwan Chun Chu and Jiang Danping.

The consideration for the acquisition of Sunwealth of SGD12.93 million was based on the NTA of Sunwealth as at 30 June 2007 was satisfied by the allotment and issue of 323,190 ordinary shares of SGD1.00 each in the capital of our Company to Yuan Teng and 75,810 ordinary shares of SGD1.00 each in the capital of our Company to Wingday, all credited as fully-paid for cash at SGD32.40 per share.

The consideration for the acquisition of Campus of SGD19.47 million was based on the NTA of Campus as at 30 June 2007 was satisfied by the allotment and issue of 486,809 ordinary shares of SGD1.00 each in the capital of our Company to Yuan Teng and 114,190 ordinary shares of SGD1.00 each in the capital of the Company to Wingday, all credited as fully-paid for cash at SGD32.40 per share and by crediting as fully-paid the one nil-paid ordinary share of par value SGD1.00 issued to Chan Fung @ Kwan Wing Yin.

Following the completion of the above acquisitions on 17 September 2007, Sunwealth and Campus became wholly-owned subsidiaries of our Company.

Chan Fung @ Kwan Wing Yin is our Executive Chairman and major shareholder. Kwan Chun Chu is the spouse of our Executive Chairman and major shareholder, Chan Fung @ Kwan Wing Yin. Jiang Danping is our CEO and major shareholder.

12 RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

12.2 CONFLICTS OF INTERESTS

12.2.1 Our Directors or Substantial Shareholders interest, directorship and/or shareholdings in other businesses and corporations carrying on a similar trade as that of our Group

None of our Directors or Substantial Shareholders has any interest, direct or indirect, directorships and/or shareholdings in other businesses and corporations carrying on a similar trade as that of our Group which would give rise to a conflict of interest situation as at the LPD.

12.2.2 Monitoring and Oversight of Related Party Transactions and Conflict of Interest Situations

Related party transactions, by their very nature, involve a conflict of interest between our Group and the related parties with whom our Group has entered into such transactions. Any related party transactions or conflict of interest situation involving our Group (including any future related party transaction and conflict of interest situation) must be reviewed by our Audit Committee which would subsequently report to our Board for their further action. If any related party transaction involves any of:-

- (a) our Directors and person connected/related to them;
- (b) our Substantial Shareholders and persons connected/ related to them; or
- (c) our Directors and substantial shareholders and persons connected /related to them,

then:-

- (a) the relevant Director and person connected/related to that Director;
- (b) the Substantial Shareholder and persons connected/related to that substantial shareholder; or
- (c) the relevant Director and Substantial Shareholder and persons connected /related to them

are required to abstain from deliberations and/or voting at the relevant Board meeting and general meeting in deciding on the related party transactions.

Further, upon Listing, our Audit Committee will supervise and periodically review the terms of the related-party transactions to ensure that these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to the third parties, dealt at arm's length with our Group and are not to the detriment of our minority shareholders.

Our Audit Committee may establish internal guidelines in relation to such transactions so as to enhance the Company's corporate governance and internal controls. Our Audit Committee may from time to time modify the internal guidelines to adapt to the circumstances and/or businesses of our Group.

As at the LPD, none of our Directors and/or Substantial Shareholders has any interest, direct or indirect in other businesses and/or corporations which are the customers or suppliers of our Group. Chan Fung @ Kwan Wing Yin, Jiang Danping and Angus Kwan Chun Jut has each entered into a service agreement with the Company dated 21 July 2010, undertaking that they will not, for as long as they remains (i) a director of our Company (or any of our subsidiary or associated companies); and/or (ii) a Shareholder with an interest of 5% or more (whether direct or indirect) in the voting Shares of our Company:

- (a) he will not have any interest, directly or indirectly, in any entity whose business competes directly or indirectly with the business of our Company (or any of our subsidiary or associated companies), except that he shall be permitted to have

12 RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (Cont'd)

interest not exceeding 5% in any securities of any corporation listed or quoted on any stock exchange notwithstanding that such corporation may be engaging in a business which may compete directly or indirectly with the business of our Company (or any of our subsidiary or associated companies); and

- (b) he will not directly or indirectly carry on or be engaged or interested in any capacity in any other business, trade or occupation whatsoever, except in a business, trade or occupation which does not compete with any business carried on or proposed to be carried on by our Company (or any of our subsidiary or associated companies) or which does not hinder or otherwise interfere with the performance of his duties or which may conflict with the interests and business of any of our Company (or any of our subsidiary or associated companies).

12.3 DECLARATION OF ADVISERS

- (a) M&A Securities hereby confirms that there are no existing or potential conflicts of interest in its capacity as the Adviser, Underwriter and Placement Agent for the Listing.
- (b) Sanston Financial Group Limited hereby confirms that there are no existing or potential conflicts of interest in its capacity as the Sub-Placement Agent for the Listing.
- (c) Raja, Darryl & Loh, has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the Joint Legal Adviser for the Listing.
- (d) Teh & Lee, has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the Joint Legal Adviser to our Company for the Listing.
- (e) GFE Law Office, has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the Legal Adviser to our Company on PRC law for the Listing.
- (f) Appleby, has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the Legal Adviser to our Company on BVI law for the Listing.
- (g) Appleby, has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the Legal Adviser to our Company on Bermuda law for the Listing.
- (h) SJ Grant Thornton, has given its confirmation that there are no existing or potential conflicts of interest in its capacity as Reporting Accountants for the Listing.
- (i) Foo Kon Tan Grant Thornton LLP, has given its confirmation that there are no existing or potential conflicts of interest in its capacity as Auditors for the Listing.
- (j) Frost & Sullivan Malaysia Sdn Bhd, has given its confirmation that there are no existing or potential conflicts of interest in its capacity as Independent Market Researcher for the Listing.
- (k) PFA Corporate Consultants Sdn Bhd, has given its confirmation that there are no existing or potential conflicts of interest in its capacity as our Company Agent in Malaysia.



CHINA STATIONERY LIMITED

Bermuda Company Registration No: 40535
Malaysian Foreign Company Registration No: 995224-W

27 JAN 2012

China Stationery Limited
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

The Shareholders of China Stationery Limited

Dear Sir/ Madam,

On behalf of the Board of Directors of China Stationery Limited ("**CSL**"), I report after due enquiry, that during the period from 31 July 2011 (being the date of the last audited financial statements of CSL and its subsidiary companies ("**Group**") were made) to the date of this letter (being a date not earlier than fourteen (14) days before the issuance of this Prospectus):-

- (a) the business of our Group have, in the opinion of our Directors, been satisfactorily maintained;
- (b) in the opinion of our Directors, no circumstances have arisen subsequent to the last audited financial statements of our Group which have adversely affected the trading or the value of the assets of our Company or any of our subsidiaries within the Group;
- (c) the current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in this Prospectus, no contingent liabilities have arisen by reason of any guarantees or indemnities given by our Company or any of our subsidiaries within the Group;
- (e) since the last audited financial statements of our Company on 31 July 2011, we are not aware of any default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings of our Group; and
- (f) since the last audited financial statements of our Company on 31 July 2011, there have been no changes in the published reserves nor any unusual factors affecting the profits in our Group.

中国文具有限公司

中国深圳 罗湖区人民南路2011号联华大厦7楼南A座 邮编518014 电话:(86) 755 8220 1245 传真:(86) 755 8220 0089

China Stationery Limited

South Unit A, 7/F, Lianhua Bldg, No. 2011 Renmin South Road, Luohu District, Shenzhen, China Postcode: 518014
Tel: (86) 755 8220 1245 Fax: (86) 755 8220 0089 www.cstationery.com



CHINA STATIONERY LIMITED

Bermuda Company Registration No: 40535
Malaysian Foreign Company Registration No: 995224-W

Yours faithfully
For and on behalf of the Board of Directors
China Stationery Limited



Chan Fung @ Kwan Wing Yin
Executive Chairman

中国文具有限公司

中国深圳龙岗区人民南路2011号联华大厦7楼南A座 邮编518014 电话 : (86) 755 8220 1245 传真 : (86) 755 8220 0089

China Stationery Limited

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Tel : (86) 755 8220 1245 Fax : (86) 755 8220 0089 www.cstationery.com

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION

14.1 SHARE CAPITAL

- (a) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than twelve (12) months after the date of the issue of this Prospectus.
- (b) We have no founder, management or deferred shares. As at the date of this Prospectus, there is only one (1) class of shares in our Company, namely ordinary shares of SGD0.001 each, all of which rank *pari passu* with one another.
- (c) As at the date of this Prospectus and save as disclosed herein:-
 - (i) no person or Director or employee of our Company has been or is entitled to be given an option to purchase or subscribe for any Shares, stocks or debentures of our Company or our subsidiaries; and
 - (ii) there is currently no other scheme for or involving the Directors or employees of our Company or our subsidiaries.
- (d) Save as disclosed in this Prospectus, no shares, debentures, outstanding options, convertible debt securities or uncalled capital of ours' and/or our subsidiaries have been or are proposed to be issued as partly or fully paid-up for cash or otherwise than for cash, within the two (2) years preceding the date of this Prospectus; and
- (e) No capital of our Group is under option, or agreed conditionally or unconditionally to be put under option except on 14 June 2010, our Company, our Promoters and LTH entered into the Investment Agreement through which LTH invested RM36,338,477.40 in cash for 26,332,230 Shares, subject to the terms and conditions of the Investment Agreement.

Pursuant to the Investment Agreement (as supplemented by the letters dated 19 July 2010 and 23 July 2010, LTH Supplemental Deed, LTH Supplemental Agreement, LTH Second Supplemental Agreement and LTH Third Supplemental Agreement), our Company and Promoters granted to LTH a put option ("**LTH Put Option**") to require our Company or failing our Company, to require each of our Promoters to purchase from LTH all the Shares which are legally and beneficially owned by LTH at the time of exercise of the LTH Put Option. The LTH Put Option may be exercised by LTH in the event Listing does not occur on or before 15 March 2012. In the event Listing does not occur on or before 15 March 2012, LTH has 30 working days to exercise its put option. The put option price is RM38,685,337.40.

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14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (*Cont'd*)

14.2 SUMMARY OF MEMORANDUM OF ASSOCIATION AND EXTRACTS OF SELECTED BYE-LAWS OF OUR COMPANY

The following provisions are reproduced from our Memorandum of Association and Bye-laws, and Bermuda company law. The description below is only a summary and is qualified in its entirety by reference to our Memorandum of Association and Bye-laws and Bermuda Companies Act: -

(i) **Registration number and Memorandum of Association**

The registration number with which the Company was incorporated is 40535.

Our Memorandum of Association states, *inter alia*, that the liability of the members of our Company is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that our Company is to be an exempted company as defined by the Bermuda Companies Act. Paragraph 6 of the Memorandum of Association states that the objects for which our Company was formed and incorporated are unrestricted. Pursuant to Paragraph 7 of the Memorandum of Association, the Company may do all such things as are incidental or conducive to the attainment of its objects and shall have the capacity, rights, powers and privileges of a natural person.

In accordance with and subject to Sections 42A and 42B of the Bermuda Companies Act, the Memorandum of Association of our Company empowers it to purchase its own shares for cancellation and also to purchase its own shares to be held as treasury shares and these powers are exercisable by the Board upon such terms and subject to such conditions as it thinks fit in accordance with the Bye-laws.

(ii) **Directors**

(a) ***Ability of interested directors to vote (Bye-laws 104 and 105)***

A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested.

A Director shall not vote on any resolution of the Board in respect of any contract or arrangement or proposed contract or arrangement in which he has directly or indirectly a personal material interest.

(b) ***Remuneration (Bye-laws 98, 100 and 101)***

The fees of the Directors shall from time to time be determined by the Company in general meeting, shall not be increased except pursuant to an ordinary resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the general meeting, and shall (unless otherwise directed by the resolution by which it is voted) be divided amongst the Board in such proportions and in such manner as the Board 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 remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. Such remuneration shall be deemed to accrue from day to day.

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Bye-law. The fees (including any remuneration stated above) in the case of a Director other than an executive Director shall be payable by a fixed sum and shall not at any time be by commission on or percentage of the profits or turnover and no Director whether an executive Director or otherwise shall be remunerated by a commission on or percentage of turnover.

The Board shall obtain the approval of the Company in general meeting before making any payment to any Director or past Director of the Company or of a subsidiary of the Company by way of compensation for loss of office, or as consideration for or in connection with his retirement from office (not being payment to which the Director is contractually entitled).

(c) *Borrowing powers (Bye-law 112)*

The Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Bermuda Companies Act, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(d) *Retirement of Directors (Bye-law 89)*

Subject to the provisions of this Bye-law, at each annual general meeting of the Company, an election of Directors shall take place whereby one-third (1/3) of the Directors for the time being, or if their number is not three or a multiple of three (3), then the number nearest to but not less than one-third (1/3), shall retire from office and shall be eligible for re-election thereat.

The Directors to retire in each year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day as those to retire shall (unless they otherwise agree among themselves) be determined by lot provided always that each Director shall retire at least once every three (3) years. Notwithstanding the foregoing, a Director who is over the age of 70 years shall retire from office in every year but may be re-elected by way of a special resolution in general meeting.

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14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

(iii) Share rights and restrictions

The Company currently has only one class of shares, namely ordinary shares.

(a) *Dividends and distributions (Bye-laws 16(2), 18(2), 138, 139, 140, 141, 144 and 145)*

Notwithstanding any provision in the Bye-laws to the contrary, a person being a holder of a Securities Account maintained with the Bursa Depository ("Depositor") whose name appears in the principal register of Members and where applicable, any branch register of Members (as defined in the Bye-laws) to be kept pursuant to the provisions of the Bermuda Companies Act ("Register") shall be entitled to all rights (including voting and other rights), benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such deposited security registered in the Depositor's name (whether conferred or imposed by the Bermuda Companies Act, the memorandum of association of the Company or the Bye-laws, or otherwise) as if such Depositor is the sole holder of such deposited security. Notwithstanding that Bursa Depository is named in the Register as the joint holder of any deposited security, Bursa Depository shall not be entitled to any rights (including voting and other rights), benefits, powers and privileges in respect of, or arising from, such deposited security and nor shall the Bursa Depository be subject to any liabilities, duties and obligations in respect of, or arising from, such deposited security.

Where a share stands in the names of two or more persons, the person first named in the Register shall as regards service of notices and, subject to the provisions of the Bye-laws, all or any other matters connected with the Company, except the transfer of the shares, be deemed the sole holder thereof, save that in respect of any deposited security which is jointly held by the Bursa Depository and a Depositor, the Depositor named in the Register as the joint holder of the deposited security shall as regards service of notices and, subject to the provisions of the Bye-laws, all or any other matters connected with the Company, be deemed to be the sole holder thereof.

The Board may, subject to the Bye-laws and in accordance with the Bermuda Companies Act, declare a dividend in any currency to be paid to the Members and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets. The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company. The Company in general meeting may also, subject to the Bye-laws and in accordance with the Bermuda Companies Act, declare a dividend or such other distribution to be paid to the Members but no dividend or distribution shall be declared by the Company in general meeting in excess of the amount recommended by the Board.

Without prejudice to the generality of the above, if at any time the share capital of the Company is divided into different classes, the Board may pay such dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of any dividend on any shares having deferred or non-preferential rights and may also pay periodically any fixed dividend which is payable on any shares of the Company.

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

No dividend shall be paid or distribution made if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than the aggregate of its liabilities and its issued share capital and share premium accounts.

Except in so far as the rights attaching to or the terms of issue of, any share otherwise provide (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Bye-law as paid up on the share; and (ii) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

Subject to Bye-law 144(2), any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Subject to Bye-law 144(2), every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged: Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Bye-law 144(2) provides that any dividend, interest or other sum payable in cash to the holder of any deposited security which is jointly held by Bursa Depository and a Depositor may be paid by cheque or warrant sent through the post addressed to the Depositor at his or its address as appearing in the Register in respect of such deposited security. Every such cheque or warrant shall, unless the Depositor otherwise directs, be made payable to the Depositor and shall be sent at his or its risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. A Depositor may give effectual receipt for any dividends or other moneys payable or property distributable in respect of the deposited security held by such Depositor.

All dividends or bonuses unclaimed for one (1) year after having been declared may be disposed off in accordance with the provisions of the Unclaimed Moneys Act 1965 of Malaysia, which shall apply, *mutatis mutandis*, to the Company.

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

(b) Voting rights (Bye-laws 16(2), 61(5), 68, 76, 80(1) and 88(7))

Bye-law 16(2) provides that notwithstanding any provision in the Bye-laws to the contrary, a Depositor whose name appears in the Register shall be entitled to all rights (including voting and other rights), benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such deposited security registered in the Depositor's name (whether conferred or imposed by the Bermuda Companies Act, the memorandum of association of the Company or the Bye-laws, or otherwise) as if such Depositor is the sole holder of such deposited security. Notwithstanding that Bursa Depository is named in the Register as the joint holder of any deposited security, Bursa Depository shall not be entitled to any rights (including voting and other rights), benefits, powers and privileges in respect of, or arising from, such deposited security and nor shall Bursa Depository be subject to any liabilities, duties and obligations in respect of, or arising from, such deposited security.

Bye-law 61(5) provides, in accordance with the Rules of Bursa Depository as may be amended from time to time ("**Rules**"), the Company shall inform Bursa Depository of the dates of general meetings of the Company and the Company shall request Bursa Depository to issue a Record of Depositors to whom notices of general meetings shall be given by the Company. In addition, in respect of each general meeting, the Company shall request Bursa Depository in accordance with the Rules, to issue a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than three (3) clear market days before that general meeting ("**General Meeting Record of Depositors**"). Subject to the Regulations, notwithstanding any other provision of the Bye-laws, a Depositor shall not be entitled to attend any general meeting and to speak and vote thereat unless his name appears in the relevant General Meeting Record of Depositors.

Subject to Bye-law 16(2), Bye-law 61(5) and Bye-law 76(2) and any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Bye-laws, at any general meeting (i) on a show of hands every Member present in person (or being a corporation, is present by a representative duly authorised under Section 78 of the Bermuda Companies Act), or by proxy shall have one vote and the chairman of the meeting shall determine which proxy shall be entitled to vote where a Member is represented by two proxies, and (ii) on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder or which he represents and in respect of which all calls due to the Company have been paid, but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share.

Subject to Bye-law 76(2), where there are joint holders of any share anyone of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding. Several executors; or administrators of a deceased Member in whose name any share stands shall for the purposes of this Bye-law be deemed joint holders thereof.

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Bye-law 76(2) provides that where Bursa Depository is a joint holder of any deposited security with a Depositor, only the Depositor may vote, either in person or by proxy (or in the case of such Depositor being a corporation, by its duly authorised representative), in respect of such deposited security as if he or it were the sole holder thereof.

Any Member entitled to attend and vote at a meeting of the Company who is the holder of two or more shares shall be entitled to appoint not more than two proxies to attend and vote instead of him at the same general meeting provided that if the Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 of Malaysia as amended from time to time (the "**Central Depository Act**"), it may appoint at least one (1) proxy to attend and vote at the same general meeting in respect of each Securities Account (as defined in the Bye-laws) it holds with ordinary shares of the Company standing to the credit of that Securities Account.

The appointment of each Director shall be voted on individually except in the election of two (2) or more Directors by ballot or poll.

(c) *Share in surplus upon liquidation (Bye-laws 16(2) and 166)*

Bye-law 16(2) provides that notwithstanding any provision in the Bye-laws to the contrary, a Depositor whose name appears in the Register shall be entitled to all rights (including voting and other rights), benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such deposited security registered in the Depositor's name (whether conferred or imposed by the Bermuda Companies Act, the memorandum of association of the Company or the Bye-laws, or otherwise) as if such Depositor is the sole holder of such deposited security. Notwithstanding that Bursa Depository is named in the Register as the joint holder of any deposited security, Bursa Depository shall not be entitled to any rights (including voting and other rights), benefits, powers and privileges in respect of, or arising from, such deposited security and nor shall Bursa Depository be subject to any liabilities, duties and obligations in respect of, or arising from, such deposited security.

If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Bermuda Companies Act, divide among the Members (other than Bursa Depository) in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of properties of one kind or shall consist of properties to be divided as aforesaid of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members (other than Bursa Depository) or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of the Members (other than Bursa Depository) as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

Subject to the Bermuda Companies Act, on the voluntary liquidation of the Company, no commission or fee shall be paid to a liquidator unless it has been approved by the Members in general meeting. The amount of such payment shall be notified to all Members (other than Bursa Depository) at least seven (7) days prior to the general meeting at which the commission or fee is to be considered.

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

(d) Redemption provisions

The shares do not have redemption rights.

(e) Sinking fund

The Bye-laws do not contain sinking fund provisions.

(f) Calls on shares (Bye-laws 26, 27, 29 and 34)

Subject to the Bye-laws and to the terms of allotment, the Board may from time to time make calls upon the members (other than Bursa Depository) in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and each Member (other than Bursa Depository) shall (subject to being given at least fourteen (14) clear days' Notice specifying the time and place of payment) pay to the Company as required by such notice the amount called on his shares. A call may be extended, postponed or revoked in whole or in part as the Board determines but no Member shall be entitled to any such extension, postponement or revocation except as a matter of grace and favour.

A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable either in one lump sum or by instalments.

If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the amount unpaid from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board may determine, but the Board may in its absolute discretion waive payment of such interest wholly or in part.

The Board may, if it thinks fit, receive from any Member willing to advance the same, and either in money or money's worth, all or any part of the moneys uncalled and unpaid or instalments payable upon any shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate (if any) as the Board may decide. The Board may at any time repay the amount so advanced upon giving to such Member not less than one (1) month's Notice of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Such payment in advance (whether carrying interest or not) shall not entitle the holder of such share or shares to participate in respect thereof in a dividend subsequently declared or in profits.

(g) Discriminatory provisions against substantial shareholder (Bye-law 170(2))

The Bye-laws do not contain any provisions discriminating against any existing or prospective holder of shares as a result of such shareholder owning a substantial number of shares save that for so long as the shares of the Company are listed on the Designated Stock Exchange (which includes the Bursa Securities) ("**Designated Stock Exchange**"), each Member shall, (a) upon becoming a substantial shareholder of the Company, (b) for so long as he remains a substantial shareholder of the Company, upon a change in the percentage level of his interest or interests in the Company and (c) upon ceasing to be a substantial shareholder of the Company, give and, where applicable, shall procure its relevant beneficial owners having an interest in the Company within the meaning of Section 6A of the Malaysian Companies

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (*Cont'd*)

Act, to give to the Company (through its Secretary) pursuant to the provisions of Division 3A of Part IV of the Malaysian Companies Act, and to the Securities Commission of Malaysia pursuant to the provisions of the Securities Industry (Reporting of Substantial Shareholding) Regulations 1998 of Malaysia (as amended or substituted from time to time), a notice in writing of (i) the particulars of the shares beneficially owned by him, or (ii) the particulars of the change in interests (including the date of change and the circumstances by reason of which that change has occurred), or (iii) the particulars of the date and circumstances of the cessation of substantial shareholding, as the case may be, within seven (7) days after (aa) becoming a substantial shareholder, (bb) the date of change in the percentage level of his interests, or (cc) the date of cessation, as the case may be. For the purposes of Bye-law 170(2) and Bye-law 172, the term "substantial shareholder" shall have the "same meaning ascribed to it in Section 69D of the Malaysian Companies Act, the term "interest" or "interests" shall have the same meaning ascribed to it in Section 6A of the Malaysian Companies Act. The requirement to give notice under Bye-law 170(2) shall not apply to Bursa Depository.

See also Section 14.2(vii) of this Prospectus (below) for details on shareholding disclosure requirement.

(iv) Variation of rights of existing shares or classes of shares (Bye-law 10)

Subject to the Bermuda Companies Act, whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference capital other than redeemable preference capital may be repaid and the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate general meeting and all adjournments thereof all the provisions of the Bye-laws relating to general meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum (other than at an adjourned meeting) shall be two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class and at any adjourned meeting of such holders, two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, provided always that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-quarters in nominal value of the issued shares of the class concerned within two months of such general meeting shall be as valid and effectual as a special resolution carried at such general meeting.

(v) General meetings (Bye-laws 16(2), 58, 59, 60, 76(2), 78, 82 and 129)

Under Bermuda law, an annual general meeting of members must be convened every calendar year. All general meetings other than the annual general meeting shall be called special general meetings.

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (*Cont'd*)

Bye-law 58 provides that an annual general meeting of the Company shall be held in each year other than the year in which its statutory meeting is convened at such time (within a period of not more than eighteen (18) months from the date of incorporation and thereafter within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting unless a longer period would not infringe Bursa Securities LR, if applicable) and (subject to Bye-law 59) at such place as may be determined by the Board. In addition, for so long as the shares of the Company are listed on the Designated Stock Exchange, the interval between the close of the Company's financial year and the date of the Company's annual general meeting shall not exceed six (6) months or such other period as may be prescribed or permitted by the Designated Stock Exchange.

Each general meeting, other than an annual general meeting, shall be called a special general meeting. General meetings may be held in any part of the world as may be determined by the Board provided always that for so long as the shares of the Company are listed on Bursa Securities, all general meetings of the Company shall be held in Malaysia.

The Board may whenever it thinks fit call special general meetings, and, subject to the Bermuda Companies Act, Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Bermuda Companies Act.

Bye-law 16(2) provides that notwithstanding any provision in the Bye-laws to the contrary, a Depositor whose name appears in the Register shall be entitled to all rights (including voting and other rights), benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such deposited security registered in the Depositor's name (whether conferred or imposed by the Bermuda Companies Act, the memorandum of association of the Company or the Bye-laws, or otherwise) as if such Depositor is the sole holder of such deposited security. Notwithstanding that Bursa Depository is named in the Register as the joint holder of any deposited security, Bursa Depository shall not be entitled to any rights (including voting and other rights), benefits, powers and privileges in respect of, or arising from, such deposited security and nor shall Bursa Depository be subject to any liabilities, duties and obligations in respect of, or arising from, such deposited security.

Bye-law 76(2) provides that where Bursa Depository is a joint holder of any deposited security with a Depositor, only the Depositor may vote, either in person or by proxy (or in the case of such Depositor being a corporation, by its duly authorised representative), in respect of such deposited security as if he or it were the sole holder thereof.

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Subject to Bye-law 16(2) and Bye-law 76, no Member shall, unless the Board otherwise determines, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares in the Company have been paid. Further, Bye-law 129 (in accordance with the Bermuda Companies Act) provides that the resident representative is also entitled to attend and be heard at all general meetings of the Company. The Bermuda Companies Act does not contain provisions as to any documentary evidence to be produced by proxies and corporate representatives in order for them to attend any general meeting. However, such provisions may be contained in the Bye-laws. Where, for example, it is stated that the instrument of proxies must be deposited a specified number of hours before the meeting (see Bye-law 82), proxies deposited after that time cannot be admitted.

(vi) Limitations on non-Bermuda shareholders

There are no limitations, either under Bermuda law or the Bye-laws, on the rights of owners of shares in the Company to hold or vote their shares solely by reason that they are non-Bermudians.

(vii) Shareholding disclosure requirement (Bye-law 170)

The Bermuda Companies Act does not require disclosure of shareholder ownership beyond any specified threshold. However, Bye-law 170 contains provisions to the effect that for so long as the shares of the Company are listed on the Designated Stock Exchange (which includes the Bursa Securities), each Director shall, upon his appointment to the Board, give an undertaking to the Company that, for so long as he remains a Director, he shall forthwith notify the secretary of the Company of the particulars of the shares beneficially owned by him at the time of his appointment and of any change in such particulars, and each member shall, (a) upon becoming a substantial shareholder of the Company, (b) for so long as he remains a substantial shareholder of the Company, upon a change in the percentage level of his interest or interests in the Company and (c) upon ceasing to be a substantial shareholder of the Company, give and, where applicable, shall procure its relevant beneficial owners having an interest in the Company within the meaning of Section 6A of the Malaysian Companies Act give to the Company (through its Secretary) pursuant to the provisions of Division 3A of Part IV of the Malaysian Companies Act, and to the Securities Commission of Malaysia pursuant to the provisions of the Securities Industry (Reporting of Substantial Shareholding) Regulations 1998 of Malaysia (as amended or substituted from time to time), a notice in writing of (i) the particulars of the shares beneficially owned by him, or (ii) the particulars of the change in interests (including the date of change and the circumstances by reason of which that change has occurred), or (iii) the particulars of the date and circumstances of the cessation of substantial shareholding, as the case may be, within seven (7) days after (aa) becoming a substantial shareholder, (bb) the date of change in the percentage level of his interests, or (cc) the date of cessation, as the case may be. For the purposes of Bye-law 170(2), the term "**substantial shareholder**" shall have the same meaning ascribed to it in Section 69D of the Malaysian Companies Act, the term "**interest**" or "**interests**" shall have the same meaning ascribed to it in Section 6A of the Malaysian Companies Act. The requirement to give notice under Bye-law 170 does not apply to the Bursa Depository.

For so long as the shares of the Company are listed on the Designated Stock Exchange (which includes the Bursa Securities), the provisions of Section 69O of the Malaysian Companies Act, giving the Company power to require disclosure of beneficial interest in its shares, shall apply.

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

(viii) Changes in capital (Bye-laws 2, 4 and 6)

Under the Bermuda Companies Act, changes in the capital structure of the Company require shareholder approval at general meetings.

The Bye-laws contain a distinction between a "**special resolution**" and an "**ordinary resolution**", a distinction which is not made in the Bermuda Companies Act. Under Bye-law 4, an ordinary resolution is required for certain changes to the Company's share capital such as an increase, consolidation or sub-division. An ordinary resolution is passed by a simple majority of votes cast by members, being entitled so to do, at general meetings.

With regard to a reduction of share capital or share premium account, Bye-law 6 requires a special resolution. A special resolution is one which has been passed by a majority of not less than three-fourths of votes cast by members, being entitled so to do, voting in person or in the case of members being corporations, by their respective duly authorised representatives or where proxies are allowed, by proxy at a general meeting.

(ix) Take-overs (Bye-law 171)

For so long as the shares of the Company are listed on the Designated Stock Exchange (which includes the Bursa Securities), the provisions of Division 2 of Part VI (excluding Section 222 to Section 225) of the CMSA and the Malaysian Code on Take-Overs and Mergers 2010, or their respective statutory modification or re-enactment or successor for the time being in force, shall apply, mutatis mutandis, to all take-over offers for the Company. The provisions of Division 2 of Part VI of the (excluding Section 222 to Section 225) of the CMSA and the Malaysian Code on Take-overs and Mergers 2010, or their respective statutory modification or re-enactment or successor for the time being in force shall not apply to Bursa Depository.

(x) Transfer of shares (Bye-laws 48 to 53)

The transfer of any listed securities or class of listed securities of the Company shall be made by way of book entry by the Bursa Depository in accordance with the rules of the Bursa Depository for the time being (the "**Rules**"), and the Company shall be precluded from effecting any transfer of listed securities other than through Bursa Depository in accordance with the Rules. Instruments of transfer of any deposited security may be in the form of electronic records of the Bursa Depository relating to such transfers.

Subject to the Bye-laws, a member may transfer all or any of his shares (other than deposited securities) by an instrument of transfer in the form acceptable to the Board provided always that the Company shall accept for registration an instrument of transfer in a form approved by the Board.

Save as provided in the Bye-laws, there shall be no restriction on the transfer of fully paid up shares (except where required by law or Bursa Securities LR (as defined in the Bye-laws)). The Bye-laws provide that no transfer shall be made to an infant or to a person of unsound mind or under other legal disability. In addition, save in respect of any deposited securities, the Board may, in its absolute discretion and without giving any reason thereof, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also, without prejudice to the foregoing generality, refuse to register a transfer of any share (not being a fully paid up share) on which the Company has a lien or, except in the case of a transfer to executors, administrators or trustees of the estate of a deceased member, a transfer of any

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

share to more than three (3) joint holders. Further, the Board may decline to recognise any instrument of transfer (in respect of shares other than deposited securities) unless:-

- (a) a fee of such sum (not exceeding three Ringgit (RM3.00) or such other maximum sum as the Designated Stock Exchange may determine to be payable) as the Board may from time to time require is paid to the Company in respect thereof;
- (b) the instrument of transfer is in respect of only one class of share;
- (c) the instrument of transfer is lodged at the registered office of the Company for the time being ("**Office**") or such other place in Bermuda at which the register of members is kept in accordance with the Bermuda Companies Act or the Registration Office (as defined in the Bye-laws), as the case may be, accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and
- (d) if applicable, the instrument of transfer is duly and properly stamped.

If the Board refuses to register a transfer of any share (other than deposited securities), it shall, within one (1) month after the date on which the transfer was lodged with the Company, send to each of the transferor and transferee notice of the refusal.

The registration of transfers of shares or of any class of shares may, after notice has been given by advertisement in an appointed newspaper and in accordance with the requirements of the Designated Stock Exchange (as defined in the Bye-laws and which include the Bursa Securities) be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.

14.3 DIRECTORS, SUBSTANTIAL SHAREHOLDERS, KEY MANAGEMENT AND PROMOTERS

- (a) The names, addresses and occupations of our Directors are set out in the Corporate Directory, Section 1 of this Prospectus ("Corporate Directory").
- (b) A Director is not required under the Bermuda Companies Act, our Memorandum of Association and our Bye-laws to hold any qualification shares in our Company, unless fixed by our Company in general meeting.
- (c) Other than salaries and employment related benefits as disclosed in Section 10.3.5 of this Prospectus ("Directors' Remuneration and Benefits"), no amount or benefit has been paid or given within the two (2) years immediately preceding the LPD, nor is it intended to be so paid or given, to any of our Promoters, Directors or Substantial Shareholders.

Save as disclosed in Section 10.9 of this Prospectus ("Service Agreement"), there is no existing or proposed service contract between our Company and its subsidiaries with our Directors and key management.

- (d) Other than as disclosed in Section 12.1 of this Prospectus ("Related Party Transactions"), none of our Directors and/or Substantial Shareholders and/or person(s) connected with them is interested in any contract or arrangement subsisting at the LPD, which is significant in relation to the business of our Company taken as a whole.

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (e) Our Promoters will collectively exercise control over our Company and will collectively hold directly and indirectly up to 74.7% of our enlarged issued and paid-up share capital upon listing. Save for the control of our Promoters, as disclosed under Section 10.1.1 of this Prospectus ("Shareholdings in China Stationery"), there are no other persons who are able, directly or indirectly, jointly or severally, to exercise control over us.
- (f) None of our Directors, Promoters or Key Management (as named herein) is or has been involved in the following events (whether in or outside Malaysia):-
 - (i) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel; or
 - (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation; or
 - (iii) charged and/or convicted in a criminal proceeding or is a named subject of pending criminal proceeding; or
 - (iv) any judgement was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
 - (v) the subject of an order, judgement or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

14.4 GENERAL INFORMATION

- (a) The nature of our business and the names of all corporations, which are deemed to be related to us by virtue of Section 6 of the Malaysian Companies Act are set out in Sections 2 of this Prospectus ("Summary Information") and Section 5 of this Prospectus ("Information on our Group").
- (b) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 15 of this Prospectus ("Procedures For Application and Acceptance").
- (c) The time of the opening of the Application of the Public Issue is set out in Section 15.1 of this Prospectus ("Opening and Closing of Application").
- (d) The amount payable in full on application is RM0.95 per IPO Share.
- (e) As at the date of this Prospectus, our Company does not have any outstanding convertible debt securities.
- (f) Save as disclosed in this Prospectus, none of our Directors are aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect our Group's profits.
- (g) The name and address of our Auditors and Reporting Accountants are set out in Section 1 of this Prospectus ("Corporate Directory").

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

14.5 EXPENSES AND COMMISSIONS

- (a) We will bear the expenses of the Public Issue relating to the underwriting fees, placement fees and other expenses and fees incidental to the listing of and quotation for our entire issued and paid-up share capital on the Main Market of Bursa Securities estimated to be approximately up to RM10.3 million.
- (b) Brokerage fee relating to the IPO Shares is payable by us at the rate of zero point twenty-five percent (0.25%) of the IPO Price in respect of successful applications, which bear the stamps of M&A Securities, a participating organisation of Bursa Securities, a member of the Association of Banks in Malaysia, a member of the Malaysian Investment Banking Association or the Issuing House.
- (c) M&A Securities and Sanston Financial Group Limited has arranged for the placement of the IPO Shares at a rate of up to three percent (3.0%) of the value of our Shares that have been successfully placed by M&A Securities and Sanston Financial Group Limited based on the IPO Price.
- (d) The Underwriter has agreed to underwrite 60,000,000 of the Public Issue Shares, which will be made available for application under the public offer. Underwriting commission is payable by us to M&A Securities at the rate of three point five percent (3.5%) of the Issue Price.
- (e) Save as disclosed above, no commissions, discounts, brokerage or other special terms have, within the two (2) preceding years prior to the date of this Prospectus, been paid or granted or is payable to any Director, Promoter or expert or proposed Director for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions for any shares in or debentures of our Company in connection with the issue or sale of any capital of our Company.

14.6 GOVERNMENTAL LAW, DECREE, REGULATION OR OTHER REQUIREMENTS

The relevant government laws, decrees, regulations and/or other requirements in the PRC, BVI and Bermuda which may affect the repatriation of capital and remittance of profit by or to our Company are set out in detail in Annexures A and B of this Prospectus.

PRC

Under the PRC laws, there are no control restrictions on the remittance of profit of the subsidiaries to the holding company.

As to the capital distribution, under the PRC laws, foreign investors are not allowed to repatriate the capital of foreign investment enterprises out of PRC unless the repatriation of the capital has been duly approved by Ministry of Commerce (or its delegated authorities) under the capital decrease or liquidation situations. The repatriation of the capital is further subject to the approval of the State Administration of Foreign Exchange (or its delegated authorities).

Bermuda

The Companies Act 1981 of Bermuda (as amended) provides that a company shall not declare or pay a dividend or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (a) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realisable value of the company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Although incorporated in Bermuda, our Company has been classified as non-resident in Bermuda for exchange control purposes (a "Non-Resident Entity") by the Bermuda Monetary Authority. There are no exchange control restrictions presently in effect in Bermuda that would, in ordinary circumstances, prevent the repatriation of funds (regardless of whether they are profits or capital in nature) in a foreign currency from Bermuda to any country by a Non-Resident Entity.

BVI

There are no exchange control restrictions or currency restrictions in the BVI that would prevent the repatriation of funds (regardless of whether they are profits or capital in nature). Subject to any limitations or provisions to the contrary in its memorandum or articles and the solvency test set out in the BVI Business Companies Act 2004 being satisfied, a company may by resolution of directors authorise a distribution to its members.

The abovementioned are not expected to adversely impact our Group on our availability of cash and cash equivalents for use by each entity within the Group, and the remittance of dividends, interest or other payments to the shareholders of our Company.

14.7 PUBLIC TAKE-OVERS

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

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

14.8 MATERIAL CONTRACTS

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

- (a) Loan agreements dated 17 September 2007 between Chan Fung @ Kwan Wing Yin and Campus and Sunwealth respectively setting out the terms and conditions of the interest free loan totaling RMB71.75 million from Chan Fung @ Kwan Wing Yin to Campus and Sunwealth. Chan Fung @ Kwan Wing Yin have entered into a Supplemental Deed dated 30 November 2008 with Campus and Sunwealth respectively to defer the repayment date for the loan from 31 December 2008 to 31 December 2009 on the terms and conditions contained therein. On 31 December 2009, Chan Fung @ Kwan Wing Yin entered into a Second Supplemental Deed with Campus and Sunwealth respectively to defer the repayment date for the loan. Pursuant to the Second Supplemental Deed, the loan shall be repayable on demand provided that the repayment of the loan and any part thereof does not, in the reasonable opinion of the Audit Committee, affect the financial position and operations of our Company.
- (b) Convertible loan agreement dated 28 September 2007 between our Company, Ang Ber Hua, Ang Cheng Kee, Atom Investments Ltd, Chua Bok Ling, Daniel Tan Poon Kuan, Heng Tin Meng, Ho Kok Fi, John, Koh Kai Jiang, Lai Thiam Hock, Legacy China Limited, Rosna Tjuatja, Tan Guat Tuan, Tung Lun Kai, Ng Ngian Mun and Lim Chye Huat ("**Previous Listing Investors**") wherein the Previous Listing Investors advanced a convertible loan amounting to SGD18.80 million to our Company as part of the previous listing exercise in Singapore under a pre-listing scheme. On 16 October 2007, our Company entered into an Escrow Agency Agreement with the Previous Listing Investor, Yuan Teng Group Limited and David Lim & Partners for the

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

appointment of David Lim & Partners as escrow agent on the terms and conditions stated therein. In or around November 2008, our Company entered into Settlement Deeds with the Previous Listing Investors to release and discharge our Company of all of its obligations under the Convertible Loan Agreement. On 4 April 2008 and between 11 November 2008 to 11 December 2008, our Company repurchased all of the 78,991,597 Shares issued to Previous Listing Investors for an aggregate cash amount of approximately SGD20.30 million and these shares formed part of the treasury shares of our Company. On 27 January 2010, 51,291,597 treasury shares were cancelled. On 6 July 2010, 26,332,230 treasury shares were transferred to LTH pursuant to the Investment Agreement.

- (c) Subscription Agreement dated 4 December 2008 between our Company, Sunwealth, Campus, JDL, our Promoters and WWD Ruby. Pursuant to the Subscription Agreement, our Company agreed to issue and WWD Ruby agreed to subscribe for up to USD30 million in aggregate principal amount of convertible bonds due 2010 ("**Convertible Bonds**") in two (2) tranches, subject to the fulfillment of certain conditions precedent. The Convertible Bonds are convertible into (i) fully paid common shares with a par value of SGD0.002 each of China Stationery; and (ii) fully paid ordinary shares of Thai Village. However, since our Company and Thai Village had, in September 2009, decided to terminate the RTO, the Convertible Bonds were only convertible into Shares of our Company.

The first tranche was for USD20 million in aggregate principal amounts of the Convertible Bonds. The second tranche was for USD10 million in aggregate principal amounts of the Convertible Bonds.

On 8 December 2008, our Company issued and WWD Ruby subscribed for the first tranche USD20 million Bonds. Our Company did not issue and WWD Ruby did not subscribe to the second tranche.

With respect to the USD20 million Convertible Bonds in our Company issued to WWD Ruby in December 2008, amongst others, the terms and conditions of the Convertible Bonds provide that the convertible bonds holder can require our Company to redeem the Convertible Bonds in the event the RTO is not achieved on or before 31 August 2009. On account of the termination of the RTO, WWD Ruby, being the holder of USD20 million Convertible Bonds issued a redemption notice dated 21 August 2009 to our Company requiring redemption of the Convertible Bonds on or before 7 December 2009. On 7 December 2009, both our Company and WWD Ruby in acknowledgement that redemption of the Convertible Bonds would not happen on 7 December 2009 entered into a standstill agreement by way of a letter whereby WWD Ruby agreed not to exercise its rights under the Convertible Bonds up to and including 7 March 2010 ("**Standstill Agreement**"). The Standstill Agreement was extended to 8 December 2010 pursuant to the Consent Deed.

On 9 July 2010, pursuant to the Consent Deed (referred to in paragraph (g) below), our Company redeemed USD10 million Convertible Bonds. On 22 August 2011, pursuant to the Deed of Termination (referred to in paragraph (l) below), the remaining USD 10 million Convertible Bonds ("**Remaining Bonds**") were fully redeemed at a redemption sum of USD15.81 million. The Subscription Agreement was terminated upon the redemption of the Remaining Bonds.

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (d) The following agreements dated 8 December 2008 between our Company and the following parties:

Date	Agreements	Parties	Subject Matter
8 December 2008	Security Trust Deed	Our Company, Lead Champion, Chan Fung @ Kwan Wing Yin and DB Trustees (Hong Kong) Limited	Appointment of DB Trustees (Hong Kong) Limited as the security trustee (" Security Trustee ") for itself, the Bondholders, Warranholders and WWD Ruby. The Security Trust Deed sets out the rights and obligations of the Security Trustee on the terms and conditions contained therein.
8 December 2008	Charge Over Shares and Securities by way of a deed (" Share Charge ")	Our Company, Lead Champion and DB Trustees (Hong Kong) Limited	Lead Champion as the legal and beneficial owner charged, inter alia, 480,000,000 Shares to the Security Trustee by way of first fixed charge on the terms and conditions contained therein. The Security Trustee held the benefit of the Share Charge on trust for itself, the Bondholders, Warranholders and WWD Ruby in accordance with the terms of the Share Charge.
8 December 2008	Debenture	Our Company and DB Trustees (Hong Kong) Limited	Our Company charged our Company's assets as a continuing security for the payment and discharge of all monies, obligation and liabilities owing to the Security Trustee and the Bondholders on the terms and conditions contained therein. The Security Trustee held the benefit of the Debenture on trust for itself and the Bondholders in accordance with the terms of the Debenture.

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Date	Agreements	Parties	Subject Matter
8 December 2008	Charge Over Deposits by way of a deed ("Deposit Charge")	Our Company and DB Trustees (Hong Kong) Limited	Our Company charged all amounts (including interest) standing to the credit in the account of our Company with Deutsche Bank AG, Singapore Branch, account number China Stationery Limited - Cash Reserve USD Sub A/C 2519320-05-5 in favour of the Security Trustee on the terms and conditions contained therein. The Security Trustee held the benefit of the Deposit Charge on trust for itself and the Bondholders in accordance with the terms of the Deposit Charge.

(hereinafter referred to as the "Security Documents")

On 22 August 2011, our Company, Lead Champion and the Security Trustee have entered into deeds of release to terminate the Security Documents and release the securities granted by our Company and Lead Champion as securities for the Convertible Bonds and Warrant.

- (e) Advertising agreement (广告发布合同) dated 16 June 2009 between Sakura Stationery and Shengshi Lianhua Culture Media Advertising (Guangzhou) Co., Ltd (盛世莲花文化传媒广告(广州)有限公司) ("**Shengshi Lianhua**") under which Sakura Stationery had appointed Shengshi Lianhua to put up advertisements in the airports in China stipulated in the advertising agreement. The total advertising fee is RMB 25.86 million and is to be satisfied via cash.
- (f) Product design commission agreement (产品委托设计合同) dated 2 December 2009 between Ruiyuan and Shenzhen Yimei Industry Design Co., Ltd (深圳市怡美工业设计有限公司) ("**Shenzhen Yimei**") under which Ruiyuan agreed to appoint Shenzhen Yimei to provide relevant industrial design services prescribed in the product design commission agreement in relation to the second generation plastic tape printer. The consideration of the contract is RMB24.2 million and is to be satisfied via cash. Subsequently on 15 January 2010, the parties had entered into a supplemental agreement under which the parties agreed that Shenzhen Yimei shall carry on the R&D works in accordance with the R&D progress stipulated in the product design commission agreement. In the event that any changes in market have caused the R&D works to be discontinued, Shenzhen Yimei shall return to Ruiyuan all unutilised R&D fees which Ruiyuan has paid under the product design commission agreement.
- (g) Consent Deed dated 9 June 2010 between our Company, Sunwealth, Campus, our Promoters and WWD Ruby whereby, *inter alia*, WWD Ruby consented to the investment by LTH into our Company via the Investment Agreement (referred to in paragraph (h)) below. In the Consent Deed, our Company has also agreed to redeem USD10 million convertible bonds issued to WWD Ruby on 8 December 2008 ("**Partial Redemption**"). Upon the Partial Redemption, the Warrants would be cancelled and none of the Warranholder shall have any further rights against our Company under the terms of the Warrants including rights or claims in respect of antecedent breaches. Further, the rights of the Warranholders under the Security Documents listed in paragraph (d) above shall terminate.

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

The Partial Redemption was effected on 9 July 2010 and the Warrants were accordingly cancelled.

The remaining USD10 million convertible bonds ("**Remaining Bonds**") shall be converted into Shares in our Company within 2 market days on confirmation by M&A Securities that it has either (a) received in its client trust account all the subscription monies and/or (b) receive irrevocable undertakings to pay in respect of all the subscription monies from the placees in relation to the private placement portion.

If the Remaining Bonds have been converted in anticipation of the Listing and the Listing does not occur on or before 8 December 2010 (or any other dates as may be agreed upon by our Company and WWD Ruby). WWD Ruby's rights under the Remaining Bonds, USD12.83 million Warrants (representing half of the USD25.65 million Warrants which were cancelled on Partial Redemption) and related security interests pursuant to the Security Documents in paragraph (d) above will be reinstated in full in exchange for the cancellation of all Shares issued to WWD Ruby pursuant to the conversion of the Remaining Bonds ("**Conversion Shares**").

If our Company is unable to cancel the Conversion Shares and reinstate the Remaining Bonds and USD12.83 million Warrants for any reason, WWD Ruby shall have the rights, exercisable by written notice to our Company and Promoters, to require any or all of them to purchase from WWD Ruby the Conversion Shares (all and not part only) in accordance with the terms and conditions of the Consent Deed ("**Reinstatement Rights**").

Upon (i) the conversion of the Remaining Bonds into Conversion Shares (subject to the Reinstatement Rights) and/or (ii) transfer of the Conversion Shares back to our Company and/or Promoters and/or (iii) redemption of the Remaining Bonds as provided above:

- (i) the Subscription Agreement (referred to in paragraph (c)) and Investor's Rights Agreement dated 8 December 2008 shall be terminated entirely and there shall not be any rights or obligations which survive the termination of the Subscription Agreement and Investor's Rights Agreement;
- (ii) WWD Ruby and the Security Trustee shall not have any rights or claims against our Company, Sunwealth, Campus and our Promoters for any antecedent breaches under the terms and conditions of the Convertible Bonds or the Subscription Agreement (referred to in paragraph (c) and Investor's Rights Agreement (referred to in paragraph (g) hereof) or under any of the Security Documents referred to in paragraph (d) above;
- (iii) WWD Ruby shall procure that the Security Trustee release all security granted by our Company and our Promoters pursuant to the Security Documents referred to in paragraph (d) above as soon as reasonably practicable.

Further, the Consent Deed also provides, *inter alia*, that the maximum amount of Shares to be offered by our Company for subscription during this IPO shall not exceed 14% of the enlarged share capital of our Company and WWD Ruby shall have the right to participate as selling shareholder in the IPO, provided that its remaining shareholding after such offer for sale shall not be less than 4.01% of the enlarged share capital of our Company post IPO.

On 9 September 2010, our Company, Campus, Sunwealth, our Promoters and WWD Ruby entered into the Amendment Deed which, *inter alia*, extended the maturity date of the Convertible Bonds from 8 December 2010 to 8 March 2011.

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

On 8 December 2010, our Company, Campus, Sunwealth, our Promoters and WWD Ruby entered into the Further Amendment Deed to amend certain provisions of the Consent Deed and Amendment Deed being, inter alia, setting the listing deadline at 30 June 2011 and extending the maturity date of the Convertible Bonds from 8 March 2011 to 30 June 2011.

Further, the Further Amendment Deed provides that no interest shall be payable on the Remaining Bonds for the period commencing from 9 December 2010 until 8 June 2011 if the Remaining Bonds are converted into Shares on or before 8 June 2011.

However, in the event the Remaining Bonds are not converted into Shares or redeemed by our Company on or before 8 June 2011:

- (i) Where the Listing has occurred by 30 June 2011 and the Remaining Bonds are not converted into Shares, interest on the Remaining Bonds will accrue in accordance with the terms and conditions of the Bonds from 9 December 2010 at the rate of 9.00 per cent. per annum of the principal amount of the Remaining Bonds and will be payable at the maturity of the Remaining Bonds on 30 June 2011; and
 - (ii) where the Listing has not occurred by 30 June 2011, a redemption premium shall be payable on 30 June 2011 by our Company, in addition to the principal amount of the Remaining Bonds, representing an internal rate of return of 28% on the principal amount of the Remaining Bonds calculated from and on 8 December 2008 up 30 June 2011 less interest paid by our Company in respect of the Remaining Bonds.
- (h) Investment Agreement dated 14 June 2010 (as supplemented by the letters dated 19 July 2010 and 23 July 2010, the LTH Supplemental Deed, the LTH Supplemental Agreement, the LTH Second Supplemental Agreement and LTH Third Supplemental Agreement) between our Company, our Promoters and LTH which provides for, *inter alia* the following:
- (i) LTH is to invest in cash for 26,332,230 Shares at the investment consideration of RM36.34 million ("**Investment Consideration**") on completion date.
 - (ii) Our Company and Promoters grant to LTH a put option ("**Put Option**") to require our Company or failing our Company, to require each of our Promoters to purchase from LTH all the Shares which are legally and beneficially owned by LTH at the time of exercise of the Put Option. The Put Option may be exercised by LTH in the event Listing does not occur on or before 30 June 2011 (subsequently extended to 15 March 2012 pursuant to the LTH Third Supplemental Agreement ("**Extension**"). In the event that Listing does not occur on or before 15 March 2012, LTH has 30 working days to exercise its put option. The put option price is RM38,685,337.40.
 - (iii) In consideration for the above Extension, China Stationery and the promoters are required to undertake that 13.0 million China Stationery shares or 2% of the enlarged issued and paid-up share capital (whichever is higher) owned by LTH shall be offered for sale as part of the Listing.
 - (iv) The number of Shares issued to LTH is calculated based on a 20% discount to an indicative IPO Price. In the event the actual IPO Price is less than the indicative IPO Price as provided in the Investment Agreement, then our Company shall issue to LTH additional Shares ("**Additional Shares**") to be derived based on a formula provided in the Investment Agreement to maintain the 20% discount. If the number of Additional Shares to be allotted to LTH together with the Shares owned by LTH exceeds 4.99% of the post IPO share capital of our Company, then the number of Additional Shares to be given to LTH will be accordingly reduced such that LTH's shareholding does not exceed 4.99% and the balance will be paid to LTH in cash.

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (i) Engineering construction contract (建设工程施工合同) dated 26 July 2010 between Ruiyuan and Hancheng Construction to construct a plant of 28,665 sq m at Wuxin Village, Jiangkou Town, Hanjiang District. The total construction fee is RMB67.36 million. The construction fee is to be satisfied via cash.
- (j) Engineering construction contract (建设工程施工合同) dated 26 July 2010 between Sakura Plastic and Hancheng Construction to construct a plant of 16,559 sq m at Wuxin Village, Jiangkou Town, Hanjiang District. The total construction fee is RMB38.50 million. The construction fee is to be satisfied via cash.
- (k) Loan agreement dated 17 August 2011 entered into between our Company and LHY for an amount of USD15.81 million for the purpose of fully redeeming the outstanding Convertible Bonds pursuant to the Deed of Termination. The loan is convertible into 49,926,316 fully paid Shares, subject to the terms and conditions set out in the New Convertible Loan Agreement. On 14 November 2011, pursuant to the New Convertible Loan Agreement, our Company had completed the Issuance of Shares to LHY.
- (l) Deed of termination dated 22 August 2011 entered into between our Company, the Promoters, Sunwealth, Campus and WWD Ruby to fully redeem the outstanding Convertible Bonds of USD10 million at a redemption sum of USD 15.81 million and to terminate the Consent Deed.
- (m) Underwriting Agreement dated 3 January 2012 entered into between our Company and the Underwriter for the Underwriter to underwrite the 60,000,000 Public Issue Shares under the IPO, for an underwriting commission at the rate set out in Section 3.12 (b) of this Prospectus.
- (n) Agreement dated 1 August 2011 entered into between our Company and M&A Securities for the appointment of M&A Securities as the Adviser and Placement Agent for the Listing;
- (o) Sub-Placement Agreement dated 19 December 2011 entered into our Company, M&A Securities and Sanston Financial Group Limited as the Sub-Placement Agent to M&A Securities for the placement of 107,000,000 Offer Shares under the IPO, for placement fee at the rate set out in Section 3.12 (c) of this Prospectus.

14.9 MATERIAL LITIGATION

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

14.10 LETTERS OF CONSENT

- (a) The respective written consents of our Adviser, Underwriter, Placement Agent, Sub-Placement Agent, Company Agent in Malaysia, Company Secretary and Assistant Company Secretary in Bermuda, Auditors, Reporting Accountants, Joint Legal Advisers for the Listing, Legal Adviser to our Company on Bermuda Law and British Virgin Islands Law, Legal Adviser to our Company on PRC Law, Bermuda Share Registrar, Malaysian Share Registrar, Issuing House, Principal Banker and Independent Marker Researcher to the inclusion in this Prospectus of their names in

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

- (b) The respective written consent of the Auditors and Reporting Accountants to the inclusion of their name, Accountants' Report and letters relating to the Proforma Consolidated Financial Information in the form and context in which they appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (c) The written consent of the Independent Market Researcher to the inclusion in this Prospectus of their names and Executive Summary of the Independent Market Research Report in the form and context in which they appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (d) The written consent of the Legal Advisers to the Company on PRC Law to the inclusion in this Prospectus of their names and "Summary of PRC Company Law" has not subsequently been withdrawn.

14.11 RESPONSIBILITY STATEMENTS

- (a) This Prospectus has been seen and approved by our Directors, Promoters and Offerors and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.
- (b) M&A Securities, being the Adviser, Underwriter and Placement Agent acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the IPO.

14.12 DOCUMENTS AVAILABLE FOR INSPECTION

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

- (a) The Memorandum of Association and Bye-laws of our Company;
- (b) Our Directors' Report and Accountants' Report, referred to in Sections 13 and 8 respectively of this Prospectus;
- (c) The material contracts referred to in Section 14.8 of this Prospectus;
- (d) The Reporting Accountants' Letter relating to our Proforma Consolidated Financial Information as included in Section 7 of this Prospectus;
- (e) The letters of consent referred to in Section 14.10 of this Prospectus;
- (f) Our audited combined financial statements of the Group for the Review Periods.
- (g) Service Agreement dated 21 July 2010 entered into between our Company and Chan Fung @ Kwan Wing Yin;

14 FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (h) Service Agreement dated 21 July 2010 entered into between our Company and Jiang Danping;
- (i) Service Agreement dated 21 July 2010 entered into between our Company and Angus Kwan Chun Jut; and
- (j) The Independent Market Research Report and the executive summary thereof prepared by the Independent Market Researcher as included in Section 9 of this Prospectus.

In addition, our registered office in Malaysia shall maintain records of all constituent documents (originals / certified true copies, as the case may be) of our Company, including, but not limited to the following:-

- (a) The Memorandum of Association and Bye-laws of our Company;
- (b) The certificate of incorporation of our Company;
- (c) Licenses of our Company, if any;
- (d) The register of Shareholders of our Company;
- (e) Transfer of Shares of our Company; and
- (f) Secretarial filings and returns made to the Registrar of Companies in Bermuda.

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15 PROCEDURES FOR APPLICATION AND ACCEPTANCE

15.1 OPENING AND CLOSING OF APPLICATION

Opening of the application : 10.00 a.m. on 31 January 2012

Closing of the application : 5.00 p.m. on 10 February 2012

Applications will remain open until 5.00 p.m. on 10 February 2012 as stated above or at such date as our Board and M&A Securities at their absolute discretion may jointly decide. **Late applications will not be accepted.**

In the event the date of the closing of the application for the IPO Shares is extended, the public will be notified of such extension by way of advertisements placed in a widely circulated English and Bahasa Malaysia newspaper prior to the original closing date. Following this, the dates for the balloting of applications for the Public Issue Shares, allotment of the Public Issue Shares and Listing would be extended accordingly.

15.2 ELIGIBILITY

You can only apply for our Shares if you fulfil **all** the following:-

- (a) You must have a CDS account. If you do not have a CDS account, you may open one (1) by contacting any of the ADAs listed in Section 15.12 of this Prospectus;
- (b) Selected foreign investors being allocated for the private placement shares, will be contacted directly by the placement agent and are to follow the instructions communicated by the placement agent.
- (c) You must be **one (1)** of the following:-
 - (i) A Malaysian citizen who is at least eighteen (18) years old as at the closing date of the application with a Malaysian address; or
 - (ii) A corporation / institution incorporated in Malaysia where, there is a majority of Malaysian citizens on your board of directors / trustee and if you have a share capital, more than half of your issued share capital, excluding preferred share capital is held by Malaysian citizens; or
 - (iii) A superannuation, co-operative, foundation, provident or pension fund established or operating in Malaysia.

We will not accept applications from trustees, persons under eighteen (18) years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations/institution referred to in (b)(ii) or (iii) above or the trustees thereof; and

- (d) You are not a director or employee of EQUINITI or their immediate family members.

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

15.3 METHODS OF APPLICATION

The IPO Shares are made available by us for subscription as follows:-

Public Issue	No. of Public Issue Shares to be allotted
(i) by way of private placement to identified investors	30,000,000
(ii) by way of balloting to the Malaysian Public, of which at least 50.0% is to be set aside for Bumiputera investors	60,000,000
Total	90,000,000

Offer for Sale	No. of Public Issue Shares to be allotted
By way of private placement to identified investors	133,000,000

Applications for the IPO Shares may be made using either of the following ways:-

Class of applicants	Application method
Malaysian Public (for individuals)	White Application Form or Electronic Share Application ^(a) or Internet Share Application ^(b)
Malaysian Public (for non-individuals, e.g. corporations, institutions, etc.)	White Application Form only
Selected investors via private placement	Separate letters / forms delivered to the respective investors

Notes:-

- (a) Except for Affin Bank Berhad a surcharge of RM2.50 per Electronic Share Application will be charged by the Participating Financial Institution.
- (b) The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institution:-
- (i) Affin Bank Berhad (www.affinOnline.com) - No fee will be charged for application by their account holders;
 - (ii) CIMB Investment Bank Berhad (www.eipocimb.com) – RM2.00 for payment via CIMB Bank and Malayan Banking Berhad;
 - (iii) CIMB Bank Berhad (www.cimbclicks.com.my) – RM2.00 per Internet Share Application for applicants with CDS account held with CIMB Investment Bank Berhad and RM2.50 for applicants with CDS accounts with other ADAs;
 - (iv) Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00 per Internet Share Application;
 - (v) RHB Bank Berhad (www.rhbbank.com.my) – RM2.50 per Internet Share Application; and
 - (vi) Public Bank Berhad (www.pbebank.com) – RM2.00 per Internet Share Application

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

15.4 PROCEDURES FOR APPLICATION

15.4.1 Procedures for application by way of an Application Form

Malaysian Public should follow the following procedures in making their applications:-

Step 1: Obtain application documents

Obtain the **White** Application Forms together with the Official "A" and "B" envelopes and a copy of this Prospectus. These documents can be obtained subject to availability from the following parties:-

- (a) M&A Securities;
- (b) participating organisations of Bursa Securities;
- (c) members of the Association of Banks in Malaysia;
- (d) members of the Malaysian Investment Banking Association; and
- (e) EQUINITI.

Step 2: Read the Prospectus

In accordance with Section 232(2) of the CMSA, the Application Forms are accompanied by this Prospectus. You are advised to read and understand this Prospectus before making your application.

Step 3: Complete the Application Form

Complete the relevant Application Form legibly and STRICTLY in accordance with the notes and instructions printed on it and in this Prospectus.

(a) Personal particulars

You must ensure that your personal particulars submitted in your application are identical with the records maintained by Bursa Depository. Please inform Bursa Depository promptly of any changes to your personal particulars.

If you are an individual and you are not a member of the armed forces or police, your name and national registration identity card ("**NRIC**") number must be the same as that stated in:-

- (i) your NRIC; or
- (ii) your "Resit Pengenalan Sementara (KPPK 09)" issued pursuant to Peraturan 5(5), Peraturan-peraturan Pendaftaran Negara 1990; or
- (iii) any valid temporary identity document as issued by the National Registration Department from time to time.

If you are a member of the armed forces or police, your name and your armed forces or police personnel number, as the case may be, must be the same as that stated in your authority card.

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

If you are a corporation / institution, the name and certificate of incorporation number must be the same as that stated in the corporation's / institution's certificate of incorporation.

(b) CDS account number

You must state your CDS account number in the space provided in the Application Form. Invalid, nominee or third party CDS accounts will **NOT** be accepted.

(c) Details of payment

You must state the details of your payment in the appropriate boxes provided in the White Application Form.

(d) Number of Shares applied

Your application must be for 100 Shares or multiples thereof.

Step 4: Prepare appropriate form of payment (applicable to Malaysian Public)

Prepare the correct form of payment in RM for the FULL amount payable for the Public Issue Shares based on the Issue Price of RM0.95 per Public Issue Share.

Your completed Application Form must be accompanied by remittance in RM for the full amount payable by any of the following:-

- (a) **BANKER'S DRAFT OR CASHIER'S ORDER** purchased within Malaysia only and drawn on a bank in Kuala Lumpur; or
- (b) **MONEY ORDER OR POSTAL ORDER** (for applicants from Sabah and Sarawak only); or
- (c) **GUARANTEED GIRO ORDER ("GGO")** from Bank Simpanan Nasional Malaysia Berhad; or
- (d) **ATM STATEMENT** obtained only from any of the following financial institutions:-
 - Affin Bank Berhad; or
 - Alliance Bank Malaysia Berhad; or
 - AmBank (M) Berhad; or
 - CIMB Bank Berhad; or
 - Hong Leong Bank Berhad; or
 - Malayan Banking Berhad; or
 - RHB Bank Berhad,

and must be made out in favour of "**EQSB SHARE ISSUE ACCOUNT NO. 645**" and crossed "**A/C PAYEE ONLY**" (excluding ATM statements) and endorsed on the reverse side with your name and address.

We will not accept applications with excess or insufficient remittances or inappropriate forms of payment.

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Step 5: Finalise application

Insert the White Application Form with the appropriate payment and a legible photocopy of identification document (NRIC/"Resit Pengenalan Sementara (KPPK 09)" / valid temporary identity document issued by the National Registration Department / authority card / certificate of incorporation) into Official "A" envelope and seal it. Write your name and address on the outside of the Official "A" and "B" envelopes. The name and address written must be identical to your name and address as per your NRIC/"Resit Pengenalan Sementara (KPPK 09)" / valid temporary identity document issued by the National Registration Department / authority card / certificate of incorporation. Affix a stamp on Official "A" envelope and insert Official "A" envelope into Official "B" envelope.

Step 6: Submit application

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents can be submitted using one of the following methods:-

- (a) despatched by **ORDINARY POST** in the official envelopes provided, to the following address:-

EQUINITI SERVICES SDN BHD
(formerly known as MIDF Consultancy and Corporate Services Sendirian Berhad)
Level 8, Menara MIDF
82, Jalan Raja Chulan
50200 Kuala Lumpur
P.O. Box 11122
50736 Kuala Lumpur

- (b) **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at the Ground Floor of Menara MIDF, 82 Jalan Raja Chulan, 50200 Kuala Lumpur, so as to arrive not later than 5:00 p.m. on 10 February 2012.

The Application Forms set out the full instruction for the application of the Public Issue Shares and the procedures to be followed. The Application Forms together with the notes and instructions shall constitute an integral part of this Prospectus. All applicants are advised to read the Application Forms and the notes and instructions therein carefully. Applications which do not conform strictly to the terms of this Prospectus or the Application Form or notes and instructions or which are illegible may not be accepted at the absolute discretion of our Directors.

15.4.2 Procedures for application by way of an Electronic Share Application

Application for our Public Issue Shares by way of Electronic Share Application are only applicable to Malaysian individuals in respect of the Public Issue Shares made available for application by the Malaysian Public.

- (a) **Steps for Electronic Share Application through a Participating Financial Institution's ATM**
- (i) You must have an account with a Participating Financial Institution (as detailed in Section 15.4.2 (b) below) and an ATM card issued by that Participating Financial Institution to access the account;
- (ii) You **must** have a **CDS account**; and

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

(iii) You may 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 in Section 15.4.2 (c) of the terms and conditions for Electronic Share Applications. You will have to enter at least the following information through the ATM where the instructions on the ATM screen at which you enter your Electronic Share Application requires you to do so:-

- Personal Identification Number (PIN);
- EQSB Share Issue Account No. 645;
- CDS account number;
- Number of Shares applied for and/or the RM amount to be debited from the account; and
- Confirmation of several mandatory statements.

(b) **Participating Financial Institutions**

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions at their branches:-

- Affin Bank Berhad; or
- AmBank (M) Berhad; or
- CIMB Bank Berhad; or
- HSBC Bank Malaysia Berhad; or
- Malayan Banking Berhad; or
- OCBC Bank (Malaysia) Berhad; or
- Public Bank Berhad; or
- RHB Bank Berhad; or
- Standard Chartered Bank Malaysia Berhad (at selected branches only).

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

(c) Terms and conditions of Electronic Share Applications

The procedures for Electronic Share Applications at ATMs of the Participating Financial Institutions are set forth on the ATM screens of the relevant Participating Financial Institutions ("**Steps**"). For illustration purposes, the procedures for Electronic Share Applications at ATMs are set forth in "**Steps for Electronic Share Application through a Participating Financial Institution's ATM**" in Section 15.4.2 (a) above. You must complete all the steps and follow the instructions set out on the ATM screen to complete an Electronic Share Application. You are advised to read and understand the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Applications set out below before making an Electronic Share Application. Any reference to "applicant/you" in the terms and conditions for Electronic Share Applications and the Steps shall mean the applicant who applies for the Public Issue Shares through an ATM of any of the Participating Financial Institutions.

In the case of Electronic Share Applications, you must have a CDS account to be eligible to utilise the facility.

You must have an existing bank account with, and be an ATM cardholder of, one (1) of the Participating Financial Institutions before you can make an Electronic Share Application at an ATM of that Participating Financial Institution. An ATM card issued by one (1) of the Participating Financial Institutions cannot be used to apply for the Public Issue Shares at an ATM belonging to other Participating Financial Institutions. Upon the completion of your Electronic Share Application transaction, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or EQUINITI. Do not submit your Transaction Record with any Application Form. The Transaction Record is for your own retention.

Upon the closing of the offer for the application for the Public Issue Shares on 10 February 2012 at 5.00 p.m. ("**Closing Date and Time**"), the Participating Financial Institution shall submit a magnetic tape containing its respective customers' applications for the Public Issue Shares to EQUINITI as soon as practicable but not later than 12.00 p.m. of the second (2nd) business day after the Closing Date and Time.

You are allowed to make an Electronic Share Application for the Public Issue Shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which you have an account and its branches, subject to you making only one (1) application.

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

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

- (a) The Electronic Share Application shall be made in connection with and subject to the terms of this Prospectus and our Memorandum of Association and Bye-laws.

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (b) You are required to confirm the following statements (by depressing pre-designated keys (or buttons) on the ATM keyboard) and undertake that the following information given is true and correct:-
- You are at least eighteen (18) years of age as at the closing date of the share application;
 - You are a Malaysian citizen residing in Malaysia;
 - You have read the relevant Prospectus and understood and agreed with the terms and conditions of this application;
 - This is the only application that you are submitting; and
 - You hereby give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to EQUINITI and other relevant authorities.

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

- (c) **You confirm that you are not applying for the Public Issue Shares as a nominee of any other persons and that any Electronic Share Application that you make is made by you as the beneficial owner. You shall only make one (1) Electronic Share Application and shall not make any other application for the Public Issue Shares, whether at the ATMs of any Participating Financial Institutions, on the prescribed Application Forms or via Internet Share Application.**
- (d) You must have sufficient funds in your bank account with the relevant Participating Financial Institution at the time you make your Electronic Share Application, failing which your Electronic Share Application will not be completed. Any Electronic Share Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is made, will be rejected.
- (e) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of Public Issue Shares applied for as stated on the Transaction Record or any lesser number of Public Issue Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot any lesser number of the Public Issue Shares or not to allot or allocate any Public Issue Shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the designated key (or button) on the ATM) of the number of Public Issue Shares applied for shall signify, and shall be treated as, your acceptance of the number of Public

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Issue Shares that may be allotted to you and to be bound by our Memorandum of Association and Bye-laws.

(f) EQUINITI, acting under the authority of our Directors reserve the right to reject or accept any Electronic Share Application in whole or in part only without giving any reason therefor. Due consideration will be given to the desirability of allotting or allocating the Public Issue Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

(g) If your Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institution will be informed of the non-successful or partially successful applications within two (2) Market Days after the balloting date. If your Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest in RM into your account with that Participating Financial Institution within two (2) Market Days after the receipt of confirmation from EQUINITI. You may check your accounts on the fifth (5th) Market Day from the balloting date.

If your Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest in RM into your account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from EQUINITI. A number of applications will, however, be held in reserve to replace any successful balloted applications, which are subsequently rejected. For such applications, which are subsequently rejected, the application monies without interest will be refunded to the applicants by EQUINITI by way of cheques issued by EQUINITI. 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.

If you encounter any problems in your applications, you may refer to the Participating Financial Institutions.

- (h) You request and authorise us:-
- (i) to credit the Public Issue Shares allotted or allocated to you into your CDS account; and
 - (ii) to issue share certificate(s) representing such Public Issue Shares allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (i) You, acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical, transmission, communications and computer-related faults and breakdowns, fires and other events which are beyond our control, and the control of EQUINITI, the Participating Financial Institutions or Bursa Depository, irrevocably agrees that if:-
- (i) we or EQUINITI do/does not receive your Electronic Share Application; or
 - (ii) data relating to your Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to us or EQUINITI,

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

you shall be deemed not to have made an Electronic Share Application and you shall not claim whatsoever against us, EQUINITI or the Participating Financial Institutions or Bursa Depository for the Public Issue Shares applied for or for any compensation, loss or damage arising from it.

- (j) All of your particulars in the records of the relevant Participating Financial Institution at the time you make your Electronic Share Application shall be deemed to be true and correct; and we, EQUINITI and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (k) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Share Application is liable to be rejected. You must inform Bursa Depository promptly of any change in address, failing which the notification letter of successful allocation will be sent to your registered address last maintained with Bursa Depository.
- (l) By making and completing an Electronic Share Application, you agree that:-
 - (i) in consideration of our Company making available the Electronic Share Application facility to you, through the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;
 - (ii) we, EQUINITI, the Participating Financial Institutions and Bursa Depository shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application to us due to a breakdown or failure of transmission or communication facilities or to any cause beyond our/ their control;
 - (iii) notwithstanding the receipt of any payment by us or on our behalf, the acceptance of your offer to subscribe for and purchase the Public Issue Shares for which your Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allocation by us or our behalf for prescribed securities, in respect of the said Public Issue Shares;
 - (iv) you irrevocably authorises Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Public Issue Shares allotted or allocated to you; and
 - (v) you agree that in the event of any legal disputes arising from the use of Electronic Share Application, our mutual rights, obligations and liabilities shall be determined under the laws of Malaysia be bound by the decisions of the Courts of Malaysia.
- (m) If you are successful in your Electronic Share Application, our Directors reserves the rights to require you to appear in person at the registered office of EQUINITI within fourteen (14) days of the date of the notice issued to you to ascertain your application is genuine and valid. Our Directors 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 you for the purpose of complying with this provision.

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (n) EQUINITI, on the authority of our Directors, reserves the right to reject applications which do not conform to these instructions.
- (o) Except for Affin Bank Berhad, a surcharge of RM2.50 per Electronic Share Application will be charged by the respective Participating Financial Institution.

15.4.3 Procedures for application by way of an Internet Share Application

Applications for our Shares by way of Internet Share Application are only applicable to Malaysian individuals in respect of the Public Issue Shares made available for application by the Malaysian Public.

Please read carefully and follow the terms of this Prospectus, the procedures, terms and conditions for Internet Share Application and the procedures set out on the Internet financial services website of the Internet Participating Financial Institution before making an Internet Share Application.

Step 1: Set up of account

Before making an application by way of Internet Share Application, you **must have all** of the following:-

- (i) an existing account with access to Internet financial services facilities with the following Internet Participating Financial Institutions:-
 - Affin Bank Berhad at www.affinOnline.com; or
 - CIMB Investment Bank Berhad at www.eipocimb.com; or
 - CIMB Bank Berhad at www.cimbclicks.com.my; or
 - Malayan Banking Berhad at www.maybank2u.com.my; or
 - RHB Bank Berhad at www.rhbbank.com.my; or
 - Public Bank Berhad at www.pbepbank.com.
- (ii) an individual CDS account registered in your name (and not in a nominee's name).

Step 2: Read the Prospectus

You are advised to read and understand this Prospectus before making your application.

Step 3: Apply through Internet

The exact steps for Internet Share Application for the Public Issue Shares are as set out on the Internet financial services websites of the Internet Participating Financial Institutions.

For illustration purposes only, we have set out below possible steps of an application of the Public Issue Shares using Internet Share Application.

PLEASE NOTE THAT THE ACTUAL STEPS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS MAY DIFFER FROM THE STEPS OUTLINED BELOW.

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (a) Connect to the Internet financial services website of the Internet Participating Financial Institution with which you have an account. You are advised not to apply for the Public Issue Shares through any website other than the Internet financial services website of the Internet Participating Financial Institution.
- (b) Login to the Internet financial services facility by entering your user identification and PIN/ password.
- (c) Navigate to the section of the website on the applications in respect of initial public offerings.
- (d) Select the counter in respect of the Public Issue Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application.
- (e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions.
- (f) At the next screen, complete the online application form.
- (g) Check that the information contained in the online application form such as the share counter, NRIC number, CDS account number, number of Public Issue Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.
- (h) After selecting the designated hyperlink on the screen, you will have to confirm and undertake that the following mandatory statements are true and correct:-
 - (i) You are at least eighteen (18) years of age as at the Closing Date of the application for the Public Issue Shares;
 - (ii) You are a Malaysian citizen residing in Malaysia;
 - (iii) You have, prior to making the Internet Share Application, received and/or have had access to a printed/electronic copy of this Prospectus, the contents of which you have read and understood;
 - (iv) You agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and has carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus, before making the Internet Share Application;
 - (v) The Internet Share Application is the only application that you are submitting for the Public Issue Shares;
 - (vi) You authorise the Internet Participating Financial Institution to deduct the full amount payable for the Public Issue Shares from your account with the Internet Participating Financial Institution;
 - (vii) You give express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 99 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Securities Industry (Central Depositories) Act, 1991) to the disclosure by the Internet Participating Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institution, to EQUINITI and the SC and any other relevant authority;

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (viii) You are not applying for the Public Issue Shares as a nominee of any other person and the application is made in your own name as the beneficial owner and subject to the risks referred to in this Prospectus; and
- (ix) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, us, Bursa Securities or other relevant parties in connection with the IPO, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Applications services or if such disclosure is requested or required in connection with the IPO. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Applications services.
- (i) Upon submission of the online application form, you will be linked to the website of the Internet Participating Financial Institution to effect the online payment of your money for the IPO.
- (j) You must pay for the Public Issue Shares through the website of the Internet Participating Financial Institution, failing which the Internet Share Application is **not completed**, despite the display of the Confirmation Screen. "**Confirmation Screen**" refers to the screen which appears or is displayed on the Internet financial services website, which confirms that the Internet Share Application has been completed and states the details of your Internet Share Application, including the number of Public Issue Shares applied for, which can be printed out by you for your records.
- (k) As soon as the transaction is completed, a message from the Internet Participating Financial Institution pertaining to the payment status will appear on the screen on the website through which the online payment for the application of the Public Issue Shares is being made.
- (l) Subsequent to the above, the Internet Participating Financial Institution shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website.
- (m) You are advised to print out the Confirmation Screen for the reference and retention.

Terms and Conditions for Internet Share Applications

The terms and conditions outlined below supplement the additional terms and conditions for Internet Share Application contained in the Internet financial services website of the Internet Participating Financial Institutions. Please refer to the Internet financial services website of the Internet Participating Financial Institutions for the exact terms and conditions and instructions.

- (a) Your application will not be successfully completed and cannot be recorded as a completed application unless you have completed all relevant application steps and procedures for the Internet Share Application which would result in the Internet financial services website displaying the Confirmation Screen. You are required to complete your Internet Share Application by the close of the IPO mentioned in Section 15.1 of this Prospectus.

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (b) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of Public Issue Shares applied for as stated on the Confirmation Screen or any lesser number of Public Issue Shares that may be allotted or allocated to you in respect of your Internet Share Application. Your confirmation by clicking the designated hyperlink on the relevant screen of the website shall be treated as your acceptance of the number of Public Issue Shares allotted or allocated to you.
- (c) You request and authorise us:-
 - (i) to credit the Public Issue Shares allotted or allocated to you into your CDS account; and
 - (ii) to issue share certificate(s) representing such Public Issue Shares allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (d) You, acknowledge that your Internet Share Application is subject to the risks of electrical, electronic, technical, transmission, communications and computer-related faults and breakdowns, faults with computer software, problem occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires and other events which are beyond our control, and the control of the Internet Participating Financial Institution, irrevocably agrees that if:-
 - (i) we, EQUINITI or the Internet Participating Financial Institution do/does not receive your Internet Share Application and/or payment; or
 - (ii) data relating to your Internet Share Application or the tape or any other devices containing such data is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to us or EQUINITI,you shall be deemed not to have made an Internet Share Application and you shall not claim whatsoever against us, EQUINITI or the Internet Participating Financial Institutions for the Public Issue Shares applied for or for any compensation, loss or damage arising from it.
- (e) You irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or other documents required for the issue or transfer of the Public Issue Shares allocated to you.
- (f) You agree that in the event of any legal disputes arising from the use of Internet Share Application, our mutual rights, obligations and liabilities shall be determined under the laws of Malaysia and be bound by the decisions of the Courts of Malaysia.
- (g) You shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of your Internet Share Application by us, EQUINITI and/or the Internet Participating Financial Institutions for reasons of multiple application, suspected multiple application, inaccurate and/or incomplete details provided by you, or any other cause beyond the control of the Internet Participating Financial Institutions.
- (h) You are not entitled to exercise any remedy of rescission for misrepresentation at any time after we have accepted your Internet Share Application.

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (i) In making the Internet Share Application, you have relied solely on the information contained in this Prospectus. We, our Underwriter, our Adviser and any other person involved in the IPO shall not be liable for any information not contained in this Prospectus which may have been relied by you in making the Internet Share Application.

15.5 OTHER TERMS AND CONDITIONS

- (a) You are required to pay the Issue Price of RM0.95 for each Public Issue Share you have applied for;
- (b) You can submit only one (1) application for the Public Issue Shares offered to the Malaysian Public. For example, if you submit an application using a White Application Form, you cannot submit an Electronic Share Application or Internet Share Application or vice versa.

EQUINITI acting under the authority of our Directors, has the discretion to reject applications that appears to be multiple applications.

We wish to caution you that if you submit more than one (1) application in your own name or by using the name of others, with or without their consent, you will be committing an offence under Section 179 of the CMSA and may be punished with a minimum fine of RM1,000,000 and a jail term of up to ten (10) years under Section 182 of the CMSA.

- (c) Your application must be for at least 100 Shares or multiples thereof.
- (d) Your application must be made in connection with and subject to this Prospectus and our Memorandum of Association and Bye-laws. You agree to be bound by our Memorandum of Association and Bye-laws.
- (e) Your submission of an application does not necessarily mean that your application will be successful. Any submission of application is irrevocable.
- (f) Our Company or EQUINITI will not issue any acknowledgement of the receipt of your application or application monies.
- (g) You must ensure that your personal particulars submitted in your application and/or your personal particular as recorded by the Internet Participating Financial Institution are correct and identical with the records maintained by Bursa Depository. Otherwise, your application is liable to be rejected. Bursa Depository will have to be promptly notified of any change in your address, failing which the notification letter of successful allocation will be sent to your registered or correspondence address last maintained with Bursa Depository.
- (h) Your remittances having been presented for payment shall not signify that your application has been accepted.

Our acceptance of your application to subscribe for the Public Issue Shares shall be constituted by the issue of notices of allotment for the Public Issue Shares to you.

- (i) Submission of your CDS account number in your application includes your authority or consent in accordance with the Malaysian laws of Bursa Depository and the Participating Financial Institutions, as the case may be, to disclose information pertaining to your CDS account and other relevant information to us or EQUINITI and any relevant regulatory bodies, as the case may be.

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

You agree to accept our decision as final should we decide not to allot any Public Issue Shares to you.

15.6 AUTHORITY OF OUR DIRECTORS AND EQUINITI

If you are successful in your application, our Directors reserve the rights to require you to appear in person at the registered office of EQUINITI within fourteen (14) days of the date of notice issued to you to ascertain your application is genuine and valid. Our Directors 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 you for the purpose of complying with this provision.

Applicants will be selected in a manner to be determined by our Directors. Due consideration will be given to the desirability of allotting or allocating our Public Issue Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

EQUINITI, on the authority of our Directors, reserve the rights to:-

- (a) reject applications which do not conform to the instructions in this Prospectus or are illegible, incomplete and inaccurate;
- (b) reject or accept any application, in whole or in part, on a non-discriminatory basis without giving any reason; and
- (c) bank in all application monies from unsuccessful / partially successful Bumiputera applicants which would subsequently be refunded without interest by registered post.

15.7 OVER / UNDER-SUBSCRIPTION

In the event of an over-subscription for the Public Issue Shares, EQUINITI will conduct a ballot in a fair and equitable manner as approved by our Directors to determine the acceptance of applications. In determining the manner of balloting, our Directors will consider the desirability of distributing the Public Issue Shares, to a reasonable number of applicants for the purpose of broadening our shareholding base and establishing an adequate market in the trading of our Shares.

Pursuant to the Listing Requirements, we are required to have at least 25% of our enlarged issued and paid-up capital to be held by a minimum number of 1,000 public shareholders holding not less than 100 Shares each upon Listing and completion of this IPO. We expect to achieve this at the point of Listing. However, in the event that this requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all applications will be returned without interest.

In the event of an under-subscription, all the Public Issue Shares not applied for will be subscribed by our Underwriter pursuant to the Underwriting Agreement.

15.8 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your application, we will return your application monies without interest in the following manner:-

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

15.8.1 For applications by way of White Application From

- (a) the application monies or the balance of it, as the case may be, will be returned to you via the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by registered post to your last address maintained with Bursa Depository (for partially successful applications) within ten (10) Market Days from the date of the final ballot.
- (b) If your application was rejected because you did not provide a CDS account number, your application monies will be sent to the address stated in the NRIC or "Resit Pengenalan Sementara (KPPK 09)" or any valid temporary identity document issued by the National Registration Department from time to time, at your own risk.
- (c) EQUINITI reserves the right to bank in all application monies from unsuccessful applicants. These monies will be refunded by registered post to your last address maintained with Bursa Depository or as per item (b) above, as the case may be, within ten (10) Market Days from the date of the final ballot.

15.8.2 For applications by way of Electronic Share Application and Internet Share Application

- (a) EQUINITI shall inform the Participating Financial Institutions of the non-successful or partially successful application within two (2) Market Days after the balloting date. The application monies or the balance of it will be credited into your account with the Participating Financial Institution without interest within two (2) Market Days after the receipt of confirmation from EQUINITI.
- (b) You may check your account on the fifth (5th) Market Day from the balloting date.
- (c) A number of applications will be reserved to replace any balloted applications which are rejected. The application monies relating to these applications which are subsequently rejected will be refunded without interest by EQUINITI by way of cheques by registered post or ordinary post. The cheques will be issued not later than ten (10) Market Days from the date of the final ballot. For applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Participating Financial Institution will arrange for a refund of the application money (or any part thereof) without interest within ten (10) Market Days from the date of the final ballot.

15.9 SUCCESSFUL APPLICANTS

If you are successful in your application:-

- (a) Our Public Issue Shares allocated to you will be credited into your CDS account. We will not be issuing any shares certificate to you.
- (b) A notice of allotment will be despatched to you at the address last maintained with Bursa Depository where you have an existing CDS account at your own risk prior to our Listing. This is your only acknowledgement of acceptance of the application.

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

15.10 CDS ACCOUNTS

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed our Shares as "Prescribed Securities". Therefore, the Public Issue Shares offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the aforesaid Act and Rules of Bursa Depository.

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

Only an applicant who has a CDS account can make an application by way of an Application Form. An applicant should state his CDS account number in the space provided on the Application Form and he/she shall be deemed to have authorised Bursa Depository to disclose information pertaining to the CDS account to EQUINITI/the Company. Where an applicant does not presently have a CDS account, he/she should open a CDS account at an ADA prior to making an application for the Public Issue Shares.

In the case of an application by way of Electronic Share Application, only an applicant who has a CDS account can make an Electronic Share Application and the applicant shall furnish his CDS account number to the Participating Financial Institution by way of keying in his CDS account number if the instructions on the ATM screen at which he enters his Electronic Share Application requires him to do so.

In the case of an application by way of Internet Share Application, only an applicant who has a CDS account can make an Internet Share Application. In certain cases, only an applicant who has a CDS account opened with the Internet Participating Financial Institution can make an Internet Share Application. Arising therewith, the applicant's CDS account number would automatically appear in the e-Issue online application form.

Failure to comply with these specific instructions or inaccuracy in the CDS account number, arising from use of invalid, third party or nominee accounts, may result in the application being rejected. If a successful applicant fails to state his/her CDS account number, EQUINITI on the authority of our Company will reject the application. EQUINITI on the authority of our Board also reserves the right to reject any incomplete and inaccurate application. Applications may also be rejected if the applicants' particulars provided in the Application Forms, or in the case of Electronic Share Application, or Internet Share Application, if the records of the Participating Financial Institutions at the time of making the Electronic Share Application or Internet Share Application differ from those in Bursa Depository's records, such as the identity card number, name and nationality.

15.11 ENQUIRIES

You may contact EQUINITI if you have any queries on the White Application Form at 03-21660933 or 03-21660811. If you have any enquiry with regards to your Electronic Share Application, you may refer to the relevant Participating Financial Institution. If you have any enquiry with regards to your Internet Share Application, you may refer to the relevant Internet Participating Financial Institution.

Applicants may also check the status of their application by logging on to the EQUINITI website at equiniti.com.my or by calling their respective ADAs at the telephone number as stated in Section 15.12 of this Prospectus or EQUINITI Enquiry Services at 03-21660933 or

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

03-21660811 between five (5) to ten (10) market days (during office hours only) after the date of allotment of the shares.

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15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

15.12 LIST OF ADAs

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:-

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
<u>KUALA LUMPUR</u>			
A.A. ANTHONY SECURITIES SDN BHD N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No.: 03-6201 1155	078-004	AFFIN INVESTMENT BANK BERHAD Ground Mezzanine & 3rd Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2143 8668	028-001
ALLIANCE INVESTMENT BANK BERHAD 17 th Floor Menara Multi-Purpose Capital Square No. 8 Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2692 7788	076-001	AMINVESTMENT BANK BERHAD 15 th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2078 2788	086-001
BIMB SECURITIES SDN BHD 32 nd Floor Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2691 8887	024-001	CIMB INVESTMENT BANK BERHAD 9 th Floor, Commerce Square Jalan Semantan Damansara Heights 50490 Kuala Lumpur Tel No.: 03-2084 9999	065-001
ECM LIBRA INVESTMENT BANK BERHAD 3 rd Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2178 1888	052-009	ECM LIBRA INVESTMENT BANK BERHAD Level 1, ECMLibra Building 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No.: 03-2089 1800	052-001
HONG LEONG INVESTMENT BANK BERHAD Level 8, Menara HLA No.3, Jalan Kia Peng 50450 Kuala Lumpur Tel No.: 03-2168 1168	066-001	HWANGDBS INVESTMENT BANK BERHAD 2 nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No.: 03-7710 6688	068-009
HWANGDBS INVESTMENT BANK BERHAD No. 34-5, 36-5, 38-5, 40-5, 42-5 & 44-5 5 th Floor, Cheras Commercial Centre, Jalan 5/101C Off Jalan Kaskas, 5 th Mile Cheras 56100 Kuala Lumpur Tel No.: 03-9130 3399	068-012	HWANGDBS INVESTMENT BANK BERHAD 7 th , 22 nd , 23 rd & 23A Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No.: 03-2711 6888	068-014

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
INTER-PACIFIC SECURITIES SDN BHD West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No.: 03-2117 1888	054-001	INTER-PACIFIC SECURITIES SDN BHD Ground Floor 7-0-8 Jalan 3/109F Danau Business Centre Danau Desa 58100 Kuala Lumpur Tel No.: 03-7984 7796	054-003
INTER-PACIFIC SECURITIES SDN BHD Stesyen Minyak SHELL Jalan 1/116B, Off Jalan Kuchai Lama Kuchai Entrepreneur Park 58200 Kuala Lumpur Tel No.: 03-7981 8811	054-005	KENANGA INVESTMENT BANK BERHAD 8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2164 9080	073-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD 11 th -14 th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2168 8800	053-001	MAYBANK INVESTMENT BANK BERHAD 5-13, Maybanlife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No.: 03-2297 8888	098-001
M&A SECURITIES SDN BHD Level 1-2, No. 45 & 47 The Boulevard, Mid Valley City Lingkar Syed Putra 59200 Kuala Lumpur Tel No.: 03-2282 1820	057-002	MERCURY SECURITIES SDN BHD L-7-2, No. 2, Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Tel No.: 03-6023 7227	093-002
MIMB INVESTMENT BANK BERHAD Level 18, Menara EON Bank 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No.: 03-2692 8899	061-001	MIDF AMANAH INVESTMENT BANK BERHAD Level 11 & 12, Menara MIDF 82 Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2173 8888	026-001
OSK INVESTMENT BANK BERHAD No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel No.: 03-6257 5869	056-028	OSK INVESTMENT BANK BERHAD 20 th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No.: 03-2333 8333	056-001
OSK INVESTMENT BANK BERHAD Ground, 1 st , 2 nd & 3 rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No.: 03-9058 7222	056-058	OSK INVESTMENT BANK BERHAD Ground Floor, No. M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4280 4798	056-054

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
PUBLIC INVESTMENT BANK BERHAD 27 th Floor, Bangunan Public Bank No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No.: 03-2031 3011	051-001	PM SECURITIES SDN BHD Ground, Mezzanine, 1 st & 10 th Floor Menara PMI No. 2, Jalan Cangkat Ceylon 50200 Kuala Lumpur Tel No.: 03-2146 3000	064-001
RHB INVESTMENT BANK BERHAD Level 10, Tower One, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-9287 3888	087-001	TA SECURITIES HOLDINGS BERHAD Floor 13-16, 23, 28-30, 34 & 35 TA One Tower No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No.: 03-2072 1277	058-003
<u>SELANGOR DARUL EHSAN</u>			
AFFIN INVESTMENT BANK BERHAD 2 nd , 3 rd & 4 th Floor Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9999	028-002	AFFIN INVESTMENT BANK BERHAD Lot 229, 2 nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiar Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7729 8016	028-003
HONG LEONG INVESTMENT BANK BERHAD Level 10, 1 First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7724 6888	066-002	AMINVESTMENT BANK BERHAD 4 th Floor, Plaza Damansara Utama No. 2, Jalan SS 21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7710 6613	086-003
HWANGDBS INVESTMENT BANK BERHAD East Wing & Centre Link Floor 3A, Wisma Consplant 2, No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5635 6688	068-010	HWANGDBS INVESTMENT BANK BERHAD 16 th , 18th-20th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No.: 03-5513 3288	068-002
JF APEX SECURITIES BERHAD 6 th Floor, Menara Apex Off Jalan Semenyih Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 1118	079-001	JF APEX SECURITIES BERHAD 15 th & 16 th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7620 1118	079-002

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
KENANGA INVESTMENT BANK BERHAD Ground – Fifth Floor East Wing, Quattro West No. 4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7956 2169	073-005	KENANGA INVESTMENT BANK BERHAD Lot 240, 2 nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7725 9095	073-016
OSK INVESTMENT BANK BERHAD 24, 24M, 24A, 26M, 28M, 28A & 30, Jalan SS2/63, 47300 Petaling Jaya, Selangor Darul Ehsan Tel No.: 03-7873 6366	056-011	OSK INVESTMENT BANK BERHAD No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No: 03-8736 3378	056-045
OSK INVESTMENT BANK BERHAD Ground & 1 st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel No.: 03-6092 8916	056-047	OSK INVESTMENT BANK BERHAD Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Peniagaan NBC Batu 1 ½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9180	056-048
PM SECURITIES SDN BHD No 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-8070 0773	064-003	PM SECURITIES SDN BHD No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3341 5300	064-007
SJ SECURITIES SDN BHD Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Seksyen 22 40000 Shah Alam Selangor Darul Ehsan Tel No.: 03-5192 0202	096-001	TA SECURITIES HOLDINGS BERHAD No.2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8025 1880	058-005
CIMB Investment Bank Berhad Level G & Level 1 Tropicana City Office Tower No.3 Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7717 3388	065-009	ECM LIBRA INVESTMENT BANK BERHAD 35 Jalan Tiara 3 Bandar Baru Klang 41150 Klang Tel No.: 03-3348 8080	052-015
<u>MELAKA</u>			
CIMB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 191 Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No.: 06-289 8800	065-006	ECM LIBRA INVESTMENT BANK BERHAD 71A & 73A Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-288 1720	052-008

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
MERCURY SECURITIES SDN BHD No. 81-B & 83-B, Jalan Merdeka Taman Malaka Raya 75000 Melaka Tel No.: 06-292 1898	093-003	MALACCA SECURITIES SDN BHD No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang, P.O.Box 248 75250 Melaka Tel No.: 06-337 1533	012-001
OSK INVESTMENT BANK BERHAD 579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No.: 06-282 5211	056-003	PM SECURITIES SDN BHD No. 13 Jalan PM2 Plaza Mahkota 75000 Melaka Tel No.: 06-286 6008	064-006
RHB INVESTMENT BANK BERHAD Lot 7-13 & 15 1 st Floor, Bangunan Tabung Haji Jalan Bandar Kaba 75000 Melaka Tel No.: 06-283 3622	087-002		
<u>PERAK DARUL RIDZUAN</u>			
A.A.ANTHONY SECURITIES SDN BHD 29G, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-623 2328	078-009	CIMB Investment Bank Berhad Ground, No.8, 8A-8C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-208 8688	065-010
ECM LIBRA INVESTMENT BANK BERHAD No. 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-242 2828	052-002	ECM LIBRA INVESTMENT BANK BERHAD No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-622 2828	052-006
HONG LEONG INVESTMENT BANK BERHAD 51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-253 0888	066-003	HWANGDBS INVESTMENT BANK BERHAD Ground, Level 1, 2 & 3 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel No.: 05-806 0888	068-003
HWANGDBS INVESTMENT BANK BERHAD Ground & 1st Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-255 9988	068-015	M&A SECURITIES SDN BHD M&A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No.: 05-241 9800	057-001

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
MAYBANK INVESTMENT BANK BERHAD B-G-04 (Ground Floor), Level 1 & 2 No. 42, Persiaran Greentown 1 Pusat Perdagangan Greentown 30450 Ipoh, Perak Darul Ridzuan Tel No.: 05-2453 400	098-002	OSK INVESTMENT BANK BERHAD 21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-241 5100	056-002
OSK INVESTMENT BANK BERHAD Ground & 1 st Floor No. 17, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-623 6498	056-014	OSK INVESTMENT BANK BERHAD Ground & 1 st Floor, No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-692 1228	056-016
OSK INVESTMENT BANK BERHAD No. 72, Ground Floor, Jalan Idris, 31900 Kampar Perak Darul Ridzuan Tel No.: 05-465 1261	056-044	OSK INVESTMENT BANK BERHAD Ground Floor No. 40, 42 & 44, Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No.: 05-808 8229	056-034
OSK SECURITIES BERHAD Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Tel No.: 05-717 0888	056-052	TA SECURITIES HOLDINGS BERHAD Ground, 1 st & 2 nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh, Perak Darul Ridzuan Tel No.: 05-253 1313	058-001
<u>PULAU PINANG</u>			
A.A. ANTHONY SECURITIES SDN BHD 1 st , 2 nd & 3 rd Floor, Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Tel No.: 04-229 9318	078-002	A.A. ANTHONY SECURITIES SDN BHD Ground & 1st Floor No. 2, Jalan Perniagaan 2 Pusat Peniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-554 1388	078-003
ALLIANCE INVESTMENT BANK BERHAD Suite 2.1 & 2.4, Level 2 Wisma Great Eastern No.25, Lebu Light 10200 Penang Tel No.: 04-261 1688	076-015	AMINVESTMENT BANK BERHAD Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-226 1818	086-004
CIMB INVESTMENT BANK BERHAD Ground Floor, Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-291 1833	065-003	ECM LIBRA INVESTMENT BANK BERHAD No. 111, Jalan Macalister 10400 Pulau Pinang Tel No.: 04-228 1868	052-003

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
ECM LIBRA INVESTMENT BANK BERHAD 7 th Floor, Menara PSCI 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No.: 04-228 3355	052-010	HWANGDBS INVESTMENT BANK BERHAD Level 2, 3, 4, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No.: 04-263 6996	068-001
HWANGDBS INVESTMENT BANK BERHAD No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-537 2882	068-006	INTER-PACIFIC SECURITIES SDN BHD Ground, Mezzanine & 8 th Floor Sentral Tower No. 3, Penang Street 10200 Pulau Pinang Tel No.: 04-269 0888	054-002
KENANGA INVESTMENT BANK BERHAD Lot 1.02, Level 1, Menara KWSP, 38, Jalan Sultan Ahmad Shah, 10050 Pulau Pinang Tel No.: 04-210 6666	073-013	MERCURY SECURITIES SDN BHD 2 nd Floor, Standard Chartered Bank Chambers 2 Lebuhr Pantai 10300 Pulau Pinang Tel No.: 04-263 9118	093-004
OSK INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Prai, Pulau Pinang Tel No.: 04-390 0022	056-005	OSK INVESTMENT BANK BERHAD 64, Bishop Street 20E, 20F & 20G Penang Street 10200 Pulau Pinang Tel No.: 04-263 4222	056-004
OSK INVESTMENT BANK BERHAD No. 834 Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel No.: 04-583 1888	056-032	OSK INVESTMENT BANK BERHAD Ground & Upper Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-540 2888	056-015
PM SECURITIES SDN BHD Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-227 3000	064-004	OSK INVESTMENT BANK BERHAD Ground & 1 st Floor No. 15-G-5, 15-G-6, 15-1-15 & 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel No.: 04-640 4888	056-042

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
<u>KEDAH DARUL AMAN</u>			
ALLIANCE INVESTMENT BANK BERHAD 2 nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No.: 04-731 7088	076-004	A.A.ANTHONY SECURITIES SDN BHD Lot 4, 5 & 5A 1 st Floor EMUM 55 No.55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No.: 04-732 2111	078-007
HWANGDBS INVESTMENT BANK BERHAD No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No.: 04-425 6666	068-011	OSK INVESTMENT BANK BERHAD No. 112, Jalan Pengkalan Taman Pekan baru 08000 Sungai Petani Kedah Darul Aman Tel No.: 04-420 4888	056-017
OSK INVESTMENT BANK BERHAD No. 35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No.: 04-496 4888	056-019	OSK INVESTMENT BANK BERHAD Ground & 1 st Floor 215-A & 215-B, Medan Putra, Jalan Putra 05150 Alor Star Kedah Darul Aman Tel No.: 04-720 9888	056-021
<u>PERLIS INDRA KAYANGAN</u>			
ALLIANCE INVESTMENT BANK BERHAD 2 nd Floor, Podium Block Bangunan KWSP 01000 Kangar, Perlis Indra Kayangan Tel No.: 04-976 5200	076-003	OSK INVESTMENT BANK BERHAD Ground & 1 st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Tel No.: 04-979 3888	056-061
<u>NEGERI SEMBILAN DARUL KHUSUS</u>			
ECM LIBRA INVESTMENT BANK BERHAD 1 C-G & 1D-G, Jalan Tuanku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-765 5998	052-013	HWANGDBS INVESTMENT BANK BERHAD Ground & 1 st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-761 2288	068-007
HWANGDBS INVESTMENT BANK BERHAD No.6, Upper Level, Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-455 3188	068-013	OSK INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-764 1641	056-024

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
OSK INVESTMENT BANK BERHAD 1 st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No.: 06-442 1000	056-037	OSK INVESTMENT BANK BERHAD 1 st & 2 nd Floor, No. 168, Jalan Mewah (Pusat Perniagaan UMNO Jempol), 71200 Bahau Negeri Sembilan Datul Khusus Tel No.: 06-455 3011	056-040
OSK INVESTMENT BANK BERHAD Ground & Mezzanine Floor No. 346 & 347 Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel No.: 06-646 1234	056-046	PM SECURITIES SDN BHD 1 st , 2 nd & 3 rd Floors, 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-762 3131	064-002
<u>JOHOR DARUL TAKZIM</u>			
A.A. ANTHONY SECURITIES SDN BHD Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-333 2000	078-001	A.A. ANTHONY SECURITIES SDN BHD 42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No.: 07-663 6658	078-005
A.A. ANTHONY SECURITIES SDN BHD No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-351 3218	078-006	ALLIANCE INVESTMENT BANK BERHAD No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No.: 07-771 7922	076-006
AMINVESTMENT BANK BERHAD 2 nd & 3 rd Floor Penggaram Complex 1 Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-434 2282	086-002	AMINVESTMENT BANK BERHAD 18 th Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-334 3855	086-006
ECM LIBRA INVESTMENT BANK BERHAD Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No.: 07-467 8885	052-005	ECM LIBRA INVESTMENT BANK BERHAD No. 57, 59 & 61 Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-953 2222	052-004

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
INTER-PACIFIC SECURITIES SDN BHD 95, Jalan Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-223 1211	054-004	HWANGDBS INVESTMENT BANK BERHAD Level 7, Johor Bahru City Square (Office Tower) 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-222 2692	068-004
KENANGA INVESTMENT BANK BERHAD No. 31, Lorong Dato' Ahmad, Jalan Khalidi 84000 Muar Johor Darul Takzim Tel No.: 06-954 2711	073-008	KENANGA INVESTMENT BANK BERHAD Level 2, Menara Pelangi, Jalan Kuning Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-333 3600	073-004
KENANGA INVESTMENT BANK BERHAD No. 33 & 35 (Ground & 1 st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No.: 07-777 1161	073-010	KENANGA INVESTMENT BANK BERHAD No. 34, Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No.: 07-933 3515	073-009
KENANGA INVESTMENT BANK BERHAD No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No.: 06-978 2292	073-011	MERCURY SECURITIES SDN BHD Suite 17.1, Level 17 Menara Pelangi No. 1, Jalan Kuning Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-331 6992	093-005
MIMB INVESTMENT BANK BERHAD Suite 25.02, Level 25 Johor Bahru City Square (Office Tower) No. 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-222 7388	061-002	OSK INVESTMENT BANK BERHAD 53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-438 0288	056-009
OSK INVESTMENT BANK BERHAD Ground & 1 st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No.: 07-557 7628	056-029	OSK INVESTMENT BANK BERHAD 6th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No.: 07-278 8821	056-006

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
OSK INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor, No. 17 Jalan Manggis, 86000 Kluang, Johor Darul Takzim Tel No.: 07-776 9655	056-031	OSK INVESTMENT BANK BERHAD No. 33-1, 1 st & 2 nd Floor, Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-953 8262	056-025
OSK INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 343 Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No.: 06-978 7180	056-038	OSK INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 3, Jalan Susur Utama 2/1, Taman Utama 85000 Segamat Johor Darul Takzim Tel No.: 07-932 1543	056-030
OSK INVESTMENT BANK BERHAD Tingkat Bawah, Tingkat 1 dan Tingkat 2 Nos. 21 dan 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-352 2293	056-043	OSK INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 10 Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No.: 07-662 6288	056-035
OSK INVESTMENT BANK BERHAD 1 st Floor, No. 2 Jalan Makmur, Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No.: 07-925 6881	056-039	PM SECURITIES SDN BHD No. 41, Jalan Molek 2/4 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-351 3232	064-005
PM SECURITIES SDN BHD Ground & 1 st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-433 3608	064-008		
<u>KELANTAN DARUL NAIM</u>			
TA SECURITIES HOLDINGS BERHAD 298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-743 2288	058-004	OSK INVESTMENT BANK BERHAD Ground & 1 st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No.: 09-743 0077	056-020

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
<u>PAHANG DARUL MAKMUR</u>			
ALLIANCE INVESTMENT BANK BERHAD A-397, A-399 & A-401 Taman Sri Kuantan III Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel No.: 09-566 0800	076-002	ECM LIBRA INVESTMENT BANK BERHAD A15, A17 & A19, Ground Floor Lorong Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No.: 09-517 1698	052-007
OSK INVESTMENT BANK BERHAD B2 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No.: 09-517 3811	056-007	OSK INVESTMENT BANK BERHAD Ground Floor 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No.: 09-223 4943	056-022
OSK INVESTMENT BANK BERHAD Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No.: 05-491 4913	056-041	CIMB INVESTMENT BANK BERHAD NO.A-27 (Ground, 1 st & 2 nd Floor) Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No.: 09-2057 800	065-007
<u>TERENGGANU DARUL IMAN</u>			
ALLIANCE INVESTMENT BANK BERHAD No. 1D, Ground & Mezzanine No. 1E, Ground, Mezzanine 1 st & 2 nd Floor, Jalan Air Jerneh 20300 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-631 7922	076-009	FA SECURITIES SDN BHD No. 51 & 51A Ground, Mezzanine & 1 st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-623 8128	021-001
OSK INVESTMENT BANK BERHAD Ground & 1 st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No.: 09-858 3109	056-027	OSK INVESTMENT BANK BERHAD 31A, Ground Floor 31A & 31B, 1 st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-626 1816	056-055
<u>SABAH</u>			
CIMB INVESTMENT BANK BERHAD 1 st & 2 nd Floor Central Building No. 28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No.: 088-328 878	065-005	ECM LIBRA INVESTMENT BANK BERHAD Aras 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-236 188	052-012

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
INNOSABAH SECURITIES BERHAD 11, Equity House, Block K Sadong Jaya, Karamuning 88100 Kota Kinabalu Sabah Tel No.: 088-234 4090	020-001	HWANGDBS INVESTMENT BANK BERHAD Suite 1-9-E1, 9 th Floor, CPS Tower Centre Point Sabah No. 1 Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No.: 088-311 688	068-008
OSK INVESTMENT BANK BERHAD 5 th floor, Wisma BSN Sabah Jalan Kemajuan Karamuning 88000 Kota Kinabalu Sabah Tel No.: 088-269788	056-010	OSK INVESTMENT BANK BERHAD Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah Mile 4 North Road 91000 Sandakan Sabah Tel No.: 089-229 286	056-057
<u>SARAWAK</u>			
AMINVESTMENT BANK BERHAD No. 164, 166 & 168 1st, 2nd & 3rd Floor Jalan Abell 93100 Kuching Sarawak Tel No.: 082-244 791	086-005	CIMB INVESTMENT BANK BERHAD Level 1, Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No.: 082-358 606	065-004
HWANGDBS INVESTMENT BANK BERHAD No. 282, 1 st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-330 008	068-016	HWANGDBS INVESTMENT BANK BERHAD Lot 328, Jalan Abell 93100 Kuching Sarawak Tel No.: 082-236 999	068-005
KENANGA INVESTMENT BANK BERHAD Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No.: 085-435 577	073-002	KENANGA INVESTMENT BANK BERHAD Level 5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No.: 082-338 000	073-003
KENANGA INVESTMENT BANK BERHAD No. 11-12 (Ground & 1 st Floor) Lorong Kampung Datu 3 96000 Sibu Sarawak Tel No.: 084-313 855	073-012	OSK INVESTMENT BANK BERHAD Lot 170 and 171 Section 49 K.T.L.D. Jalan Chan Chin Ann 93100 Kuching Sarawak Tel No.: 082-422 252	056-008

15 PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

NAME, ADDRESS & TELEPHONE NUMBER	ADA Code	NAME, ADDRESS & TELEPHONE NUMBER	ADA Code
OSK INVESTMENT BANK BERHAD Lot 1268, 1 st & 2 nd Floor Lot 1269 2 nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No.: 085-422 788	056-012	OSK INVESTMENT BANK BERHAD 102, Pusat Pedada Jalan Pedada 96000 Sibul Sarawak Tel No.: 084-329 100	056-013
OSK INVESTMENT BANK BERHAD Ground Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel No.: 084-654 100	056-050	OSK INVESTMENT BANK BERHAD Ground Floor No.221 Parkcity Commerce Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-311 770	056-053
TA SECURITIES HOLDINGS BERHAD 12G, H & I, Jalan Kampung Datu 96000 Sibul Sarawak Tel No.: 084-319 998	058-002	TA SECURITIES HOLDINGS BHD 2 nd Floor, (Bahagian Hadapan) Bangunan Binamas Lot 138, Section 54 Jalan Pandung 93100 Kuching Sarawak Tel No.: 082-236 333	058-006

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Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW

The following table sets out a summary of certain differences between the provisions of the laws of Bermuda applicable to our Company (including the Companies Act 1981 of Bermuda (the "Act") and the Bye-laws of the Company) (the "Bermuda Company Law") and the laws applicable to Malaysian companies (the references to Malaysian company being to a company as defined by Section 4(1) of the Malaysian Companies Act) (the "Malaysian Company Law"). Certain other Malaysian legislation including the Securities Industry (Central Depositories) Act 1991 may also contain provisions of a Malaysian Company Law nature. The Offshore Companies Act 1990 which is applicable to offshore companies in Malaysia. The Securities Industry (Central Depositories) Act 1991 and the Offshore Companies Act 1990 of Malaysia together with Malaysian common law and securities law affecting Malaysian companies are not included in the summary of differences unless expressly stated otherwise.

The summaries below are not to be regarded as advice on Bermuda Company Law or the differences between it and the laws of any jurisdiction, including, without limitation, the Malaysian Company Law. References to the Comments on differences below do not purport to be complete and exhaustive and in any event are (unless expressly stated otherwise) based only on a general comparison on a non-exhaustive basis as to whether there are equivalent provisions in respect of the expressed provisions of the Act relative to the Malaysian Companies Act and comments on such differences do not take into account any common law or judicial interpretations affecting the Act and the Malaysian Companies Act. The summaries below do not purport to be a comprehensive description of all of the rights and privileges of shareholders conferred by the Bermuda Company Law as compared to the Malaysian Company Law that may be relevant to prospective investors. The summaries below do not purport to be complete and are qualified in their entirety by reference to the Act, the Bye-laws of the Company and the Malaysian Company Law. In addition, it should also be noted that the laws applicable to Malaysian companies and Bermuda exempted companies may change, whether as a result of proposed legislative reforms to the Malaysian Company Law or the Bermuda Company Law, as the case may be, or otherwise. In addition, the summaries below do not describe the regulations and requirements prescribed by the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"). Prospective investors are advised to seek independent legal advice.

If you intend to have a detailed review of the relevant laws and regulations of Bermuda, or a detailed explanation on the comparability and/or discrepancy of the relevant laws and regulations between Bermuda and Malaysia or any other jurisdiction, you are recommended to seek independent legal advice.

Please note that definitions used in the Malaysian Companies Act, the Act and/or the Bye-laws follow that of the Malaysian Companies Act, the Act and the Bye-laws respectively.
 NOTE: References at this time to the Bye-laws of our Company shall refer to Bye-laws proposed to be adopted before registration of the Prospectus.

Malaysian Company Law	Bermuda Company Law	Comments on differences
<p>DIRECTOR'S POWER TO VOTE ON A PROPOSAL, ARRANGEMENT OR CONTRACT IN WHICH HE IS INTERESTED; CONFLICTS OF INTEREST AND OTHER TRANSACTIONS WITH DIRECTORS</p>		
<p><i>Directors' Disclosure of Interest in Contracts with the Issuer</i></p> <p>Section 131(1) of the Malaysian Companies Act: Subject to this section every director of a company who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the company shall, as soon as practicable after the relevant facts have come to his knowledge, declare the nature of his interest at a meeting of the directors of the company.</p>	<p>Section 97(4) of the Act: Without in any way limiting the generality of section 97(1) of the Act, an officer of a company shall be deemed not to be acting honestly and in good faith if –</p> <p>(a) he fails on request to make known to the auditors of the company full details of –</p>	<p>The Malaysian Companies Act refers to 'Every director of a company' and the Act refers to 'an officer of a company'. However, the Act defines "officer" in relation to a body corporate, as including director and secretary.</p> <p>In addition, Bye-laws 103 and 104 expressly refer to directors.</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>Section 131(3) of the Malaysian Companies Act: A director of a company shall not be deemed to be interested or to have been at any time interested in any contract or proposed contract by reason only –</p> <p>(a) in a case where the contract or proposed contract relates to any loan to the company – that he has guaranteed or joined in guaranteeing the repayment of the loan or any part of the loan; or</p> <p>(b) in a case where the contract or proposed contract has been or will be made with or for the benefit of or on behalf of a corporation which by virtue of section 6 is deemed to be related to the company – that he is a director of that corporation,</p> <p>and this subsection shall have effect not only for the purposes of the Malaysian Companies Act but also for the purposes of any other law, but shall not affect the operation of any provision in the articles of the company.</p> <p>Section 131(4) of the Malaysian Companies Act: For the purposes of subsection (1), a general notice given to the directors of a company by a director to the effect that he is an officer or member of a specified corporation or a member of a specified firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with that corporation or firm shall be deemed to be a sufficient declaration of interest in relation to any contract so made if it specifies the nature and extent of his interest in the specified corporation or firm and his interest is not different in nature or greater in extent than the nature and extent so specified in the general notice at the time any contract is so made, but no such notice shall be of effect unless either it is given at a meeting of the directors or the director takes reasonable steps to ensure that it is brought up and read at the next meeting of the directors after it is given.</p>	<p>(i) any emolument, pension or other benefit that he has received or it is agreed that he should receive from the company or any of the company's subsidiaries, or</p> <p>(ii) any loan he has received or is to receive from the company or any of its subsidiaries;</p> <p>(b) he fails to disclose at the first opportunity at a meeting of directors or by writing to the directors –</p> <p>(i) his interest in any material contract or proposed material contract with the company or any of its subsidiaries;</p> <p>(ii) his material interest in any person that is a party to a material contract or proposed material contract with the company or any of its subsidiaries.</p> <p>Section 97(5) of the Act: For the purposes of section 97 of the Act –</p> <p>(a) a general notice to the directors of a company by an officer of the company declaring that he is an officer of or has a material interest in a person and is to be regarded as interested in any contract with that person is a sufficient declaration of interest in relation to any such contract;</p> <p>(b) the word material in relation to a contract or proposed contract shall be construed as relating to the materiality of that contract or proposed contract in relation to the business of the company to which disclosure must be made;</p> <p>(c) an interest occurring by reason of the ownership or direct or indirect control of not more than ten per centum of the capital of a person shall not be deemed material.</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>Section 131(5) of the Malaysian Companies Act: Every director of a company who holds any office or possesses any property whereby whether directly or indirectly duties or interests might be created in conflict with his duties or interests as director shall declare at a meeting of the directors of the company the fact and the nature, character and extent of the conflict.</p> <p>Section 131(6) of the Malaysian Companies Act: The declaration shall be made at the first meeting of the directors held –</p> <p>(a) after he becomes a director; or</p> <p>(b) (if already a director) after he commenced to hold the office or to possess the property,</p> <p>as the case requires.</p> <p>Section 131(8) of the Malaysian Companies Act: Except as provided in subsection (3) this section shall be in addition to and not in derogation of the operation of any rule of law or any provision in the articles restricting a director from having any interest in contracts with the company or from holding offices or possessing properties involving duties or interests in conflict with his duties or interests as a director.</p>	<p>Section 97(7) of the Act: Nothing in section 97 of the Act shall be taken to prejudice any rule of law or any bye-law restricting officers of a company from having any interest in contracts with the company.</p> <p>Bye-law 103: Subject to the Act, the Listing Requirements and to the Bye-laws, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with Bye-law 104 herein.</p> <p>Bye-law 104: A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of Bye-law 104, a general Notice to the Board by a Director to the effect that:-</p> <p>(a) he is a member or officer of a specified company or firm and is to be regarded as interested in any contract</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>Section 131A(1) of the Malaysian Companies Act: Subject to Section 131, a director of a company who is in any way, whether directly or indirectly, interested in a contract entered into or proposed to be entered into by the company, unless the interest is one that need not be disclosed under Section 131 of the Malaysian Companies Act, shall be counted only to make the quorum at the board meeting but shall not participate in any discussion while the contract or proposed contract is being considered at the board meeting and shall not vote on the contract or proposed contract.</p> <p>Section 131A(2) of the Malaysian Companies Act: Subsection (1) shall not apply to –</p> <p>(a) a private company unless it is a subsidiary to a public company;</p> <p>(b) a private company which is a wholly-owned subsidiary of a public company, in respect of any contract or</p>	<p>or arrangement which may after the date of the Notice be made with that company or firm; or</p> <p>(b) he is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with a specified person who is connected with him;</p> <p>shall be deemed to be a sufficient declaration of interest under Bye-law 104 in relation to any such contract or arrangement, provided that no such Notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.</p>	
<p><i>Interested Director Not to Participate or Vote in Board's Proceedings</i></p>	<p>Not provided in the Act.</p>	
<p>Section 105(1) of the Malaysian Companies Act: Subject to Section 105(2), a director of a company who is in any way, whether directly or indirectly, interested in a contract entered into or proposed to be entered into by the company, unless the interest is one that need not be disclosed under Section 105 of the Malaysian Companies Act, shall be counted only to make the quorum at the board meeting but shall not participate in any discussion while the contract or proposed contract is being considered at the board meeting and shall not vote on the contract or proposed contract.</p> <p>Section 105(2) of the Malaysian Companies Act: Subsection (1) shall not apply to –</p> <p>(a) a private company unless it is a subsidiary to a public company;</p> <p>(b) a private company which is a wholly-owned subsidiary of a public company, in respect of any contract or</p>	<p>Bye-law 105(1): A Director shall not vote on any resolution of the Board in respect of any contract or arrangement or proposed contract or arrangement in which he has directly or indirectly a personal material interest. Matters in which he shall not be considered to have a personal material interest shall include the following:</p> <p>(a) any contract or arrangement for the giving to such Director any security or indemnity in respect of money lent by him or obligations incurred or undertaken by him at the request of or for the benefit of the Company or any of its subsidiaries;</p> <p>(b) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director has himself assumed responsibility in whole or in part whether</p>	<p>The Act does not have a provision that expressly prohibits or restricts an interested director from participating or voting in board proceedings.</p> <p>In this connection, Bye-law 105(1) prohibits a director from voting in respect of any contract or arrangement or proposed contract or arrangement in which he has personal material interest, whether directly or indirectly, except for certain circumstances provided in Bye-law 105(1) which are not regarded as contract or arrangement or proposed contract or arrangement in which such director has personal material interest ("Exemptions"). However, one should note that the Exemptions are wider than those provided for in Section 133A of the Malaysian Companies Act.</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>proposed contract to be entered into by the private company with the holding company or with another wholly-owned subsidiary of that same holding company;</p> <p>(c) any contract or proposed contract of indemnity against any loss which any director may suffer by reason of becoming or being a surety for a company;</p> <p>(d) any contract or proposed contract entered into or to be entered into by a public company or a private company which is subsidiary of a public company, with another company in which the interest of the director consists solely of –</p> <p>(i) in him being a director of the company and the holder of shares not more than the number or value as is required to qualify him for the appointment as a director; or</p> <p>(ii) in him having an interest in not more than five per centum of its paid up capital.</p>	<p>alone or jointly under a guarantee or indemnity or by the giving of security;</p> <p>(c) any contract or arrangement in which he is interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his interest in shares or debentures or other securities of the Company;</p> <p>(d) any contract or arrangement concerning any other company in which he is interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the Director together with any of his associates (as defined by the rules or regulations, where applicable, of the Designated Stock Exchange) is beneficially interested in (other than through his interest (if any) in the Company) five (5) per cent or more of the voting rights of any class of shares of such company (or any third company through which his interest is derived); or</p> <p>(e) any proposal concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates.</p>	<p>For example, Bye-law 105(1)(a) extends the circumstances in which a director is not regarded as being interested in to, amongst others, any arrangement giving such Director any security or indemnity in respect of money lent by him or obligations incurred or undertaken by him at the request of or for the benefit of the Company or any of its subsidiaries, whereas, section 131A(1) of the Malaysian Companies Act is limited to a contract or proposed contract of indemnity against any loss which any director may suffer by reason of becoming or being a surety for a company.</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on difference</u>
<p><i>Director's Fiduciary Duties and Conflicts of Interest</i></p> <p>Every director by virtue of his office occupies a fiduciary position with respect to the company. The fiduciary relationship is similar to that of a principal and agent relationship. This relationship arises from the fact that a company being an artificial person can only act through natural persons. Such being the case, a company can only act through agents, i.e., its individual directors and its board of directors, and it is the duty of the "agents" to act in the best interest of the company. Accordingly, a director is not permitted to place himself in a situation where his interests conflict with his duty. Duties are imposed upon any person who becomes a director of a company and breaches of these duties may lead to criminal or civil liabilities. Such duties are governed by statute and common law. Such duties include (without limitation) duties of care and skill and duties to act in good faith in the best interest of the company, as well as the statutory duty under Section 132(1) of the Malaysian Companies Act: A director of a company shall at all times exercise his powers for a proper purpose and in good faith in the best interest of the company.</p> <p>Section 132(1A) of the Malaysian Companies Act: A director of a company shall exercise reasonable care, skill and diligence with –</p> <p>(a) the knowledge, skill and experience which may reasonably be expected of a director having the same responsibilities; and</p>	<p>Section 97(1) of the Act. Every officer of a company in exercising his powers and discharging his duties shall –</p> <p>(a) act honestly and in good faith with a view to the best interests of the company; and</p> <p>(b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.</p> <p>Section 97(5A) of the Bermuda Companies Act. An officer is not liable under section 97(1) of the Bermuda Companies Act if he relies in good faith upon –</p> <p>(a) financial statements of the company represented to him by another officer of the company; or</p> <p>(b) a report of an attorney, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by him.</p> <p>Bye-Law 102: A Director may:-</p> <p>(a) hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and subject to the relevant provisions of the Act, upon such terms as the Board may determine. Any remuneration (whether by way of salary, commission, participation in profits or otherwise) paid to any Director in respect of any such other office or place of profit shall be in addition to any remuneration provided for by or pursuant to any</p>	<p>The Act and Bye-laws do not provide any express provisions in respect of the responsibility of a "nominee director" as provided for under section 132(1E) of the Malaysian Companies Act. Under the Act, "director" is defined to include inter alia "any person occupying the position of director by whatever name called".</p> <p>There is also the prohibition against the improper use of company's property, position, corporate opportunity or competing with the company under section 132(2) of the Malaysian Companies Act in respect of which there is no equivalent express provisions in the Act or Bye-laws.</p> <p>The Malaysian provisions in section 132(2) are essentially a restatement of the common law fiduciary duties of a director. The duties and obligations of a director of a Bermuda company comprise not only those in the Act but also those found in common law.</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>(b) any additional knowledge, skill and experience which the director in fact has.</p> <p>Section 132(1B) of the Malaysian Companies Act: A director who makes a business judgement is deemed to meet the requirements of the duty under subsection (1A) and the equivalent duties under the common law and in equity if the director –</p> <p>(a) makes the business judgement in good faith for a proper purpose;</p> <p>(b) does not have a material personal interest in the subject matter of the business judgement;</p> <p>(c) is informed about the subject matter of the business judgement to the extent the director reasonably believes to be appropriate under the circumstances; and</p> <p>(d) reasonably believes that the business judgment is in the best interest of the company.</p> <p>Section 132(1C) of the Malaysian Companies Act: A director, in exercising his duties as a director may rely on information, professional or expert advice, opinions, reports or statements including financial statements and other financial data, prepared, presented or made by –</p> <p>(a) any officer of the company whom the director believes on reasonable grounds to be reliable and competent in relation to matters concerned;</p> <p>(b) any other person retained by the company as to matters involving skills or expertise in relation to matters that the director believes on reasonable grounds to be within the person's professional or expert competence;</p> <p>(c) another director in relation to matters within the director's authority; or</p>	<p>other Bye-law; and/or</p> <p>(b) act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm may be remunerated for professional services as if he were not a Director; and/or</p> <p>(c) continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company promoted by the Company, or in which the Company may be interested as a vendor, shareholder or otherwise and (unless otherwise agreed) no such Director shall be accountable for any remuneration, profits or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of or from his interests in any such other company. Subject as otherwise provided by the Bye-laws or the Listing Requirements, the directors may exercise or cause to be exercised the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) or voting or providing for the payment of remuneration to the director, managing director, joint managing director, deputy managing director, executive director, manager or other officers of such other company and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or is about to be, appointed a director.</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>(d) any committee to the board of directors on which the director did not serve in relation to matters within the committee's authority.</p> <p>Section 132(1D) of the Malaysian Companies Act: The director's reliance made under subsection (1C) is deemed to be made on reasonable grounds if it was made –</p> <p>(a) in good faith; and</p> <p>(b) after making an independent assessment of the information or advice, opinions, reports or statements, including financial statements and other financial data, having regard to the director's knowledge of the company and the complexity of the structure and operation of the company.</p> <p>Section 132 (1E) of the Malaysian Companies Act: A director, who was appointed by virtue of his position as an employee of a company, or who was appointed by or as a representative of a shareholder, employer or debenture holder, shall act in the best interest of the company and in the event of any conflict between his duty to act in the best interest of the company and his duty to his nominator, he shall not subordinate his duty to act in the best interest of the company to his duty to his nominator.</p> <p>Section 132(2) of the Malaysian Companies Act: A director or officer of a company shall not, without the consent or ratification of a general meeting –</p> <p>(a) use the property of the company;</p> <p>(b) use any information acquired by virtue of his position as a director or officer of the company;</p> <p>(c) use his position as such director or officer;</p> <p>(d) use any opportunity of the company which he became aware of, in the performance of his functions as the</p>	<p>managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>director or officer of the company; or</p> <p>(e) engage in business which is in competition with the company,</p> <p>to gain directly or indirectly, a benefit for himself or any other person, or cause detriment to the company.</p>		
<p><i>Related Party Transactions</i></p> <p>Section 132E of the Malaysian Companies Act:</p> <p>(1) Subject to subsection (2) and section 132F, a company shall not carry into effect any arrangement or transaction where a director or a substantial shareholder of the company or its holding company, or a person connected with such a director or substantial shareholder –</p> <p>(a) acquires or is to acquire shares or non-cash assets of the requisite value, from the company; or</p> <p>(b) disposes of or is to dispose of shares or non-cash assets of the requisite value, to the company.</p> <p>(2) An arrangement or transaction which is carried into effect in contravention of subsection (1) shall be void, unless there is prior approval of the arrangement or transaction –</p> <p>(a) by a resolution of the company at a general meeting; or</p> <p>(b) by a resolution of the holding company at a general meeting, if the arrangement or transaction is in favour of a director or substantial shareholder of its holding company or person connected with such director or substantial shareholder.</p>	<p>Not provided for in the Act.</p> <p>Bye-law 172:</p> <p>(1) For so long as the shares of the Company are listed on the Designated Stock Exchange, the Company shall not carry into effect any arrangement or transaction where a director or a substantial shareholder of the Company or its holding company, or a person connected with such a director or substantial shareholder:-</p> <p>(a) acquires or is to acquire shares or non-cash assets of the requisite value, from the Company, or</p> <p>(b) disposes of or is to dispose of shares or non-cash assets of the requisite value, to the Company,</p> <p>unless there is prior approval of the arrangement or transaction:-</p> <p>(a) by a resolution of the Company in general meeting; or</p> <p>(b) by a resolution of the Company's holding company in general meeting, if the arrangement or transaction is in favour of a director or substantial shareholder of its holding company or person connected with such director or substantial shareholder.</p>	<p>Related party transaction is not provided for in the Act.</p> <p>In this regard, Bye-law 172 makes similar provision to section 132E of the Malaysian Companies Act except section 132E(5) and (6). Section 132E(5) of the Malaysian Companies Act is procedural in nature and provides for an application to court by a member and section 132E(6) of the Malaysian Companies Act imposes a penalty on the director or substantial shareholder who contravened the section.</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>(3) The resolution of the company or its holding company at the general meeting of the company or its holding company to consider the arrangement or transaction shall be subject to the director, substantial shareholder or person connected with such director or substantial shareholder, as the case may be, abstaining from voting on the resolution whether or not to approve the arrangement or transaction.</p>	<p>(2) The resolution of the Company or its holding company at the general meeting of the Company or its holding company to consider the arrangement or transaction shall be subject to the director, substantial shareholder or person connected with such director or substantial shareholder, as the case may be, abstaining from voting on the resolution whether or not to approve the arrangement or transaction.</p>	
<p>(4) Where an arrangement or transaction is carried into effect by a company in contravention of subsections (1) and (2) that director, substantial shareholder or person connected with such director or substantial shareholder and any director who knowingly authorised the arrangement or transaction shall, in addition to any other liability, be liable –</p> <p>(a) to account to the company for any gain which he had made directly or indirectly by the arrangement or transaction; and</p> <p>(b) jointly and severally with any person liable under this subsection, to indemnify the company for any loss or damage resulting from the arrangement or transaction.</p> <p>(5) The Court may, on the application of any member or director of the company, restrain the company from carrying into effect an arrangement or transaction in contravention of subsection (1).</p> <p>(6) A director or substantial shareholder of a company or its holding company, or a person connected with such director or substantial shareholder, in whose favour the company carries into effect an arrangement or transaction and who knows that such arrangement or transaction is carried into effect by a company in contravention of this section, or a director who knowingly authorised the company to carry into effect such arrangement or transaction, in contravention of</p>	<p>(3) Where an arrangement or transaction is carried into effect by the Company in contravention of Bye-laws 172(1) and (2), that director, substantial shareholder or person connected with such director or substantial shareholder and any director who knowingly authorised the arrangement or transaction shall, in addition to any other liability, be liable –</p> <p>(a) to account to the Company for any gain which he had made directly or indirectly by the arrangement or transaction; and</p> <p>(b) jointly and severally with any person liable under Bye-law 172(4), to indemnify the Company for any loss or damage resulting from the arrangement or transaction.</p> <p>(4) For the purposes of Bye-law 172(1):-</p> <p>(a) a person shall be connected with a director or substantial shareholder if he is:-</p> <p>(i) a member of that director's or substantial shareholder's family. "A member of that director's or substantial shareholder's family" shall include his spouse, parent, child (including adopted child and stepchild), brother, sister and the spouse of his child, brother or sister; or</p> <p>(ii) a body corporate which is associated with that director or substantial shareholder. A body corporate is</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>this section, shall be guilty of an offence against the Malaysian Companies Act.</p> <p>(7) For the purposes of subsection (1) –</p> <p>(a) "person connected with a substantial shareholder" shall have the same meaning as that assigned to a "person connected with a director" in section 122A (please refer to the summary of Section 122A in the section on "Loans to Directors" below) save that all references therein to a director shall be read as a reference to a substantial shareholder;</p> <p>(b) "requisite value", in the case of a company where all or any of its shares are listed for quotation on the official list of a Stock Exchange as defined under the Securities Industry Act 1983 of Malaysia, shall be the same value as the value prescribed by the provisions in the listing requirements of the Exchange –</p> <p>(i) which relates to acquisitions or disposals by a company or its subsidiaries to which such provision applies; and</p> <p>(ii) which would require the approval of shareholders at a general meeting in accordance with the provisions of such listing requirements;</p> <p>(c) in the case of any company other than a company to which paragraph (b) is applicable, non-cash asset is of the requisite value if, at the time of the transaction, its value exceeds two hundred and fifty thousand ringgit or, if its value does not exceed two hundred and fifty thousand ringgit but exceeds ten per centum of the company's asset value provided it is not less than ten thousand ringgit, where –</p> <p>(i) the value of the company's assets is determined by reference to the accounts prepared and laid under Part VI in respect of the last financial year prior to the arrangement or transaction; or</p>	<p>associated with a director if:-</p> <p>(I) the body corporate is accustomed or is under an obligation, whether formal or informal, or its directors are accustomed, to act in accordance with the directions, instructions or wishes of that director or substantial shareholder; or</p> <p>(II) that director or substantial shareholder has a controlling interest in the body corporate; or</p> <p>(III) that director or substantial shareholder or persons connected with him, or that director or substantial shareholder and persons connected with him, are entitled to exercise, or control the exercise of, not less than fifteen per centum (15%) of the votes attached to voting shares in the body corporate; or</p> <p>(IV) a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which that director or substantial shareholder or a member of his family is a beneficiary; or</p> <p>(V) a partner of that director or substantial shareholder or a partner of a person connected with that director or substantial shareholder;</p> <p>(b) a company shall be a "holding company" of another corporation in accordance with the following provisions:-</p> <p>(i) if the company:</p> <p>(I) controls the composition of the board of directors of the second-mentioned company;</p> <p>(II) controls more than half of the voting power of the second-mentioned company;</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>(i) no accounts have been so prepared and laid before that time, the amount of the company's called up share capital.</p> <p>(8) In this section –</p> <p>(a) a reference to the acquisition or disposal of a non-cash asset includes the creation or extinction of an estate or interests in, or a right over, any property and also the discharge of any person's liability, other than liability for a liquidated sum;</p> <p>(b) "cash" includes foreign currency;</p> <p>(c) "director" includes the chief executive officer, the chief operating officer, the chief financial controller or any other person primarily responsible for the operations or financial management of a company, by whatever name called;</p> <p>(d) "non-cash asset" means any property or interest in property other than cash."</p>	<p>(III) holds more than half of the issued share capital of the second-mentioned corporation (excluding any part thereof which consists of preference shares); or</p> <p>(ii) if the second-mentioned company is a subsidiary of any corporation which is that other corporation's subsidiary;</p> <p>(iii) the composition of a corporation's board of directors shall be deemed to be controlled by another corporation if that other corporation by the exercise of some power exercisable by it without the consent or concurrence of any other person can appoint or remove all or a majority of the directors, and for the purpose of Bye-law 172, that other corporation shall be deemed to have power to make such an appointment if:-</p> <p>(I) a person cannot be appointed as a director without the exercise in his favour by that other corporation of such a power; or</p> <p>(II) a person's appointment as a director follows necessarily from his being a director or other officer of that other corporation.</p> <p>(iv) in determining whether a corporation is the holding company of another corporation:-</p> <p>(I) any shares held or power exercisable by that corporation in a fiduciary capacity shall be treated as not held or exercisable by it;</p> <p>(II) subject to sub-paragraphs (III) and (IV) below, any shares held or power exercisable:</p> <p>(A) by any person as a nominee for that</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
	<p>corporation (except where that corporation is concerned only in a fiduciary capacity); or</p> <p>(B) by or by a nominee for, a subsidiary of that corporation not being a subsidiary which is concerned only in a fiduciary capacity;</p> <p>shall be treated as held or exercisable by that corporation;</p> <p>(III) any shares held or power exercisable by any person by virtue of the provision of any debentures of the second-mentioned corporation or of a trust deed for securing any issue of such debentures shall be disregarded; and;</p> <p>(IV) any shares held or power exercisable by, or by a nominee for, that corporation or its subsidiary (not being held or exercisable as mentioned in sub-paragraph III above) shall be treated as not held or exercisable by that corporation if the ordinary business of that corporation or its subsidiary, as the case may be, includes the lending of money and the shares are held or power is exercisable as aforesaid by way of security only for the purposes of a transaction entered into in the ordinary course of that business.</p> <p>(c) "requisite value", in the case where all or any of the shares of the Company are listed for quotation on the Designated Stock Exchange, shall be the same value as the value prescribed by the provisions in the Listing Requirements:</p> <p>(i) which relates to acquisitions or disposals by a</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
	<p>company or its subsidiaries to which such provision applies, and</p> <p>(ii) which would require the approval of Members in general meeting in accordance with the provisions of such Listing Requirements.</p> <p>(5) In Bye-law 172:-</p> <p>(a) a reference to the acquisition or disposal of a non-cash asset includes the creation or extinction of an estate or interests in, or a right over, any property and also the discharge of any person's liability, other than liability for a liquidated sum;</p> <p>(b) "cash" includes foreign currency;</p> <p>(c) "director" includes the chief executive officer, the chief operating officer, the chief financial controller or any other person primarily responsible for the operations or financial management of the Company, by whatever name called;</p> <p>(d) "non-cash asset" means any property or interest in property other than cash.</p>	
<p><i>Loans to Directors</i></p> <p>Section 133 of the Malaysian Companies Act:</p> <p>(1) A company (other than an exempt private company) shall not make a loan to a director of the company or of a company which by virtue of section 6 is deemed to be related to that company, or enter into any guarantee or provide any security in connection with a loan made to such a director by any other person but nothing in this section shall apply –</p> <p>(a) subject to subsection (2), to anything done to provide such a director with funds to meet expenditure incurred or to be incurred by him for</p>	<p>Section 96(1) to (5) of the Act:</p> <p>(1) Without the consent of any member or members holding in the aggregate not less than nine-tenths of the total voting rights of all the members having the right to vote at any meeting of the members of the company it shall not be lawful for a company to make a loan to any person who is its director or a director of its holding company, or to enter into any guarantee or provide any security in connection with a loan made to such person as aforesaid by any other person:</p> <p>Provided that nothing in section 96 of the Act shall</p>	<p>Save for the circumstances provided in Section 96(1)(a) - (c) of the Act, the Act prohibits loans to its directors without the consent of member(s) holding in the aggregate not less than nine-tenths of the total voting rights of all the members having the right to vote at any general meeting of the members. The Malaysian Companies Act prohibits loan to a director except in circumstances mentioned in section 133(1)(a)-(c) of the Malaysian Companies Act.</p> <p>The Malaysian Companies Act also allows for loan to be made by a company to its directors engaged in the full time employment of the company or its holding company with</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>the purposes of the company or for the purpose of enabling him properly to perform his duties as an officer of the company;</p> <p>(b) to anything done to provide such a director who is engaged in the full-time employment of the company or its holding company, as the case may be, with funds to meet expenditure incurred or to be incurred by him in purchasing or otherwise acquiring a home; or</p> <p>(c) to any loan made to such a director who is engaged in the full-time employment of the company or its holding company, as the case may be, where the company has at a general meeting approved of a scheme for the making of loans to employees of the company and the loan is in accordance with that scheme.</p> <p>(2) Paragraph (1)(a) or (b) shall not authorise the making of any loan, or the entering into any guarantee, or the provision of any security except –</p> <p>(a) with the prior approval of the company given at general meeting at which the purposes of the expenditure and the amount of the loan or the extent of the guarantee or security, as the case may be, are disclosed;</p> <p>(b) on condition that, if the approval of the company is not given as aforesaid at or before the next following annual general meeting, the loan shall be repaid or the liability under the guarantee or security shall be discharged, as the case may be, within six months from the conclusion of that meeting.</p>	<p>apply –</p> <p>(a) subject to section 96(2) of the Act, to anything done to provide any such person as aforesaid with funds to meet expenditure incurred or to be incurred by him for the purposes of the company or for the purpose of enabling him properly to perform his duties as an officer of the company;</p> <p>(b) in the case of a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans made by other persons, to anything done by the company in the ordinary course of that business; or</p> <p>(c) to any advance of moneys by a company to an officer or auditor under section 98(2)(c) of the Act.</p> <p>(2) Proviso (a) to section 96(1) of the Act shall not authorise the making of any loan, or the entering into any guarantee, or the provision of any security, except either –</p> <p>(a) with the prior approval of the company given at a general meeting at which the purposes of the expenditure and the amount of the loan or the extent of the guarantee or security, as the case may be, are disclosed; or</p> <p>(b) on condition that, if the approval of the company is not given as aforesaid at or before the next following annual general meeting, the loan shall be repaid or the liability under the guarantee or security shall be discharged, as the case may be, within six months from the conclusion of that meeting.</p> <p>(3) Where the approval of the company is not given as required by any such condition, the directors authorising the making of the loan, or the entering into the guarantee, or the provision of the security, shall be jointly and severally liable to indemnify the company</p>	<p>consent of members in a general meeting, for purchasing a home, whereas the Act contains no such provisions.</p> <p>The Act allows for advances to be made by a company to its officers or auditor for costs, charges and expenses incurred by the officer or auditor in defending any civil or criminal proceedings against them, on condition that the officer or auditor shall repay the advance if any allegation of fraud or dishonesty is proved against them. A similar provision in the Malaysian Companies Act can be found in section 140(2).</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>meeting.</p> <p>(3) Where the approval of the company is not given as required by any such condition, the directors authorising the making of the loan, or the entering into the guarantee, or the provision of the security, shall be jointly and severally liable to indemnify the company against any loss arising therefrom.</p> <p>(4) Where a company contravenes this section any director who authorises the making of any loan, the entering into of any guarantee or the providing of any security contrary to this section shall be guilty of an offence against the Malaysian Companies Act.</p>	<p>against any loss arising therefrom.</p> <p>(4) A loan shall be deemed to be a loan to a director if it is made to –</p> <p>(a) the spouse or children of a director; or</p> <p>(b) to a company (other than a company which is a holding company or a subsidiary of the company making the loan) which a director, his spouse or children own or control directly or indirectly more than twenty per cent of the capital or loan debt.</p>	
<p>(5) Nothing in this section shall operate to prevent the company from recovering the amount of any loan or amount for which it becomes liable under any guarantee entered into or in respect of any security given contrary to this section.</p> <p>Section 133A(1) of the Malaysian Companies Act: a company (other than an exempt private company) shall not</p>	<p>(5) For the purposes of section 96 of the Act a loan shall not be deemed to have been made in the ordinary course of business of a company if it has not been made on normal commercial terms in respect of interest rates, repayment terms and security.</p> <p>Section 98(2)(c) of the Act:</p>	
<p>(a) make a loan to any person connected with a director of the company or of its holding company; or</p> <p>(b) enter into any guarantee or provide any security in connection with a loan made to such person by any other person.</p> <p>Section 133A(2) of the Malaysian Companies Act: This section shall not apply –</p> <p>(a) to anything done by a company where the loan is made, or the guarantee or security is provided in relation to a loan made, to a subsidiary or holding</p>	<p>(2) Any provision, whether contained in the bye-laws of a company or in any contract or arrangement between the company and any officer, or any person employed by the company as auditor, exempting such officer or person from, or indemnifying him against any liability which by virtue of any rule of law would otherwise attach to him in respect of any fraud or dishonesty of which he may be guilty in relation to the company shall be void: Provided that –</p> <p>(c) notwithstanding anything in this section, a company may advance moneys to an officer or auditor for the costs, charges and expenses incurred by the officer or auditor in defending any civil or criminal proceedings against them, on condition that the officer or auditor shall repay the advance if any allegation of fraud</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>company or a subsidiary of its holding company;</p> <p>(b) to a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans made by other persons, or to anything done by the company in the ordinary course of that business, if the activities of that company are regulated by any written law relating to banking, finance companies or insurance or are subject to supervision by Bank Negara Malaysia; or</p> <p>(c) to any loan made to a person connected with a director who is engaged in the full-time employment of a company or its related corporation, as the case may be –</p> <p>(i) for the purpose of meeting expenditure incurred or to be incurred by him in purchasing or otherwise acquiring a home; or</p> <p>(ii) in accordance with a scheme for the making of loans to employees approved by the company in general meeting.</p> <p>Section 122A of the Malaysian Companies Act:</p> <p>(1) For the purposes of this Division a person shall be deemed to be connected with a director if he is –</p> <p>(a) a member of that director's family; or</p> <p>(b) a body corporate which is associated with that director; or</p> <p>(c) a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which that director or a member of his family is a beneficiary; or</p> <p>(d) a partner of that director or a partner of a person connected with that director.</p> <p>(2) In paragraph (1)(a), "a member of that director's</p>	<p>or dishonesty is proved against them.</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>family" shall include his spouse, parent, child (including adopted child and stepchild), brother, sister and the spouse of his child, brother or sister.</p> <p>(3) For the purposes of paragraph (1)(b), a body corporate is associated with a director if –</p> <p>(a) the body corporate is accustomed or is under an obligation, whether formal or informal, or its directors are accustomed, to act in accordance with the directions, instructions or wishes of that director;</p> <p>(b) that director has a controlling interest in the body corporate; or</p> <p>(c) that director or persons connected with him, or that director and persons connected with him, are entitled to exercise, or control the exercise of, not less than fifteen per centum of the votes attached to voting shares in the body corporate.</p> <p>Section 140 of the Malaysian Companies Act:</p> <p>(1) Any provision, whether contained in the articles or in any contract with a company or otherwise, for exempting any officer or auditor of the company from, or indemnifying him against, any liability which by law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust, of which he may be guilty in relation to the company, shall be void.</p> <p>(2) Notwithstanding anything in this section a company may pursuant to its articles or otherwise indemnify any officer or auditor against any liability incurred by him in</p>		

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in relation thereto in which relief is under this Act granted to him by the Court.</p>		
<p>DIRECTOR'S POWER TO VOTE ON REMUNERATION (INCLUDING PENSION OR OTHER BENEFITS) FOR HIMSELF OR FOR ANY OTHER DIRECTOR; AND WHETHER THE QUORUM AT A MEETING OF THE BOARD OF DIRECTORS MAY INCLUDE THE DIRECTOR WHOSE REMUNERATION IS THE SUBJECT OF THE VOTE</p>		
<p><i>Remuneration of Directors</i></p>		
<p>A director may not receive remuneration except as authorised by the Memorandum and Articles of Association of a company.</p> <p>Section 137 of the Malaysian Companies Act:</p> <p>(1) It shall not be lawful –</p> <p>(a) for a company to make to any director any payment by way of compensation for loss of office as an officer of that company or of a subsidiary of that company or as consideration for or in connection with his retirement from any such office; or</p> <p>(b) for any payment to be made to any director of a company in connection with the transfer of the whole or any part of the undertaking or property of the company,</p> <p>unless particulars with respect to the proposed payment (including the amount thereof) have been disclosed to the members of the company and the proposal has been approved by the company in general meeting and when any such payment has been unlawfully made the amount received by the director shall be deemed to have been received by him</p>	<p>Not provided for in the Act.</p> <p>Bye-law 98: The fees of the Directors shall from time to time be determined by the Company in general meeting, shall not be increased except pursuant to an ordinary resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the general meeting, and shall (unless otherwise directed by the resolution by which it is voted) be divided amongst the Board in such proportions and in such manner as the Board 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 remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. Such remuneration shall be deemed to accrue from day to day.</p> <p>Bye-law 99: Each Director shall be entitled to be repaid or prepaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director.</p>	<p>Remuneration of directors is not provided for in the Act.</p> <p>There are requirements for general meeting approval in relation to compensation for loss of office of directors under the Malaysian Companies Act. The Bye-laws as well as the Listing Requirements contain provisions relating to remuneration and compensation for loss of office of directors of the Company and its subsidiaries.</p>

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>in trust for the company.</p> <p>(2) Where such a payment is to be made to a director in connection with the transfer to any person, as a result of an offer made to shareholders, of all or any of the shares in the company, that director shall take all reasonable steps to secure that particulars with respect to the proposed payment, including the amount thereof, shall be included in or sent with any notice of the offer made for their shares which is given to any shareholders, unless those particulars are furnished to the shareholders in accordance with the relevant law applicable to takeovers.</p>	<p>Bye-law 100(1) and (2):</p> <p>(1) Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Bye-law.</p> <p>(2) The fees (including any remuneration under Bye-law 100(1) above) in the case of a Director other than an executive Director shall be payable by a fixed sum and shall not at any time be by commission on or percentage of the profits or turnover, and no Director whether an executive Director or otherwise shall be remunerated by a commission on or percentage of turnover.</p>	
<p>(3) A director who fails to comply with subsection (2) and a person who has been properly required by a director to include in or send with any notice under this section the particulars required by that subsection and who fails so to do, shall be guilty of an offence against the Malaysian Companies Act, and if the requirements of that subsection are not complied with any sum received by the director on account of the payment shall be deemed to have been received by him in trust for any person who has sold his shares as a result of the offer made.</p> <p>(4) If in connection with any such transfer the price to be paid to a director of the company whose office is to be abolished or who is to retire from office for any shares in the company held by him is in excess of the price which could at the time have been obtained by other</p>	<p>Bye-law 101: The Board shall obtain the approval of the Company in general meeting before making any payment to any Director or past Director of the Company or of a subsidiary of the Company by way of compensation for loss of office, or as consideration for or in connection with his retirement from office (not being payment to which the Director is contractually entitled).</p> <p>Bye-law 93: Notwithstanding Bye-laws 98, 99, 100 and 101, an executive director appointed to an office under Bye-law 92 hereof shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, and either in addition to or in lieu of his remuneration as a Director, but</p>	

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>holders of the like shares or any valuable consideration is given to any such director, the excess or the money value of the consideration, as the case may be, shall, for the purposes of this section, be deemed to have been a payment made to him by way of compensation for loss of office or as consideration for or in connection with his retirement from office.</p> <p>As to payments to directors</p> <p>(5) Any reference in this section to payments to any director of a company by way of compensation for loss of office or as consideration for or in connection with his retirement from office shall not include –</p> <p>(a) any payment under an agreement entered into before the commencement of the relevant repealed written laws;</p> <p>(b) any payment under an agreement, particulars whereof have been disclosed to and approved by special resolution of the company;</p> <p>(c) any <i>bona fide</i> payment by way of damages for breach of contract;</p> <p>(d) any <i>bona fide</i> payment by way of pension or lump sum payment in respect of past services, including any superannuation or retiring allowance, superannuation, gratuity or similar payment, where the value or amount of the pension or payment (except so far as it is attributable to contributions made by the director) does not exceed the total emoluments of the director in the three years immediately preceding his retirement or death; or</p> <p>(e) any payment to a director pursuant to an agreement made between the company and him</p>	<p>he shall not in any circumstances be remunerated by a commission on or a percentage of turnover.</p>	

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>before he became a director of the company as the consideration or part of the consideration for the director agreeing to serve the company as a director.</p> <p>(6) This section shall be in addition to and not in derogation of any rule of law requiring disclosure to be made with respect to any such payments or any other like payment.</p> <p>(7) In this section "director" includes any person who has at any time been a director of the company or of a corporation which is by virtue of section 6 deemed to be related to the company.</p> <p>Section 128(7) of the Malaysian Companies Act: Nothing in subsections (1) to (6) shall be taken as depriving a person removed thereunder of compensation or damages payable to him in respect of the termination of his appointment as director or of any appointment terminating with that as director or as derogating from any power to remove a director which may exist apart from this section.</p>		
BORROWING POWERS EXERCISABLE BY DIRECTORS AND HOW SUCH POWERS MAY BE VARIED		
<p>There are no provisions specifically vesting the directors with borrowing powers under the Malaysian Companies Act save for the broad stipulation under Section 131B of the Malaysian Companies Act that the business and affairs of a company must be managed by, or under the direction of, the board of directors and the board of directors has all the powers necessary for managing and for directing and supervising the management of the business and affairs of the company subject to any modification, exception or limitation contained in the Malaysian Companies Act or in the memorandum or articles of association of the company.</p> <p>There are however, restrictions on the exercise of</p>	<p>Not provided for in the Act save that section 91(1) of the states (inter alia) that the affairs of the company shall be managed by not less than two directors who shall be individuals and section 91(5) of the Act states that the directors may, subject to the bye-laws of the company, exercise all the powers of the company except those powers that are required by the Act or the bye-laws to be exercised by the members of the company.</p> <p>Bye-law 106(1): The business of the Company shall be managed and conducted by the Board, which may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether</p>	<p>Both the Malaysian Companies Act and the Act do not have any express direct provisions on the borrowing powers exercisable by directors but both the Malaysian Companies Act and the Act provide that directors may exercise all the powers of the company except those that are required by the respective Acts and the Memorandum and Articles of Association/Bye-laws to be exercised by members of the company.</p> <p>The Listing Requirements provide that the scope of the borrowing powers of the board of directors shall be expressed. The Bye-laws contains provisions on the</p>

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>borrowing and other powers in certain circumstances prescribed under the Malaysian Companies Act.</p> <p>Section 52(1) of the Malaysian Companies Act: Where a company having a share capital has issued a prospectus inviting the public to subscribe for its shares or has issued a prospectus pursuant to the Securities Commission Act 1993 in relation to its shares the company shall not commence any business or exercise any borrowing powers</p> <p>(a) if any money is or may become liable to be repaid to applicants for any shares or debentures offered for public subscription by reason of any failure to apply for or obtain permission for listing for quotation on any Stock Exchange; or</p> <p>(b) unless –</p> <p>(i) shares held subject to the payment of the whole amount thereof in cash have been allotted to an amount not less in the whole than the minimum subscription;</p> <p>(ii) every director has paid to the company on each of the shares taken or contracted to be taken by him, and for which he is liable to pay in cash, a proportion equal to the proportion payable on application and allotment on the shares offered for public subscription; and</p> <p>(iii) there has been lodged with the Registrar a statutory declaration by the secretary or one of the directors of the company in the prescribed form verifying that the above conditions have been complied with.</p> <p>Section 52(2) of the Malaysian Companies Act: Where a public company having a share capital has not issued a</p>	<p>relating to the management of the business of the Company or otherwise) except powers that by the Statutes or by the Bye-laws are required to be exercised by the Company in general meeting. The general powers given by this Bye-law shall not be limited or restricted by any special authority or power given to the Board by any other Bye-law.</p> <p>Bye-law 112: The Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Act, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.</p>	<p>borrowing powers of the directors.</p>
	<p>Bye-law 168: No Bye-law shall be rescinded, altered or amended and no new Bye-law shall be made until the same has been approved by a resolution of the Board and confirmed by a special resolution of the Members. A special resolution shall be required to alter the provisions of the memorandum of association or to change the name of the Company. For this purpose, a "special resolution" refers to a resolution which has been passed by a majority of not less than three-fourths of votes cast by Members, being entitled so to do, voting in person or, in the case of Members being corporations, by their respective duly authorised representatives or, where proxies are allowed by proxy.</p>	

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>prospectus inviting the public to subscribe for its shares or has not issued a prospectus pursuant to the Securities Commission Act 1993 the company shall not commence any business or exercise any borrowing power unless --</p> <p>(a) there has been lodged with the Registrar a statement in lieu of prospectus which complies with the Malaysian Companies Act;</p> <p>(b) every director of the company has paid to the company on each of the shares taken or contracted to be taken by him and for which he is liable to pay in cash, a proportion equal to the proportion payable on application and allotment on the shares payable in cash; and</p> <p>(c) there has been lodged with the Registrar a statutory declaration by the secretary or one of the directors of the company in the prescribed form verifying that paragraph (b) has been complied with.</p>		
QUALIFICATION, APPOINTMENT AND RETIREMENT OR NON-RETIREMENT OF DIRECTORS UNDER AN AGE LIMIT REQUIREMENT		
<p>Section 122(1) of the Malaysian Companies Act: Every company shall have at least two directors, who each has his principal or only place of residence within Malaysia.</p> <p>Section 122(2) of the Malaysian Companies Act: No person other than a natural person of full age shall be a director of a company.</p> <p>Section 122(6) of the Malaysian Companies Act: Notwithstanding anything contained in the Malaysian Companies Act or in the memorandum or articles of a company or in any agreement with a company, a director of</p>	<p>Section 91(1) of the Act: The affairs of the company shall be managed by not less than two directors who shall be individuals elected in the first place at the statutory meeting and thereafter at each annual general meeting of the company or elected or appointed by the members in such other manner and for such term as may be provided in the bye-laws.</p> <p>Section 91(1A) of the Act: A maximum number of directors may be determined by the members at a general meeting of the company or in such other manner as may be</p>	<p>The Malaysian Companies Act provides that every company shall have at least 2 directors who each has his principal or place of residence within Malaysia.</p> <p>However, pursuant to paragraph 4A.09 (b) of the Listing Requirements, a foreign corporation with a primary listing on Bursa Securities, which has predominantly foreign based operation must have at least one director whose principal or only place of residence is within Malaysia. This is provided for in Bye-law 88.</p> <p>The general principles relating to the effect of appointment,</p>

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>a company shall not resign or vacate his office if, by his resignation or vacation from office, the number of directors of the company is reduced below the minimum number required by subsection (1) and any purported resignation or vacation of office is contravention of this section shall be deemed to be invalid.</p> <p>Section 122(7) of the Malaysian Companies Act: Subsection (6) shall not apply where a director of a company is required to resign or vacate his office if he has not within the period referred to in subsection 124(1) obtained his qualification or by virtue of his disqualification under the Malaysian Companies Act or any other written law.</p> <p>Section 126 of the Malaysian Companies Act:</p> <p>(1) At a general meeting of a public company, a motion for the appointment of two or more persons as directors by a single resolution shall not be made unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it.</p> <p>(2) A resolution passed in pursuance of a motion made in contravention of this section shall be void, whether or not its being so moved was objected to at the time.</p> <p>Section 129 of the Malaysian Companies Act:</p> <p>(1) Subject to this section but notwithstanding anything in the memorandum or articles of the company no person of or over the age of seventy years shall be appointed or act as a director of a public company or of a subsidiary of a public company.</p> <p>(2) The office of a director of a public company or of a subsidiary of a public company shall become vacant at</p>	<p>provided in the bye-laws.</p> <p>Section 91(2) of the Act: Where a maximum number of directors has been determined in accordance with section 91(1A) of the Act, a general meeting of a company may authorise the directors of the company to elect or appoint on their behalf an individual or individuals to act as additional directors up to such maximum.</p> <p>Section 91(3) of the Act: So long as a quorum of directors remains in office, unless the bye-laws of a company otherwise provide, any vacancy occurring in the board of directors may be filled by such directors as remain in office. If no quorum of directors remains the vacancy shall be filled by a general meeting of members.</p> <p>Section 130(1) of the Act: Subject to section 130(2) of the Act, every exempted company shall have –</p> <p>(a) a minimum of one director, other than an alternate director, who is ordinarily resident in Bermuda; or</p> <p>(b) a secretary that is –</p> <p>(i) an individual who is ordinarily resident in Bermuda; or</p> <p>(ii) a company who is ordinarily resident in Bermuda; or</p> <p>(c) a resident representative that is –</p> <p>(i) an individual who is ordinarily resident in Bermuda; or</p> <p>(ii) a company who is ordinarily resident in Bermuda.</p> <p>Bye-law 88:</p> <p>(1) The Company may from time to time by ordinary resolution, determine the maximum number of</p>	<p>retirement and age limit are similar.</p>

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>the conclusion of the annual general meeting commencing next after he attains the age of seventy years or if he has attained the age of seventy years before the commencement of the Malaysian Companies Act at the conclusion of the annual general meeting commencing next after the commencement of the Malaysian Companies Act.</p> <p>(3) Any Act done by a person as director shall be valid notwithstanding that it is afterwards discovered that there was a defect in his appointment or that his appointment had terminated by virtue of subsection (2).</p> <p>(4) Where the office of a director has become vacant by virtue of subsection (2) no provision for the automatic reappointment of retiring directors in default of another appointment shall apply in relation to that director.</p> <p>(5) If any such vacancy has not been filled at the meeting at which the office became vacant the office may be filled as a casual vacancy.</p> <p>(6) Notwithstanding anything in this section a person of or over the age of seventy years may by a resolution of which no shorter notice than that required to be given to the members of the company of an annual general meeting has been duly given, passed by a majority of not less than three-fourths of such members of the company as being entitled so to do vote in person or, where proxies are allowed, by proxy, at a general meeting of that company, be appointed or reappointed as a director of that company to hold office until the next annual general meeting of the company or be authorised to continue in office as a director until the</p>	<p>directors and increase or reduce the number of Directors but so that the number of Directors shall never be less than four (4) and provided always that for so long as the shares of the Company are listed on the Bursa Securities, at least one (1) Director (or such other number of Directors as required from time to time by the Designated Stock Exchange) shall have his principal or only place of residence within Malaysia. All Directors shall be natural persons of full age. The Directors shall be elected or appointed in the first place at the statutory meeting of Members and thereafter the Company may by ordinary resolution appoint any person to be a Director either as an additional Director or to fill a casual vacancy.</p> <p>(2) The Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or, where a maximum number of Directors has been determined by the Members and the Members have authorised the Board to appoint additional Directors, as an additional Director.</p> <p>(3) Neither a Director nor an alternate Director shall be required to hold any shares of the Company by way of qualification and a Director or alternate Director (as the case may be) who is not a Member shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and of all classes of shares of the Company.</p> <p>(6) Any Director appointed by the Board shall retire at the next annual general meeting of the Company and shall then be eligible for re-election at that meeting.</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>next annual general meeting of the company.</p> <p>(7) The provisions of section 147 of the Malaysian Companies Act relating to the demanding of a poll and the holding of a poll shall apply to a resolution under this section.</p> <p>(8) Nothing in this section shall limit or affect the operation of any provision of the memorandum or articles of a company preventing any person from being appointed a director or requiring any director to vacate his office at any age less than seventy years.</p> <p>(9) The provisions of the articles of a company relating to the rotation and retirement of directors shall not apply to a director who is appointed or reappointed pursuant to this section but such provisions of the articles shall continue to apply to all other directors of the company.</p>	<p>(7) The appointment of each Director shall be voted on individually except in the election of two (2) or more Directors by ballot or poll.</p> <p>Bye-Law 89(1): Subject to the provisions of this Bye-law 89, at each annual general meeting of the Company, an election of Directors shall take place whereby one-third (1/3) of the Directors for the time being, or if their number is not three or a multiple of three (3), then the number nearest to but not less than one-third (1/3), shall retire from office and shall be eligible for re-election thereafter.</p> <p>Bye-law 89(2): The Directors to retire in each year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day as those to retire shall (unless they otherwise agree among themselves) be determined by lot provided always that each Director shall retire at least once every three (3) years. Notwithstanding the foregoing, a Director who is over the age of 70 years shall retire from office in every year but may be re-elected by way of special resolution in general meeting.</p>	
NUMBER OF SHARES, IF ANY, REQUIRED FOR THE QUALIFICATION OF DIRECTOR		
<p>Section 124(1) of the Malaysian Companies Act: Without affecting the operation of any of the preceding provisions of this Division, every director, who is by the articles required to hold a specified share qualification and who is not already qualified, shall obtain his qualification within two months after his appointment or such shorter period as is fixed by the articles.</p> <p>Section 124(3) of the Malaysian Companies Act: A director</p>	<p>Not provided for in the Act.</p> <p>Bye-law 88(3): Neither a Director nor an alternate Director shall be required to hold any shares of the Company by way of qualification and a Director or alternate Director (as the case may be) who is not a Member shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and of all classes of shares of the</p>	<p>The Act does not provide any provision relating to share qualification and under the Malaysian Companies Act, director's share qualification, if any, is subject to the Articles of Association.</p> <p>The Bye-laws expressly states that the Director and the alternate Director are not required to have any share qualification.</p>

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>shall vacate his office if he has not within the period referred to in subsection (1) obtained his qualification or if after so obtaining it he ceases at any time to hold his qualification.</p> <p>Section 124(4) of the Malaysian Companies Act: A person vacating office under this section shall be incapable of being reappointed as director until he has obtained his qualification.</p> <p>Unless the articles otherwise provide, however, a director need not hold shares in the company to qualify for appointment.</p>	<p>Company.</p>	
DISQUALIFICATION, RESIGNATION AND REMOVAL OF DIRECTORS		
<i>Disqualification of Directors</i>		
<p>Section 125 of the Malaysian Companies Act:</p> <p>(1) Every person who being an undischarged bankrupt acts as director of, or directly or indirectly takes part in or is concerned in the management of, any corporation except with the leave of the Court shall be guilty of an offence against the Malaysian Companies Act.</p>	<p>Section 94(1) and (2) of the Act:</p> <p>(1) If any person being an undischarged bankrupt in any country acts as director of, or directly or indirectly takes part in or is concerned in the management of, any company except with the leave of the Court, he shall be liable on conviction on indictment to imprisonment for a term of two years, or on summary conviction to imprisonment for a term of six months or to a fine of five hundred dollars or to both such imprisonment and fine:</p> <p>Provided that a person shall not be guilty of an offence under section 94 of the Act by reason that he, being an undischarged bankrupt, has acted as director of, or taken part or been concerned in the management of, a company, if he was on the appointed day acting as a director of that company or taking part or being concerned in its management.</p>	<p>The possible disqualifications of directors as specified in both the Malaysian Companies Act and the Listing Requirements appear to be provided for substantively in the Bye-laws.</p>
<p>(2) The Court shall not give leave under this section unless notice of intention to apply therefor has been served on the Minister and the Official Receiver or either of them may be represented at the hearing of and may oppose the granting of the application.</p>	<p>(2) The leave of the Court for the purposes of section 94 of the Act shall not be given unless notice of intention to apply therefor has been served on the Official</p>	
<p>Section 130 of the Malaysian Companies Act:</p> <p>(1) Where a person is convicted whether within or outside Malaysia –</p>		

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on difference</u>
<p>(a) of any offence in connection with the promotion formation or management of a corporation;</p> <p>(b) of any offence involving fraud or dishonesty punishable on conviction with imprisonment for three months or more; or</p> <p>(c) of any offence under sections 132, 132A or 303, and that person, within a period of five years after his conviction or, if he is sentenced to imprisonment, after his release from prison, without the leave of the Court is a director or promoter of or is in any way whether directly or indirectly concerned or takes part in the management in Malaysia of a corporation he shall be guilty of an offence against the Malaysian Companies Act.</p> <p>Section 130A(1) of the Malaysian Companies Act: Where on an application under this section it appears to the Court –</p> <p>(a) that a person –</p> <p>(i) is or has been a director of a company which has at any time gone into liquidation (whether while he was a director or subsequently) and was insolvent at that time; and</p> <p>(ii) is or has been a director of such other company which has gone into liquidation within five years of the date on which the first-mentioned company went into liquidation; and</p> <p>(b) that his conduct as director of any of those companies makes him unfit to be concerned in the management of a company,</p> <p>the Court may make an order that that person shall not, without the leave of the Court, be a director of or in any way, whether directly or indirectly, be concerned or take part in the management of a company for such period beginning on the date of the order and not exceeding five</p>	<p>Receiver, and it shall be the duty of the Official Receiver, if he is of opinion that it is contrary to the public interest that any such application should be granted, to attend on the hearing of and oppose the granting of the application.</p> <p>Section 95(1) to (4) of the Act:</p> <p>(1) Where any court convicts any person of an offence relating to the affairs of a company which, in the opinion of such court, involves dishonesty it may order that such person shall not directly or indirectly take part in or be concerned in the management of any company without leave of the Supreme Court.</p> <p>(2) Section 94(2) of the Act shall apply to any application for leave under section 95(1) of the Act.</p> <p>(3) The same right of appeal shall lie in respect of an order made under section 95(1) of the Act as it does from a sentence of imprisonment.</p> <p>(4) Any person who contravenes an order of a court made under section 95(1) of the Act shall be liable to the punishments set out in section 94(1) of the Act.</p> <p>Bye-law 91: The office of a Director shall be vacated if the Director:-</p> <p>(1) resigns his office by notice in writing delivered to the Company at the Office or tendered at a meeting of the Board;</p> <p>(2) becomes of unsound mind during his term of office or dies;</p> <p>(3) is absent (without special leave of absence from the Board) for more than 50% of the total Board of Directors' meetings held during a financial year, and his alternate Director, if any, shall not during such period have attended in his stead and the Board resolves that his office be vacated;</p>	

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>years as may be specified in the order.</p>	<p>(4) becomes bankrupt during his term of office (and is not otherwise discharged from bankruptcy) or has a receiving order made against him or suspends payment or compounds with his creditors;</p> <p>(5) is convicted:</p> <ul style="list-style-type: none"> (i) of any offence in connection with the promotion formation or management of a corporation, whether within or outside Malaysia; or (ii) of any offence involving fraud or dishonesty punishable on conviction with imprisonment for three months or more, whether within or outside Malaysia; or (iii) of any offence under sections 132 or 303 of the Malaysian Companies Act; or (iv) of any offence under the Securities Laws as defined below; <p>(6) has been compounded for an offence under section 373 of the CMSA;</p> <p>(7) has had any action taken against him or her under the Securities Laws;</p>	
	<p>(8) is a person who:</p> <ul style="list-style-type: none"> (i) is or has been a director of a company which has at any time gone into liquidation (whether while he was a director or subsequently) and was insolvent at that time; and (ii) is or has been a director of such other company which has gone into liquidation within five (5) 	

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
	<p>years of the date on which the first-mentioned company went into liquidation; and</p> <p>his conduct as director of any of those companies makes him unfit to be concerned in the management of a company and a court of competent jurisdiction ("Court") has ordered that that person shall not, without the leave of the Court, be a director of or in any way, whether directly or indirectly, be concerned or take part in the management of a company for such period beginning on the date of the order and not exceeding five (5) years as may be specified in the order;</p> <p>(9) is prohibited by law from being a Director; or</p> <p>(10) ceases to be a Director by virtue of any provision of the Statutes or is removed from office pursuant to the Bye-laws.</p> <p>For the purposes of Bye-law 91, the term "Securities Laws" means the Securities Commission Act 1993, the Securities Industry (Central Depositories) Act 1991 and the CMSA as amended from time to time.</p>	
<i>Resignation of Directors</i>		
<p>Section 122(6) of the Malaysian Companies Act provides that a director of a company cannot resign or vacate his office, if by his resignation or vacation from office, the number of directors of the company is reduced below the</p>	<p>Not provided for in the Act.</p> <p>Bye-law 91(1): The office of a Director shall be vacated if the Director resigns his office by notice in writing delivered to the Company at the Office or tendered at a meeting of</p>	<p>The Act does not contain similar provisions to Section 122(6) of the Malaysian Companies Act.</p> <p>The Bye-laws allow the resignation of a director by notice in writing delivered to the Company at the Office or tendered</p>

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>minimum of two directors who each has his principal or only place of residence within Malaysia, and any purported resignation or vacation of office in breach of this provision is deemed to be invalid.</p>	<p>the Board. Bye-law 119: The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board provided that if the number of Directors is reduced below the minimum number fixed by or in accordance with the Bye laws, the continuing Directors or Director, notwithstanding that the number of Directors is below the number fixed by or in accordance with the Bye laws or that there is only one continuing Director may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number, or summoning a general meeting of the Company. If there be no Directors or Director able or willing to act, then any two (2) Members may summon a general meeting for the purpose of appointing Directors.</p>	<p>at a meeting of the Board regardless that the remaining number of directors of the Company may fall below the minimum number of two directors provided in the Act or other greater number provided in the Bye-laws. The continuing director(s) may act to increase the number of directors to such minimum number. Where there are no directors or none willing to act, then any two members may summon a general meeting for the purpose of appointing (additional) directors.</p>
<p>Removal of Directors Section 128(1) of the Malaysian Companies Act: A public company may by ordinary resolution remove a director before the expiration of his period of office, notwithstanding anything in its memorandum or articles or in any agreement between it and him but where any director so removed was appointed to represent the interests of any particular class of shareholders or debenture holders the resolution to remove him shall not take effect until his successor has been appointed. Section 128(2) of the Malaysian Companies Act: Notwithstanding anything to the contrary in the memorandum or articles of the company, special notice shall be required of any resolution to remove a director or to appoint some person in place of a director so removed at the meeting at which he is removed, and on receipt of</p>	<p>Section 93(1) and (2) of the Act: (1) Subject to its bye-laws the members of a company may at a special general meeting called for that purpose remove a director: Provided that notice of any such meeting shall be served on the director concerned not less than fourteen days before the meeting and he shall be entitled to be heard at such meeting. Provided further that nothing in section 93 of the Act shall have effect to deprive any person of any compensation or damages which may be payable to him in respect of the termination of his appointment as a director or of any other appointment with the</p>	<p>Both the Act and the Malaysian Companies Act allow the removal of directors in a general meeting. The Malaysian Companies Act requires a special notice. According to section 153 of the Malaysian Companies Act, notice shall be given by the company to its members at the same time and in the same manner as it gives notice of the meeting, or if that is not practicable may be given in any manner allowed by the articles, not less than fourteen (14) days before the meeting. This is similar to Bye-law 88(4) which provides that at least fourteen (14) days' notice of a general meeting shall be given to each member entitled to attend and vote thereat.</p>

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>notice of an intended resolution to remove a director the company shall forthwith send a copy thereof to the director concerned, and the director (whether or not he is a member of the company) shall be entitled to be heard on the resolution at the meeting.</p> <p>Subject to the provisions of the Malaysian Companies Act, the articles of association of a company may prescribe the manner in which a director may be removed from office before the expiration of his term of office.</p> <p>Section 128(5) of the Malaysian Companies Act: A vacancy created by the removal of a director if not filled at the meeting at which he is removed, may be filled as a casual vacancy.</p> <p>Section 128(7) of the Malaysian Companies Act: Nothing in subsections (1) to (6) shall be taken as depriving a person removed thereunder of compensation or damages payable to him in respect of the termination of his appointment as director or of any appointment terminating with that as director or as derogating from any power to remove a director which may exist apart from this section.</p> <p>Section 128(8) of the Malaysian Companies Act: A director of a public company shall not be removed by, or be required to vacate his office by reason of, any resolution, request or notice of the directors or any of them notwithstanding anything in the articles or any agreement.</p> <p>Section 153 of the Malaysian Companies Act provides where by this Act special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the company not less than twenty-eight days before the meeting at which it is</p>	<p>company.</p> <p>(2) A vacancy created by the removal of a director at a special general meeting may be filled at that meeting by the election of another director in his place or in the absence of any such election by the other directors.</p> <p>Bye-law 88(4): Subject to any provision to the contrary in the Bye-laws the Members may, at any general meeting convened and held in accordance with the Bye-laws, by ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding anything in the Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) provided that the Notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less than fourteen (14) days before the meeting and at such meeting such Director shall be entitled to be heard on the motion for his removal.</p> <p>Bye-law 88(5): A vacancy on the Board created by the removal of a Director under the provisions of Bye-law 88(4) above may be filled by the election or appointment by the Members at the meeting at which such Director is removed or, in the absence of such election or appointment, such general meeting may authorise the Board to appoint a Director to fill any vacancy in the number left unfilled.</p>	

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<p>moved, and the company shall give its members notice of any such resolution at the same time and in the same manner as it gives notice of the meeting or, if that is not practicable, shall give them notice thereof, in any manner allowed by the articles, not less than fourteen days before the meeting, but if after notice of the intention to move such a resolution has been given to the company, a meeting is called for a date twenty-eight days or less after the notice has been given, the notice, although not given to the company within the time required by this section, shall be deemed to be properly given.</p>		
<p>RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHING TO EACH CLASS OF SHARES</p>		
<p><i>Notice of Meetings and Business to be Concluded Thereat</i></p>		
<p>Section 145 of the Malaysian Companies Act:</p> <p>(1) Two or more members holding not less than one-tenth of the issued share capital or, if the company has not a share capital, not less than five per centum in number of the members of the company or such lesser number as is provided by the articles may call a meeting of the company.</p> <p>(2) A meeting of a company or of a class of members, other than a meeting for the passing of a special resolution, shall be called by notice in writing of not less than fourteen days or such longer period as is provided in the articles.</p> <p>(2A) Notwithstanding subsection (2), the annual general meeting of a public company shall be called by a notice in writing of not less than twenty-one days before the annual general meeting or such longer</p>	<p>Section 70(2) of the Act: At least five days' notice in writing of the statutory meeting (being the first general meeting of the members of a company) shall be given to each member of the company unless the members unanimously agree to waive such notice; the notice shall specify the place, date and hour at which the meeting is intended to be held, and shall state that at the meeting the members present or represented by proxy will elect the first board of directors.</p> <p>Section 71(3) of the Act: Notice of all general meetings shall specify the place, the day and hour of the meeting, and, in case of special general meetings, the general nature of the business to be considered.</p> <p>Section 75(1) and (2) of the Act:</p> <p>(1) Notwithstanding any provision in the bye-laws of a company at least five days notice shall be given of a meeting of a company, other than an adjourned</p>	<p>The Act requires 'at least five days notice' to be given for a statutory meeting of a company and other general meetings of a company, whereas the Malaysian Companies Act requires a notice in writing of not less than fourteen (14) days.</p> <p>Bye-law 61 provides that 'at least fourteen (14) days' notice of a general meeting to be given to each Member.</p>

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Malaysian Company Law	Bermuda Company Law	Comments on differences
<p>period as is provided in the articles.</p> <p>(3) A meeting shall, notwithstanding that it is called by notice shorter than is required by subsection (2) or (2A) be deemed to be duly called if it is so agreed –</p> <p>(a) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; or</p> <p>(b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority which together holds not less than ninety-five per centum in nominal value of the shares giving a right to attend and vote or, in the case of a company not having a share capital, together represents not less than ninety-five per centum of the total voting rights at that meeting of all the members.</p>	<p>meeting.</p> <p>(2) A meeting of a company shall, notwithstanding that it is called by shorter notice than that specified in section 75(1) of the Act be deemed to have been duly called if it is so agreed –</p> <p>(a) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and</p> <p>(b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent in nominal value of the shares giving a right to attend and vote at the meeting, or, in the case of a company not having a share capital, together representing not less than ninety-five per cent of the total voting rights at that meeting of all the members.</p>	
<p>(4) So far as the articles do not make other provision in that behalf notice of every meeting shall be served on every member having a right to attend and vote thereat in the manner in which notices are required to be served by Table A of the Fourth Schedule.</p> <p>(5) The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any member shall not invalidate proceedings at a meeting.</p>	<p>Bye-law 18(2): Where a share stands in the names of two or more persons, the person first named in the Register shall as regards service of notices and, subject to the provisions of the Bye-laws, all or any other matters connected with the Company, except the transfer of the shares, be deemed the sole holder thereof, save that in respect of any deposited security which is jointly held by the Depository and a Depositor, the Depositor named in the Register as the joint holder of the deposited security shall as regards service of notices and, subject to the provisions of the Bye-laws, all or any other matters connected with the Company, be deemed to be the sole holder thereof.</p> <p>Bye-law 61:</p> <p>(1) At least fourteen (14) days' Notice of a general meeting shall be given to each Member entitled to</p>	

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
	<p>attend and vote thereat. A general meeting at which the passing of a special resolution is to be considered or an annual general meeting shall be called by not less than twenty-one (21) days' Notice. A general meeting, whether or not a special resolution will be considered at such meeting, may be called by shorter notice if it is so agreed:-</p> <p>(a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and</p> <p>(b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per centum (95%) in nominal value of the issued shares giving that right.</p> <p>(2) For so long as the shares of the Company are listed on the Designated Stock Exchange, at least fourteen (14) days' notice of any general meeting or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is an annual general meeting shall be given by advertisement in at least one (1) nationally-circulated Bahasa Malaysia or English daily newspaper in circulation in Malaysia and in writing to the Designated Stock Exchange.</p> <p>(3) The period of notice shall be exclusive of the day on which it is served or deemed to be served and exclusive of the day on which the meeting is to be</p>	

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
	<p>held, and the Notice shall specify the day, time and place of the meeting and, in case of special business, the general nature of the business. Any Notice of a general meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business. The Notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of the Bye-laws or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.</p> <p>(4) The Secretary may postpone any general meeting called in accordance with the provisions of the Bye-laws (other than a meeting requisitioned under the Bye-laws) provided that notice of postponement is given to each Member entitled to such notice before the time for such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each such Member in accordance with the provisions of the Bye-laws.</p> <p>(5) In accordance with the Rules of the Depository ("Rules"), the Company shall inform the Depository of</p>	

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	<p>the dates of general meetings of the Company and the Company shall request the Depository to issue a Record of Depositors to whom notices of general meetings shall be given by the Company. In addition, in respect of each general meeting, the Company shall request the Depository in accordance with the Rules, to issue a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than three (3) clear market days before that general meeting ("General Meeting Record of Depositors"). Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 of Malaysia ("Regulations"), notwithstanding any other provision of the Bye-laws, a Depositor shall not be entitled to attend any general meeting and to speak and vote thereat unless his name appears in the relevant General Meeting Record of Depositors.</p> <p>Bye-law 62: The accidental omission to give Notice of a meeting or (in cases where instruments of proxy are sent out with the Notice) to send such instrument of proxy to, or the non-receipt of such Notice or such instrument of proxy by, any person entitled to receive such Notice shall not invalidate any resolution passed or the proceedings at that meeting.</p> <p>Bye-law 63(2): All business shall be deemed special that is transacted at a special general meeting, and also all business that is transacted at an annual general meeting, with the exception of declaring a dividend, the reading, considering and adopting of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the election of Directors and appointment of Auditors and other officers in the place of those retiring, the fixing of the remuneration of the Auditors, and the voting of remuneration or extra remuneration to the Directors.</p> <p>Bye-law 160: Any notice from the Company to a Member</p>	

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	<p>shall be given in writing or by cable, telex or by electronic means (including facsimile and electronic mail) and any such notice and (where appropriate) any other document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it by electronic means (including facsimile and electronic mail) to any such address or number supplied by him to the Company for the giving of notice to him, or in accordance with Bye-law 161, or may also be served by advertisement in appointed newspapers (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders, save that in respect of any deposited security which is jointly held by the Depository with a Depositor, all notices shall be given to the Depositor named in the Register as the joint holder of such deposited security and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.</p>	
<p><i>Venues and technology for company meetings</i></p> <p>Section 145A of the Malaysian Companies Act provides that:- A company shall hold all meetings of its members within Malaysia and may hold a meeting of its members within Malaysia at more than one venue using any technology that allows all members a reasonable opportunity to participate.</p>		<p>Both the Act and the Malaysian Companies Act have similar provisions allowing company meetings to be held by telephonic or electronic means. In addition, Bye-law 59 provides that general meetings shall be held in Malaysia for so long as the shares of the company are listed on Bursa Securities and Bye-law 63(1) allows members to participate in general meetings by means of communication facilities.</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>Rights attaching to shares</p> <p>Section 55 of the Malaysian Companies Act:</p> <p>(1) Notwithstanding any provisions in the Malaysian Companies Act or in the memorandum or articles of a company to which this section applies, each equity share* issued by such a company after the commencement of the Malaysian Companies Act shall confer the right at a poll at any general meeting of the company (subject as provided in subsection 148 (1)) to one vote, and, to one vote only for each ringgit or part of a ringgit that has been paid up on that share.</p> <p>(2) Where any company to which this section applies has, prior to the commencement of the Malaysian Companies Act, or, while it was a company to which this section did not apply, issued any equity share* which does not comply with subsection (1), the company shall not issue any invitation to subscribe for or to purchase any shares or debentures of the company until the voting rights attached to each share of that company have been duly varied so as to</p>	<p>Bermuda Company Law</p> <p>Bye-law 59: Each general meeting, other than an annual general meeting, shall be called a special general meeting. General meetings may be held in any part of the world as may be determined by the Board, provided always that for so long as the shares of the Company are listed on the Bursa Securities, all general meetings of the Company shall be held in Malaysia.</p> <p>Bye-law 63(1): Members may participate in any general meeting by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.</p>	
<p>Rights attaching to shares</p> <p>Section 55 of the Malaysian Companies Act:</p> <p>(1) Notwithstanding any provisions in the Malaysian Companies Act or in the memorandum or articles of a company to which this section applies, each equity share* issued by such a company after the commencement of the Malaysian Companies Act shall confer the right at a poll at any general meeting of the company (subject as provided in subsection 148 (1)) to one vote, and, to one vote only for each ringgit or part of a ringgit that has been paid up on that share.</p> <p>(2) Where any company to which this section applies has, prior to the commencement of the Malaysian Companies Act, or, while it was a company to which this section did not apply, issued any equity share* which does not comply with subsection (1), the company shall not issue any invitation to subscribe for or to purchase any shares or debentures of the company until the voting rights attached to each share of that company have been duly varied so as to</p>	<p>Please refer to Section 77(6) of the Act as set out under the heading "Right to Attend Meeting and Vote".</p> <p>Section 42(1) of the Act: Subject to section 42 of the Act, a company limited by shares, or other company having a share capital, may issue preference shares which-</p> <p>(i) if so authorised by its bye-laws, are, or at the option of the company are, liable to be redeemed;</p> <p>(ii) if so authorised by its memorandum at the option of the holder are to be liable to be redeemed:</p> <p>Provided that –</p> <p>(a) no such shares shall be redeemed except out of the capital paid up thereon or out of the funds of the company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purposes of the redemption; and</p>	<p>The Act and the Bye-laws do not provide for the provisions in section 61 (5), (6), (7) and (8), section 65(2) and 66 of the Malaysian Companies Act.</p> <p>Bye-law 11 provides that special rights conferred upon the holders shall not be deemed to be varied, by the creation or issue of further shares ranking pari passu, unless otherwise expressly provided in the terms of issue of such shares, whereas section 65(6) of the Malaysian Companies Act provides that the issuance of preference shares ranking pari passu shall be deemed to be a variation of the rights attached to those shares unless authorised by the terms of issue of the existing preference shares or by the articles of association. Section 65(7) of the Malaysian Companies Act provides that any alteration to the articles of association which affects the rights attaching to the shares shall be deemed to be a variation.</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>comply with subsection (1).</p> <p>(3) For the purposes of this section any alteration of the rights of issued preference shares so that they become equity shares* shall be deemed to be an issue of equity shares*.</p> <p>(4) The Yang di-Pertuan Agong may by proclamation published in the Gazette declare that subsection (1) shall apply to all or any equity shares* or any class of equity shares* which have been issued before the commencement of the Malaysian Companies Act by a company to which this section applies and which is specified in the declaration and thereupon that subsection shall apply to such equity shares* so issued by the company from such date as is specified in the declaration being a date not less than one year after the making of the proclamation.</p> <p>(5) This section applies to –</p> <p>(a) a public company having a share capital; and</p> <p>(b) a subsidiary of such a public company.</p> <p>(6) A person shall not make any invitation to the public in breach of subsection (2).</p> <p>* "equity share" is defined in Section 4(1) of the Malaysian Companies Act as any share which is not a preference share.</p> <p>Section 61 of the Malaysian Companies Act:</p> <p>(1) Subject to this section a company having a share capital may, if so authorised by its articles, issue preference shares which are, or at the option of the company are to be, liable to be redeemed and the redemption shall be effected only on such terms and in such manner as is provided by the articles.</p> <p>(2) The redemption shall not be taken as reducing the</p>	<p>(b) the premium, if any, payable on redemption, is provided for out of funds of the company which would otherwise be available for dividend or distribution or out of the company's share premium account before the shares are redeemed.</p> <p>Section 42(2) of the Act: Subject to section 42 of the Act, the redemption of preference shares thereunder may be effected on such terms and in such manner as may be provided by or determined in accordance with the bye-laws of the company; however, no redemption of preference shares may be effected if, on the date on which the redemption is to be effected, there are reasonable grounds for believing that the company is, or after the redemption would be, unable to pay its liabilities as they become due.</p> <p>Section 42(3) of the Act: The redemption of preference shares under section 42 of the Act shall not be taken as reducing the amount of the company's authorised share capital.</p> <p>Section 42(4) of the Act: On the redemption of preference shares under section 42 of the Act, any amount due to a shareholder may –</p> <p>(a) be paid in cash;</p> <p>(b) be satisfied by the transfer of any part of the undertaking or property of the company having the same value or;</p> <p>(c) be satisfied partly under paragraph (a) and partly under paragraph (b).</p> <p>Section 43 of the Act: A company limited by shares, or other company having a share capital, may by resolution at a general meeting convert any preference shares into redeemable preference shares:</p>	<p>Bye-law 10 provides that any preference capital other than redeemable preference capital may be repaid and the special rights attached to any class may be varied or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class.</p> <p>The Bye-laws provides additional provisions on the Depository as joint holder.</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>amount of authorised share capital of the company.</p> <p>(3) The shares shall not be redeemed –</p> <p>(a) except out of profits which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purposes of the redemption; and</p> <p>(b) unless they are fully paid up.</p> <p>(4) The premium, if any, payable on redemption shall be provided for out of profits or the share premium account before the shares are redeemed.</p> <p>(5) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve called the "capital redemption reserve" a sum equal to the nominal amount of the shares redeemed, and the provisions of the Malaysian Companies Act relating to the reduction of the share capital of a company shall, except as provided in this section, apply as if the capital redemption reserve were paid-up share capital of the company.</p> <p>(6) Where in pursuance of this section, a company has redeemed or is about to redeem any preference shares, it may issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued, and accordingly the share capital of the company shall not for the purposes of any fee under the Malaysian Companies Act be deemed to be increased by such issue but where new shares are issued before the redemption of the old shares, the new shares shall not, so far as relates to any fee under the Malaysian Companies Act, be deemed to have been issued in pursuance of this subsection unless the old shares have been redeemed</p>	<p>Provided that –</p> <p>(a) the consent in writing has first been obtained of the holders of three-fourths of such shares that have been issued;</p> <p>(b) at a date not more than thirty days and not less than fifteen days before the date it is proposed to convert the shares the company shall cause a notice to be published in an appointed newspaper stating the intention to convert the shares and the date on which the conversion is to take place;</p> <p>(c) on the date on which the conversion is to take place an affidavit shall be sworn by at least two directors of the company declaring either that on that date the company is solvent or that all the creditors of the company on that date have expressed in writing their concurrence in the conversion; and</p> <p>(d) the provisions of section 42(1) of the Act shall apply to such shares.</p> <p>Section 47(1) of the Act: if in the case of a company the share capital of which is divided into different classes of shares, provision is made by the memorandum or bye-laws for authorising the variation of rights attached to any class of shares in the company, subject to the consent of any specified proportions of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares, and in pursuance of the said provision the rights attached to any such class of shares are at any time varied, the holders of not less in the aggregate than ten percent of the issued shares of that class, may apply to the Court to have the variation cancelled, and, where any such application is made, the variation shall not have effect unless and until it</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>within one month after the issue of the new shares.</p>	<p>is confirmed by the Court.</p>	
<p>(7) The capital redemption reserve may be applied in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares.</p>	<p>Section 47(2) of the Act: An application under section 47 of the Act must be made within twenty-eight days after the date on which the consent was given or the resolution was passed, as the case may be, and may be made on behalf of the shareholders entitled to make the application by such one or more of their number as they may appoint in writing for the purpose.</p>	
<p>(8) If a company redeems any redeemable preference shares it shall within fourteen days after so doing give notice thereof to the Registrar specifying the shares redeemed.</p>	<p>Section 47(3) of the Act: On any such application the Court, after hearing the applicant and any other persons who apply to the Court to be heard and appear to the Court to be interested in the application, may, if it is satisfied, having regard to all the circumstances of the case, that the variation would unfairly prejudice the shareholders of the class represented by the applicant, disallow the variation and shall, if not so satisfied, confirm the variation.</p>	
<p>Section 65 of the Malaysian Companies Act:</p>	<p>Section 47(4) of the Act: The decision of the Court on any such application shall be final.</p>	
<p>(1) If in the case of a company the share capital of which is divided into different classes of shares provision is made by the memorandum or articles for authorising the variation or abrogation of the rights attached to any class of shares in the company, subject to the consent of any specified proportion of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares, and in pursuance of the said provision the rights attached to any such class of shares are at any time varied or abrogated, the holders of not less in the aggregate than ten per centum of the issued shares of that class may apply to the Court to have the variation or abrogation cancelled, and, if any such application is made, the variation or abrogation shall not have effect until confirmed by the Court.</p>	<p>Section 47(5) of the Act: The company shall within twenty-one days after the making of an order by the Court on any such application forward a copy of the order to the Registrar, and, if default is made in complying with this provision, the company and every officer of the company who is in default shall be liable to a default fine.</p>	
<p>(2) An application shall not be invalid by reason of the applicants or any of them having consented to or voted in favour of the resolution for the variation or abrogation if the Court is satisfied that any material fact was not disclosed by the company to those applicants before they so consented or voted.</p>	<p>Section 47(6) of the Act: Nothing in section 47 of the Act shall be deemed to modify the rights of any member of a company under section 111 of the Act.</p>	
	<p>Section 47(7) of the Act: If the memorandum or bye-laws of a company with share capital which is divided into different classes of shares makes no provision for varying the rights attached to any class of share and nothing in the memorandum or bye-laws precludes a variation of such</p>	

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Malaysian Company Law	Bermuda Company Law	Comments on differences
<p>(3) The application shall be made within one month after the date on which the consent was given or the resolution was passed or such further time as the Court allows, and may be made on behalf of the shareholders entitled to make the application by such one or more of their number as they appoint in writing.</p> <p>(4) On the application the Court, after hearing the applicant and any other persons who apply to the Court to be heard and appear to the Court to be interested, may, if satisfied having regard to all the circumstances of the case that the variation or abrogation would unfairly prejudice the shareholders of the class represented by the applicant, disallow the variation or abrogation as the case may be and shall, if not so satisfied, confirm it, and the decision of the Court shall be final.</p> <p>(5) The company shall within fourteen days after the making of an order by the Court on any such application lodge an office copy of the order with the Registrar and if default is made in complying with this provision the company and every officer of the company who is in default shall be guilty of an offence against the Malaysian Companies Act.</p> <p>(6) The issue by a company of preference shares ranking <i>pari passu</i> with existing preference shares issued by the company shall be deemed to be a variation of the rights attached to those existing preference shares unless the issue of the first-mentioned shares was authorised by the terms of issue of the existing preference shares or by the articles of the company in force at the time the existing preference shares were issued.</p> <p>(7) For the purposes of this section the alteration of any</p>	<p>rights, the rights attached to any class, unless otherwise provided by the terms of issue of the shares of that class may, whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of the bye-laws or other rules of the company relating to general meetings shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll; however, in the case of a company having only one member, one member present in person or by proxy constitutes the necessary quorum.</p> <p>Section 47(8) of the Act: The expression "variation" in section 47 of the Act includes abrogation and the expression "varied" shall be construed accordingly.</p> <p>Bye-law 9(1): In the event of preference shares being issued, the preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and audited accounts, and attending general meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or on a proposal to wind-up the Company or during the winding-up of the Company (subject to the Act) or sanctioning a sale of the whole of the Company's property, business and undertaking or where the proposition to be submitted to the meeting affects their rights and privileges or when the dividend or part of the dividend on the preference shares is more than six (6) months in arrear.</p> <p>Bye-law 9(2): Subject to Sections 42 and 43 of the Act, any preference shares may be issued or converted into shares that, at a determinable date or at the option of the</p>	

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>provision in the memorandum or articles of a company which affects or relates to the manner in which the rights attaching to the shares of any class may be varied or abrogated shall be deemed to be a variation or abrogation of the rights attached to the shares of that class.</p> <p>(8) This section shall not operate so as to limit or derogate from the rights of any person to obtain relief under section 181 of the Malaysian Companies Act.</p> <p>Section 66(1) of the Malaysian Companies Act: No company shall allot any preference shares or convert any issued shares into preference shares unless there is set out in its memorandum or articles the rights of the holders of those shares with respect to repayment of capital, participation in surplus assets and profits, cumulative or non-cumulative dividends, voting, and priority of payment of capital and dividend in relation to other shares or other classes of preference shares.</p>	<p>Company or the holder if so authorised by its memorandum of association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine.</p> <p>Bye-law 9(3): The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.</p> <p>Bye-law 10: Whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference capital other than redeemable preference capital may be repaid and the special rights attached to any class may only be varied or abrogated with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate general meeting and all adjournments thereof all the provisions of the Bye-laws relating to general meetings of the Company and to the proceedings thereat shall <i>mutatis mutandis</i> apply, except that the necessary quorum (other than at an adjourned meeting) shall be two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class and at any adjourned meeting of such holders, two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, provided always that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
	<p>obtained from the holders of three-quarters in nominal value of the issued shares of the class concerned within two months of such general meeting shall be as valid and effectual as a special resolution carried at such general meeting. The foregoing provisions of Bye-law 10 shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the rights whereof are to be varied.</p> <p>Bye-law 11: The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking <i>pari passu</i> therewith.</p> <p>Bye-law 16(1): Subject to the Listing Requirements (if applicable), for so long as the shares of the Company are listed on the Bursa Securities, all deposited securities of a Depositor shall be held jointly by the Depository and the said Depositor. The Depositor shall be named in the Register as the first holder and the Depository named as the second or junior holder (as the case may be) thereof.</p> <p>Bye-law 16(2): Notwithstanding any provision in the Bye-laws to the contrary, a Depositor whose name appears in the Register shall be entitled to all rights (including voting and other rights), benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such deposited security registered in the Depositor's name (whether conferred or imposed by the Act, the memorandum of association of the Company or the Bye-laws, or otherwise) as if such Depositor is the sole holder of such deposited security. Notwithstanding that the Depository is named in the Register as the joint holder of any deposited security, the Depository shall not be entitled to any rights (including voting and other rights), benefits, powers and privileges in respect of, or arising from, such</p>	

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
	<p>deposited security and nor shall the Depository be subject to any liabilities, duties and obligations in respect of, or arising from, such deposited security.</p> <p>Bye-law 16(3): The share certificate in respect of any deposited security held jointly by a Depositor and the Depository shall be issued in the name of, and delivered to, the Depository as joint holder and the Company shall not be bound to issue any certificate therefor to the Depositor. A Depositor shall not be entitled to withdraw any deposited security held jointly with the Depository for so long as the shares of the Company are listed on the Designated Stock Exchange.</p> <p>Bye-law 18(2): Where a share stands in the names of two or more persons, the person first named in the Register shall as regards service of notices and, subject to the provisions of the Bye-laws, all or any other matters connected with the Company, except the transfer of the shares, be deemed the sole holder thereof, save that in respect of any deposited security which is jointly held by the Depository and a Depositor, the Depositor named in the Register as the joint holder of the deposited security shall as regards service of notices and, subject to the provisions of the Bye-laws, all or any other matters connected with the Company, be deemed to be the sole holder thereof.</p>	
	<p>Section 89(3) of the Act: A person, other than an incumbent auditor, shall not be capable of being appointed auditor at an annual general meeting unless notice in writing of an intention to nominate that person to the office of auditor has been given not less than twenty-one days before the</p>	<p><u>Appointment/Removal of Auditor</u> The Act and the Bye-laws provide that notice of intention to nominate a person as the new auditor must be given not less than twenty-one (21) days before the annual general</p>
<p><i>Resolutions requiring Special Notice</i></p> <p>Section 153 of the Malaysian Companies Act: Where by the Malaysian Companies Act special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the company not less than twenty-eight days before the</p>		

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>meeting at which it is moved, and the company shall give its members notice of any such resolution at the same time and in the same manner as it gives notice of the meeting or, if that is not practicable, shall give them notice thereof, in any manner allowed by the articles, not less than fourteen days before the meeting, but if after notice of the intention to move such a resolution has been given to the company, a meeting is called for a date twenty-eight days or less after the notice has been given, the notice, although not given to the company within the time required by this section, shall be deemed to be properly given.</p> <p><i>Provisions in the Malaysian Companies Act requiring special notice to be provided are inter alia as follows:</i></p> <p>Section 172 (4) of the Malaysian Companies Act: An auditor of a company may be removed from office by resolution of the company at a general meeting of which special notice has been given, but not otherwise.</p> <p>Section 258 (3) of the Malaysian Companies Act: The company may, in general meeting convened by any contributory by special resolution of which special notice has been given to the creditors and the liquidators, remove any liquidator but no such resolution shall be effective to remove a liquidator if the Court on the application of the liquidator or a creditor has ordered that the liquidator be not removed.</p> <p>Section 128(2) of the Malaysian Companies Act: Notwithstanding anything to the contrary in the memorandum or articles of the company, special notice shall be required of any resolution to remove a director or to appoint some person in place of a director so removed at the meeting at which he is removed, and on receipt of notice of an intended resolution to remove a director the company shall forthwith send a copy thereof to the director concerned, and the director (whether or not he is a member of the company) shall be entitled to be heard on the</p>	<p>annual general meeting; and the company shall send a copy of any such notice to the incumbent auditor, and shall give notice thereof to the members, either by advertisement in an appointed newspaper or in any other mode provided by the bye-laws of the company, not less than seven days before the annual general meeting:</p> <p>Provided that an incumbent auditor may by notice in writing to the secretary of the company waive the requirements of section 89(3) of the Act which shall then not have effect.</p> <p>Section 89(5) of the Act: The members, by a resolution passed by at least two-thirds of the votes cast at a general meeting of which notice specifying the intention to pass such resolution was given, may remove any auditor before the expiration of his term of office, and shall by a majority of the votes cast at that meeting appoint another auditor in his stead for the remainder of his term:</p> <p>Provided that, not less than twenty-one days before the date of the meeting, notice in writing of the proposed resolution is given to the incumbent auditor and to the auditor proposed to be appointed.</p> <p>Please also refer to section 93 of the Act as set out under the heading "Removal of Directors".</p> <p>Bye-law 87(3): Notwithstanding any provisions contained in the Bye-laws, a resolution in writing shall not be passed for the purpose of removing a Director before the expiration of his term of office under Bye-law 88(4) or for the purposes set out in Bye-law 154(3) relating to the removal and appointment of the Auditor.</p> <p>Bye-law 88(4): Subject to any provision to the contrary in the Bye-laws the Members may, at any general meeting convened and held in accordance with the Bye-laws, by ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding</p>	<p>meeting, and the company is to send a copy of the said notice to the members and to the incumbent auditor not less than seven (7) days before the annual general meeting. In respect of removal of auditors, not less than twenty-one (21) days' written notice of the proposed resolution is to be given to the incumbent auditor and the auditor proposed to be appointed.</p> <p>For the provision on special notice under the Malaysian Companies Act, please see the comments in the <i>Removal of Director</i>.</p> <p><u>Removal of Director</u></p> <p>Please see comments in the <i>Removal of Director</i>.</p>

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>resolution at the meeting.</p> <p>Section 129(6) of the Malaysian Companies Act: Notwithstanding anything in this section a person of or over the age of seventy years may by a resolution of which no shorter notice than that required to be given to the members of the company of an annual general meeting has been duly given, passed by a majority of not less than three-fourths of such members of the company as being entitled so to do vote in person or, where proxies are allowed, by proxy, at a general meeting of that company, be appointed or reappointed as a director of that company to hold office until the next annual general meeting of the company or be authorised to continue in office as a director until the next annual general meeting of the company.</p>	<p>anything in the Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) provided that the Notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less than fourteen (14) days before the meeting and at such meeting such Director shall be entitled to be heard on the motion for his removal.</p> <p>Bye-law 154(2): Subject to Section 89 of the Act, a person, other than an incumbent Auditor, shall not be capable of being appointed Auditor at an annual general meeting unless notice in writing of an intention to nominate that person to the office of Auditor has been given not less than twenty-one (21) days before the annual general meeting and furthermore, the Company shall send a copy of any such notice to the Auditor.</p>	
<p><i>Quorum for Meetings</i></p> <p>Section 147(1) of the Malaysian Companies Act: So far as the articles do not make other provision in that behalf and subject to section 55-</p> <p>(a) two members of the company, personally present shall be a quorum;</p> <p>(b) any member elected by the members present at a meeting may be chairman thereof;</p> <p>(c) in the case of a company having a share capital-</p> <p>(i) on a show of hands each member who is personally present and entitled to vote shall have one vote; and</p> <p>(ii) on a poll each member shall have one vote in respect of each share held by him and where all or part of the share capital consists of stock or</p>	<p>Section 13(2)(f) of the Act: A company limited by shares, or other company having a share capital, shall in its bye-laws make provision for the number of members required to constitute a quorum at any general meeting of the members of the company.</p> <p>Section 70(5) of the Act: The quorum for a statutory meeting called under section 70 of the Act shall be a majority of the members of the company present in person or by proxy.</p> <p>Section 71(5) of the Act: Where the bye-laws so provide, a general meeting of the members of the company may be held with only one individual present if the requirement for a quorum is satisfied and, where a company has only one shareholder or only one holder of any class of shares, the shareholder present in person or by proxy constitutes a</p>	<p>The Act does not provide for quorum of general meetings (other than for the statutory meeting).</p> <p>The quorum for the Malaysian Companies Act is two (2) members. However, this is subject to the articles of association not making other provision in that behalf.</p> <p>In this regard, the Bye-laws provides that two (2) members are required to form a quorum provided that if the company has only one (1) member then the quorum shall be one (1) member.</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>units of stock each member shall have one vote in respect of the stock or units of stock held by him which is or are or were originally equivalent to one share; and</p> <p>(d) in the case of a company not having a share capital every member shall have one vote.</p>	<p>general meeting.</p> <p>Bye-law 63(3): No business, other than the appointment of a chairman of a meeting, shall be transacted at any general meeting unless a quorum of Members entitled to attend the general meeting is present at the time when the meeting proceeds to business. Except as herein otherwise provided, two (2) Members present in person shall form a quorum, provided that if the Company shall at any time have only one Member, one Member present in person or by proxy, or being a corporation by its representative duly authorised, shall form a quorum for the transaction of business at any general meeting of the Company held during such time. For the purposes of Bye-law 63(3), "Member" includes a person attending as a proxy or as a duly authorised representative of a corporation which is a Member.</p> <p>Bye-law 64: If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.</p> <p>Bye-law 30: No Member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another Member) at any general meeting either personally or by proxy, or be reckoned in a quorum, or exercise any other privilege as a Member until all calls or instalments due by him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.</p> <p>Bye-law 78: Subject to Bye-law 16(2) and Bye-law 76, no</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
	<p>Member shall, unless the Board otherwise determines, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares held by him in the Company have been paid.</p> <p>Please also refer to Bye-law 10 as set out under the heading "Modification of rights" on page 10, and the provisions set out under the heading "Right to Attend Meeting and Vote" as stated herein.</p>	
<p><i>Annual General Meetings</i></p> <p>Section 143(1) of the Malaysian Companies Act: A general meeting of every company to be called the "annual general meeting" shall in addition to any other meeting be held once in every calendar year and not more than fifteen months after the holding of the last preceding annual general meeting, but so long as a company holds its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year.</p> <p>Section 152A of the Malaysian Companies Act:</p> <p>(1) Notwithstanding anything to the contrary in the Malaysian Companies Act or the articles of the company, a resolution in writing signed by or on behalf of all persons for the time being entitled to receive notice of, and to attend and vote at general meetings of a company shall, for the purposes of the Malaysian Companies Act and the articles of the company, be treated as a resolution duly passed at a general meeting of the company and, where relevant, as a special resolution so passed.</p> <p>(2) Any such resolution shall be deemed to have been passed at a meeting held at the registered office on</p>	<p>Section 71(1) of the Act: A meeting of members of a company shall be convened at least once in every calendar year; this meeting shall be referred to as the annual general meeting.</p> <p>Section 70(6) of the Act: A meeting called under section 70(1) of the Act shall be deemed to be the annual general meeting for the year in which it is convened.</p> <p>Bye-law 58: An annual general meeting of the Company shall be held in each year other than the year in which its statutory meeting is convened at such time (within a period of not more than eighteen (18) months from the date of incorporation and thereafter within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting unless a longer period would not infringe the Listing Requirements, if applicable) and (subject to Bye-law 56) at such place as may be determined by the Board. In addition, for so long as the shares of the Company are listed on the Designated Stock Exchange, the interval between the close of the Company's financial year and the date of the Company's annual general meeting shall not exceed six (6) months or such other period as may be prescribed or permitted by the</p>	<p>The Act and Bye-laws contain provisions on annual general meetings.</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>the date on which it was signed by the last member.</p> <p>(3) This section shall not be construed as requiring that the persons signing a resolution under this section shall sign the same document containing the resolution; but where two or more documents are used for the purpose of obtaining signatures under this section in respect of any resolution, each such document shall be certified in advance by the secretary of the company as containing the true and correct version of the proposed resolution.</p> <p>Section 147(6) of the Malaysian Companies Act: Where a holding company is beneficially entitled to the whole of the issued shares of a subsidiary and a minute is signed by a representative of the holding company authorised pursuant to subsection (3) stating that any act, matter, or thing, or any ordinary or special resolution, required by the Malaysian Companies Act or by the memorandum or articles of the subsidiary to be made, performed, or passed by or at an ordinary general meeting or an extraordinary general meeting of the subsidiary has been made, performed, or passed, that act, matter, thing, or resolution shall, for all purposes, be deemed to have been duly made, performed, or passed by or at an ordinary general meeting, or as the case requires, by or at an extraordinary general meeting of the subsidiary.</p>	<p>Designated Stock Exchange.</p> <p>Please also refer to section 77A of the Act and Bye-law 87 as set out under the heading "Shareholders' Action by Written Consent" below.</p> <p>Bye-law 63(1): Members may participate in any general meeting by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.</p> <p>Bye-law 63(3): No business, other than the appointment of a chairman of a meeting, shall be transacted at any general meeting unless a quorum of Members entitled to attend the meeting is present at the time when the meeting proceeds to business. Except as herein otherwise provided, two (2) Members present in person shall form a quorum, provided that if the Company shall at any time have only one Member, one Member present in person or by proxy, or being a corporation by its representative duly authorised, shall form a quorum for the transaction of business at any general meeting of the Company held during such time. For the purposes of this Bye-law, "Member" includes a person attending as a proxy or as a duly authorised representative of a corporation which is a Member.</p>	
<i>Special Resolutions</i>		
<p>Section 152 of the Malaysian Companies Act:</p> <p>(1) A resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of such members as being entitled so to do vote in person or, where proxies are allowed, by proxy, at a general meeting of which not less than twenty-one</p>	<p>Not provided for in the Act.</p> <p>Bye-law 2(h): In the Bye-laws, unless there be something within the subject or context inconsistent with such construction, a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by Members, being entitled so to</p>	<p>The Bye-laws contain a distinction between a "special resolution" and an "ordinary resolution", a distinction which is not made in the Act.</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>days' notice specifying the intention to propose the resolution as a special resolution has been duly given.</p> <p>(2) Notwithstanding subsection (1), if it is so agreed by a majority in number of the members having the right to attend and vote at the meeting, being a majority which together holds not less than ninety-five per centum in nominal value of the shares giving that right or, in the case of a company not having a share capital, together represents not less than ninety-five per centum of the total voting rights that could be exercised at that meeting, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one days' notice has been given.</p> <p>(3) At any meeting at which a special resolution is submitted a declaration of the chairman that the resolution is carried shall unless a poll is demanded be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.</p> <p>(4) At any meeting at which a special resolution is submitted a poll shall be deemed to be effectively demanded if demanded –</p> <p>(a) by such number of members for the time being entitled under the articles to vote at the meeting as is specified in the articles, but it shall not in any case be necessary for more than five members to make the demand;</p> <p>(b) if no such provision is made by the articles, by three members so entitled, or by one member or two members so entitled, if that member holds or those two members together hold not less than ten per centum of the paid-up share capital of the company or if that member represents or those two members together represent not less than one-tenth of the total voting rights of all the</p>	<p>do, voting in person or, in the case of Members being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy.</p> <p>Please also refer to Bye-law 61(1) and (2) as set out under the heading "Notice of Meetings and Business to be Concluded Thereat" above.</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>members having a right to vote at the meeting.</p> <p>(5) In computing the majority on a poll demanded on the question that a special resolution be passed reference shall be had to the number of votes cast for and against the resolution and to the number of votes to which each member is entitled by the Malaysian Companies Act or the articles of the company.</p>		
<p><i>Convening of General Meetings on Requisition</i></p>		
<p>Section 144 of the Malaysian Companies Act:</p> <p>(1) The directors of a company, notwithstanding anything in its articles, shall on the requisition of members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital as at the date of the deposit carries the right of voting at general meetings or, in the case of a company not having a share capital, of members representing not less than one-tenth of the total voting rights of all members having at that date a right to vote at general meetings, forthwith proceed duly to convene an extraordinary general meeting of the company to be held as soon as practicable but in any case not later than two months after the receipt by the company of the requisition.</p> <p>(2) The requisition shall state the objects of the meeting and shall be signed by the requisitionists and deposited at the registered office of the company, and may consist of several documents in like form each</p>	<p>Section 74(1) to (5) of the Act:</p> <p>(1) The directors of a company, notwithstanding anything in its bye-laws shall, on the requisition of members of the company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the company as at the date of the deposit carries the right of voting at general meetings of the company, or, in the case of a company not having a share capital, members of the company representing not less than one-tenth of the total voting rights of all the members having at the said date a right to vote at general meetings of the company, forthwith proceed duly to convene a special general meeting of the company.</p> <p>(2) The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the company, and may consist of several documents in like form each signed by one or more requisitionists.</p>	<p>The general principle of these provisions in the Act is similar to those in the Malaysian Companies Act.</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

Malaysian Company Law	Bermuda Company Law	Comments on differences
<p>signed by one or more requisitionists.</p> <p>(3) If the directors do not within twenty-one days after the date of the deposit of the requisition proceed to convene a meeting the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves, in the same manner as nearly as possible as that in which meetings are to be convened by directors convene a meeting, but any meeting so convened shall not be held after the expiration of three months from that date.</p> <p>(4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the directors to convene a meeting shall be paid to the requisitionists by the company, and any sum so paid shall be retained by the company out of any sums due or to become due from the company by way of fees or other remuneration in respect of their services to such of the directors as were in default.</p> <p>(5) A meeting at which a special resolution is to be proposed shall be deemed not to be duly convened by the directors if they do not give such notice thereof as is required by the Malaysian Companies Act in the case of special resolutions.</p> <p>Section 151 of the Malaysian Companies Act:</p> <p>(1) Subject to this section a company shall on the requisition in writing of such number of members of the company as is specified in subsection (2) and (unless the company otherwise resolves) at the expense of the requisitionists-</p> <p>(a) give to the members of the company entitled to</p>	<p>(3) If the directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.</p> <p>(4) A meeting convened under section 74 of the Act by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by directors.</p> <p>(5) Any reasonable expenses incurred by the requisitionists by reason of the failure of the directors duly to convene a meeting shall be repaid to the requisitionists by the company, and any sum so repaid shall be retained by the company out of any sums due or to become due from the company by way of fees or other remuneration in respect of their services to such directors as were in default.</p> <p>Section 79(1) to (3) of the Act:</p> <p>(1) Subject to the following provisions of section 79 of the Act it shall be the duty of a company, on the requisition in writing of such number of members as is hereinafter specified, at the expense of the requisitionists unless the company otherwise resolves</p> <p>(a) to give to members of the company entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting;</p> <p>(b) to circulate to members entitled to have notice of any</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and</p> <p>(b) circulate to members entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting; and</p> <p>(2) The number of members necessary for a requisition under subsection (1) shall be-</p> <p>(a) any number of members representing not less than one-twentieth of the total voting rights of all the members having at the date of the requisition a right to vote at the meeting to which the requisition relates; or</p> <p>(b) not less than one hundred members holding shares in the company on which there has been paid up an average sum, per member, of not less than five hundred ringgit.</p> <p>(3) Notice of a resolution referred to in subsection (1) shall be given, and any statement so referred to shall be circulated, to members of the company entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each member in any manner permitted for service of notice of the meeting, and notice of the resolution shall be given to any other member of the company by giving notice of the general effect of the resolution in any manner permitted for giving him notice of meetings of the company, and the effect of the resolution shall be, in the same manner and, so far as practicable, at the same time as notice of the meeting and, where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.</p>	<p>general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.</p> <p>(2) The number of members necessary for a requisition under section 79(1) of the Act shall be -</p> <p>(a) either any number of members representing not less than one-twentieth of the total voting rights of all the members having at the date of the requisition a right to vote at the meeting to which the requisition relates; or</p> <p>(b) not less than one hundred members.</p> <p>(3) Notice of any such intended resolution shall be given, and any such statement shall be circulated, to members of the company entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each such member in any manner permitted for service of notice of the meeting, and notice of any such resolution shall be given to any other member of the company by giving notice of the general effect of the resolution in any manner permitted for giving him notice of meetings of the company.</p> <p>Provided that the copy shall be served, or notice of the effect of the resolution shall be given, as the case may be, in the same manner and, so far as practicable, at the same time as notice of the meeting and, where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.</p> <p>Section 80 of the Act: A company shall not be bound under section 79 of the Act to give notice of any resolution or to circulate any statement unless -</p> <p>(a) a copy of the requisition signed by the requisitionists,</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>thereafter.</p> <p>(4) A company shall not be bound under this section to give notice of any resolution or to circulate any statement unless –</p> <p>(a) a copy of the requisition signed by the requisitionists (or two or more copies which between them contain the signatures of all the requisitionists) is deposited at the registered office of the company-</p> <p>(i) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting; and</p> <p>(ii) in the case of any other requisition, not less than one week before the meeting; and</p> <p>(b) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the company's expenses in giving effect thereto,</p> <p>but if, after a copy of a requisition requiring notice of a resolution has been deposited at the registered office of the company, an annual general meeting is called for a date six weeks or less after the copy has been deposited, the copy though not deposited within the time required by this subsection shall be deemed to have been properly deposited for the purposes thereof.</p> <p>(5) The company shall not be bound under this section to circulate any statement if, on the application either of the company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this section are being abused to secure needless publicity for defamatory matter and the Court may order the company's costs on an application under this section to be paid in whole or in part by the</p>	<p>or two or more copies which between them contain the signatures of all the requisitionists, is deposited at the registered office of the company –</p> <p>(i) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting; and</p> <p>(ii) in the case of any other requisition, not less than one week before the meeting; and</p> <p>(b) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the company's expenses in giving effect thereto:</p> <p>Provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the company, an annual general meeting is called for a date six weeks or less after the copy has been deposited, the copy though not deposited within the time required by section 80 of the Act shall be deemed to have been properly deposited for the purposes thereof.</p> <p>Bye-law 60: The Board may whenever it thinks fit call special general meetings, and, subject to the Act, Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Act.</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on difference</u>
<p>requisitionists, notwithstanding that they are not parties to the application.</p>		
<p><i>Right to Attend Meeting and Vote</i></p>		
<p>Section 148 of the Malaysian Companies Act:</p> <p>(1) Subject to subsection (2), every member shall notwithstanding any provision in the memorandum or articles have a right to attend any general meeting of the company and to speak and vote on any resolution before the meeting:</p> <p>Provided that the company's articles may provide that a member shall not be entitled to vote unless all calls or other sums personally payable by him in respect of shares in the company have been paid.</p>	<p>Section 77(1) of the Act: Subject to the provisions of section 77 of the Act, the bye-laws of the company and to any rights or restrictions lawfully attached to any class of shares, at any general meeting each member of the company shall be entitled in the case of a company limited by shares, or other company having a share capital, to one vote for each share held by him and in the case of a company limited by guarantee one vote; such votes may be given in person or by proxy.</p>	<p>The Act and the Malaysian Companies Act are similar in relation to the rights of members to attend and vote. The Bye-laws further provide for deposited securities of a Depositor to be held jointly by the Depository and the said Depositor and the manner in which the Depositor and Depository are to be named in the Register.</p>
<p>(2) Notwithstanding subsection (1), the articles may provide that the right of holders of preference shares to attend and vote at a general meeting of the company may be suspended upon such conditions as may be specified:</p> <p>Provided that any preference shares issued after the commencement of the Malaysian Companies Act shall carry the right to attend any general meeting and in a poll thereat to at least one vote for each ringgit or part of a ringgit that is paid up on each share –</p> <p>(a) during such period as the preferential dividend or any part thereof remains in arrear and unpaid, such period starting from a date not more than twelve months, or such lesser period as the articles may provide, after the due date of the dividend;</p>	<p>Bye-law 16(1): Subject to the Listing Requirements (if applicable), for so long as the shares of the Company are listed on the Bursa Securities, all deposited securities of a Depositor shall be held jointly by the Depository and the Depositor. The Depositor shall be named in the Register as the first holder and the Depository named as the second or junior holder (as the case may be) thereof.</p> <p>Bye-law 16(2): Notwithstanding any provision in the Bye-laws to the contrary, a Depositor whose name appears in the Register shall be entitled to all rights (including voting and other rights), benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such deposited security registered in the Depositor's name (whether conferred or imposed by the Act, the memorandum of association of the Company or the Bye-laws, or otherwise) as if such Depositor is the sole holder of such deposited security. Notwithstanding that the Depository is named in the Register as the joint holder of</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>(b) upon any resolution which varies the rights attached to such shares; or</p> <p>(c) upon any resolution for the winding up of the company.</p>	<p>any deposited security, the Depository shall not be entitled to any rights (including voting and other rights), benefits, powers and privileges in respect of, or arising from, such deposited security and nor shall the Depository be subject to any liabilities, duties and obligations in respect of, or arising from, such deposited security.</p> <p>Bye-law 30: No Member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another Member) at any general meeting either personally or by proxy, or be reckoned in a quorum, or exercise any other privilege as a Member until all calls or instalments due by him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.</p>	
	<p>Bye-law 61(5): In accordance with the Rules, the Company shall inform the Depository of the dates of general meetings of the Company and the Company shall request the Depository to issue a Record of Depositors to whom notices of general meetings shall be given by the Company. In addition, in respect of each general meeting, the Company shall request the Depository in accordance with the Rules, to issue a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than three (3) clear market days before that general meeting ("General Meeting Record of Depositors"). Subject to the Regulations, notwithstanding any other provision of the Bye-laws, a Depositor shall not be entitled to attend any general meeting and to speak and vote thereat unless his name appears in the relevant General Meeting Record of Depositors.</p> <p>Bye-law 78: Subject to Bye-law 16(2) and Bye-law 76, no</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>Section 147(1) of the Malaysian Companies Act: So far as the articles do not make other provision in that behalf and subject to section 55 –</p> <p>(a) two members of the company, personally present shall be a quorum;</p> <p>(b) any member elected by the members present at a meeting may be chairman thereof;</p> <p>(c) in the case of a company having a share capital –</p> <p>(i) on a show of hands each member who is personally present and entitled to vote shall have one vote; and</p> <p>(ii) on a poll each member shall have one vote in respect of each share held by him and where all or part of the share capital consists of stock or units of stock each member shall have one vote in respect of the stock or units of stock held by him which is or are or were originally equivalent to one share; and</p> <p>(d) in the case of a company not having a share capital every member shall have one vote.</p> <p>Section 147(2) of the Malaysian Companies Act: On a poll taken at a meeting a person entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.</p> <p>Section 147(3) of the Malaysian Companies Act: A corporation may by resolution of its directors or other</p>	<p>Member shall, unless the Board otherwise determines, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares held by him in the Company have been paid.</p> <p>Section 77(3) of the Act: Subject to section 77(5) of the Act, it shall be lawful for any question proposed for consideration at a general meeting of a company to be decided on a show of hands or by a count of votes received in the form of electronic records and in any such case, and subject to any rights or restrictions for the time being lawfully attached to any class of shares, every member present in person or by proxy at such meeting shall be entitled to one vote and shall cast such vote by raising his hand or by communicating their vote in the form of an electronic record.</p> <p>Section 77(5) of the Act: Notwithstanding section 77(3) of the Act, at any general meeting of a company, it shall be lawful, in respect of any question proposed for the consideration of the members, whether before or on the declaration of the result of a show of hands or of a count of votes received in the form of electronic records as provided for in subsection (3) for a poll to be demanded by any of the following persons-</p> <p>(a) the Chairman of such meeting; or</p> <p>(b) at least three members present in person; or represented by proxy; or</p> <p>(c) any member or members present in person or represented by proxy and holding between them not less than one-tenth of the total voting rights of all the members having the right to vote at such meeting; or</p>	<p>The provisions in the Act and Bye-laws are generally similar to the Malaysian Companies Act. Further, the Bye-laws contain provisions relating to voting rights of the Depositor and the Depository.</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>governing body –</p> <p>(a) if it is a member of a company, authorise such person as it thinks fit to act as its representative, either at a particular meeting or at all meetings of the company or of any class of members; or</p> <p>(b) if it is a creditor (including a holder of debentures) of a company, authorise such person as it thinks fit to act as its representative either at a particular meeting or at all meetings of any creditors of the company,</p> <p>and a person so authorised shall, in accordance with his authority and until his authority is revoked by the corporation be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual member, creditor or holder of debentures of the company.</p> <p>Section 147(4) of the Malaysian Companies Act: Where –</p> <p>(a) a person present at a meeting is authorised to act as the representative of a corporation at the meeting by virtue of an authority given by the corporation under subsection (3); and</p> <p>(b) the person is not otherwise entitled to be present at the meeting,</p> <p>the corporation shall, for the purposes of subsection (1), be deemed to be personally present at the meeting.</p> <p>Section 146(1) of the Malaysian Companies Act: Any provision contained in a company's articles shall be void so far as it would have the effect –</p> <p>(a) of excluding the right to demand a poll at a general meeting on any question or matter other than the election of the chairman of the meeting or the adjournment of the meeting;</p> <p>(b) of making ineffective a demand for a poll on any question or matter other than the election of the chairman</p>	<p>(d) a member or members present in person or represented by proxy holding shares in such company conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all such shares conferring such right.</p> <p>Section 77(6) of the Act: Where, in accordance with section 77(5) of the Act, a poll is demanded, and subject to any rights or restrictions for the time being lawfully attached to any class of shares, every member present in person or by proxy at such meeting shall have one vote for each share of which he is the holder or for which he holds a proxy or in the case of a company limited by guarantee he shall have one vote for himself and one vote for each member for whom he holds a proxy and such votes shall be counted in such manner as the bye-laws of the company may provide or, in default of such provision, as the chairman may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands.</p> <p>Section 77(8) of the Act: In the case of an equality of votes, whether on a show of hands or by a count of votes received in the form of electronic records or on a poll, the chairman of the meeting at which such show of hands or count of votes takes place, or at which such poll is demanded, shall unless the bye-laws of the company otherwise provide, be entitled to a second or casting vote.</p> <p>Section 77(9) of the Act: Nothing contained in section 77 of the Act shall be construed as prohibiting a member who is the holder of two or more shares from appointing more than one proxy to represent him and vote on his behalf, whether on a show of hands or by a count of votes received in the form of electronic records or on a poll, at a general meeting of the company or at a class meeting.</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>of the meeting or the adjournment of the meeting that is made -</p> <p>(i) by not less than five members having the right to vote at the meeting;</p> <p>(ii) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or</p> <p>(iii) by a member or members holding shares in the company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; or</p> <p>(c) of requiring the instrument appointing a proxy or any other document necessary to show the validity of or otherwise relating to the appointment of a proxy to be received by the company or any other person more than forty eight hours before a meeting or adjourned meeting in order that the appointment may be effective thereat.</p>	<p>Bye-law 68: Subject to Bye-law 16(2), Bye-law 61(5) and Bye-law 76(2) and any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Bye-laws, at any general meeting (i) on a show of hands every Member present in person (or being a corporation, is present by a representative duly authorised under Section 78 of the Act), or by proxy shall have one vote and the chairman of the meeting shall determine which proxy shall be entitled to vote where a Member is represented by two proxies, and (ii) on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder or which he represents and in respect of which all calls due to the Company have been paid, but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. In the event that a Member participates in a general meeting by telephone or electronic means or other communication facilities, the chairman of the meeting shall direct the manner in which such Member may cast his vote on a show of hands or by poll, as the case may be. A resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal, of any other demand for a poll) a poll is demanded by persons permitted to do so, as set out in Bye-law 68.</p> <p>Bye-law 75: In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.</p> <p>Bye-law 76(1): Subject to Bye-law 76(2) below, where there are joint holders of any share, anyone of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

Malaysian Company Law	Bermuda Company Law	Comments on differences
	<p>vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purposes of this Bye-law be deemed joint holders thereof.</p> <p>Bye-law 76(2): Where the Depository is a joint holder of any deposited security with a Depositor, only the Depositor may vote, either in person or by proxy (or in the case of such Depositor being a corporation, by its duly authorised representative), in respect of such deposited security as if he or it were the sole holder thereof.</p> <p>Bye-law 16(2): Notwithstanding any provision in the Bye-laws to the contrary, a Depositor whose name appears in the Register shall be entitled to all rights (including voting and other rights), benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such deposited security registered in the Depositor's name (whether conferred or imposed by the Act, the memorandum of association of the Company or the Bye-laws, or otherwise) as if such Depositor is the sole holder of such deposited security. Notwithstanding that the Depository is named in the Register as the joint holder of any deposited security, the Depository shall not be entitled to any rights (including voting and other rights), benefits, powers and privileges in respect of, or arising from, such deposited security and nor shall the Depository be subject to any liabilities, duties and obligations in respect of, or arising from, such deposited security.</p> <p>Bye-law 61(5): In accordance with the Rules, the Company shall inform the Depository of the dates of general meetings of the Company and the Company shall request the Depository to issue a Record of Depositors to whom notices of general meetings shall be given by the</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p><i>Shareholders' Action by Written Consent</i></p> <p>Section 152A of the Malaysian Companies Act:</p> <p>(1) Notwithstanding anything to the contrary in the Malaysian Companies Act or the articles of the company, a resolution in writing signed by or on behalf of all persons for the time being entitled to receive notice of, and to attend and vote at general meetings of a company shall, for the purposes of the Malaysian Companies Act and the articles of the company, be treated as a resolution duly passed at a general meeting of the company and, where relevant, as a special resolution so passed.</p> <p>(2) Any such resolution shall be deemed to have been passed at a meeting held at the registered office on the date on which it was signed by the last member.</p> <p>(3) This section shall not be construed as requiring that the persons signing a resolution under this section shall sign the same document containing the resolution; but where two or more documents are used for the purpose of obtaining signatures under this section in respect of any resolution, each such document shall be certified in advance by the secretary of the company as containing the true and</p>	<p><u>Bermuda Company Law</u></p> <p>Company. In addition, in respect of each general meeting, the Company shall request the Depository in accordance with the Rules, to issue a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than three (3) clear market days before that general meeting ("General Meeting Record of Depositors"). Subject to the Regulations, notwithstanding any other provision of the Bye-laws, a Depositor shall not be entitled to attend any general meeting and to speak and vote thereat unless his name appears in the relevant General Meeting Record of Depositors.</p>	
<p>Section 152A of the Malaysian Companies Act:</p> <p>(1) Notwithstanding anything to the contrary in the Malaysian Companies Act or the articles of the company, a resolution in writing signed by or on behalf of all persons for the time being entitled to receive notice of, and to attend and vote at general meetings of a company shall, for the purposes of the Malaysian Companies Act and the articles of the company, be treated as a resolution duly passed at a general meeting of the company and, where relevant, as a special resolution so passed.</p> <p>(2) Any such resolution shall be deemed to have been passed at a meeting held at the registered office on the date on which it was signed by the last member.</p> <p>(3) This section shall not be construed as requiring that the persons signing a resolution under this section shall sign the same document containing the resolution; but where two or more documents are used for the purpose of obtaining signatures under this section in respect of any resolution, each such document shall be certified in advance by the secretary of the company as containing the true and</p>	<p>Section 77A(1) of the Act: Subject to section 77A(6) of the Act and the bye-laws of the company, anything which may be done by resolution of a company in general meeting or by resolution of a meeting of any class of the members of a company, may be done by resolution in writing.</p> <p>Section 77A(1A) of the Act: Subject to the bye-laws of the company, notice of any resolution to be made under section 77A(1) shall be given, and a copy of the resolution shall be circulated, to all members who would be entitled to attend a meeting and vote on the resolution in the same manner as that required for a notice of a meeting of members at which the resolution could have been considered, except that any requirement in the Act or in the bye-laws as to the length of the period of notice shall not apply.</p> <p>Section 77A(1B) of the Act: Subject to section 77A(1C), a resolution in writing is passed when it is signed by, or, in</p>	<p>There is no provision exactly like section 147(6) of the Malaysian Companies Act in the Act.</p> <p>The Act and Bye-laws provide for resolutions to be passed by a company in general meeting or resolution in writing. The Act and Bye-laws provide that a resolution is passed when it is signed by the members of the company who at the date of the notice represent such majority of votes as would be required if the resolution had been voted on at a meeting of members; or all the members of the company or such other majority of members as may be provided by the Bye-laws of the company. However, the Malaysian Companies Act provides that a resolution signed by or on behalf of all persons for the time being shall be treated as a resolution duly passed at a general meeting.</p> <p>Please also refer to comments under the heading "Annual General Meetings".</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>correct version of the proposed resolution.</p> <p>Please also refer to Section 147(6) of the Malaysian Companies Act as set out under the heading "Annual General Meeting".</p>	<p>the case of a member that is a corporation whether or not a company within the meaning of the Act, on behalf of –</p> <p>(a) the members of the company who at the date of the notice represent such majority of votes as would be required if the resolution had been voted on at a meeting of members; or</p> <p>(b) all the members of the company or such other majority of members as may be provided by the bye-laws of the company.</p> <p>Section 77A(1C) of the Act: The accidental omission to give notice to, or the non-receipt of a notice by, any person entitled to receive notice of a resolution does not invalidate the passing of a resolution.</p> <p>Section 77A(2) of the Act: A resolution in writing may be signed by, or, in the case of a member that is a corporation whether or not a company within the meaning of the Act, on behalf of, the members of a company, or any class thereof, in as many counterparts as may be necessary.</p> <p>Section 77A(3) of the Act: For the purposes of section 77A of the Act, the date of the resolution is the date when the resolution is signed by, or, in the case of a member that is a corporation whether or not a company within the meaning of the Act, on behalf of, the last member to sign and any reference in any enactment to the date of passing of a resolution is, in relation to a resolution made in accordance with section 77A of the Act, a reference to such date.</p> <p>Section 77A(4) of the Act: A resolution in writing made in accordance with section 77 of the Act is as valid as if it had been passed by the company in general meeting or by a</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

Malaysian Company Law	Bermuda Company Law	Comments on differences
	<p>meeting of the relevant class of members of the company, as the case may be; and any reference in any enactment to a meeting at which a resolution is passed or to members voting in favour of a resolution shall be construed accordingly.</p> <p>Section 77A(4A) of the Act: A resolution in writing made in accordance with section 77A of the Act shall constitute the holding of a meeting where so required by the Act and the date of such meeting shall be the date of the resolution determined in accordance with section 77A(3) of the Act.</p> <p>Section 77A(4B) of the Act: A resolution in writing made in accordance with section 77A of the Act receiving, accepting, adopting or approving financial statements or any other document shall be deemed to be the laying of such statements or other documents before the company in general meeting.</p> <p>Section 77A(6) of the Act: Section 77A of the Act shall not apply to:</p> <ul style="list-style-type: none"> (a) a resolution passed pursuant to section 89(5) of the Act; or (b) a resolution passed for the purpose of removing a director before the expiration of his term of office under section 93 of the Act. <p>Bye-law 87(1): Subject to the Bye-laws, anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Members may, without a meeting be done by written resolution in accordance with this Bye-law.</p> <p>Bye-law 87(2): Notice of a written resolution shall be given, and a copy of the resolution shall be circulated to all Members who would be entitled to attend a meeting and vote thereon. The accidental omission to give notice to, or the non-receipt of a notice by, any Member does not</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
	<p>invalidate the passing of a resolution. A resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of Members who at the date that the notice is given represent such majority of votes as would be required if the resolution was voted on at a meeting of Members at which all Members entitled to attend and vote thereat were present and voting, shall, for the purposes of the Bye-laws, be treated as a resolution duly passed at a general meeting of the Company and, where relevant, as a special resolution so passed. For the purposes of Bye-law 87, the effective date of the resolution is the date when the resolution is signed by, or in the case of a Member that is a corporation whether or not a company within the meaning of the Act, on behalf of, the last Member whose signature results in the necessary voting majority being achieved and any reference in any Bye-law to the date of passing of a resolution is, in relation to a resolution made in accordance with Bye-law 87, a reference to such date. Where the resolution states a date as being the date of his signature thereof by any Member the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, each signed by one or more relevant Members.</p> <p>Bye-law 87(3): Notwithstanding any provisions contained in the Bye-laws, a resolution in writing shall not be passed for the purpose of removing a Director before the expiration of his term of office under Bye-law 88(4) or for the purposes set out in Bye-law 154(3) relating to the removal and appointment of the Auditor.</p>	
Proxies		

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

Malaysian Company Law	Bermuda Company Law	Comments on Differences
<p>Section 149 (1) of the Malaysian Companies Act:</p> <p>A member of a company entitled to attend and vote at a meeting of the company, or at a meeting of any class of members of the company, shall be entitled to appoint another person or persons (whether a member or not) as his proxy to attend and vote instead of the member at the meeting and a proxy appointed to attend and vote instead of a member shall also have the same right as the member to speak at the meeting, but unless the articles otherwise provide –</p> <p>(a) a proxy shall not be entitled to vote except on a poll;</p> <p>(b) a member shall not be entitled to appoint a person who is not a member as his proxy unless that person is an advocate, an approved company auditor or a person approved by the Registrar in a particular case;</p> <p>(c) a member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting; and</p> <p>(d) where a member appoints two proxies the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.</p> <p>Section 149(2) of the Malaysian Companies Act: In every notice calling a meeting of a company or a meeting of any class of members of a company there shall appear with reasonable prominence a statement as to the rights of the member to appoint proxies to attend and vote instead of the member, and that a proxy need not also be a member; and if default is made in complying with this subsection as respects any meeting, every officer of the company who is</p>	<p>Please refer to Section 77 of the Act set out under the heading "Right to Attend Meeting and Vote".</p> <p>Bye-law 80(1): Any Member entitled to attend and vote at a meeting of the Company who is the holder of two or more shares shall be entitled to appoint not more than two proxies to attend and vote instead of him at the same general meeting provided that if the Member is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy to attend and vote at the same general meeting in respect of each Securities Account it holds with ordinary shares of the Company standing to credit of that Securities Account.</p> <p>Bye-law 80(2): In any case where an instrument of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument of proxy.</p> <p>Bye-law 80(3): A proxy need not be a Member. In addition, subject to Bye-law 80(1), a proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise, including, notwithstanding Bye-law 68, the right to vote individually on a show of hands on any question or resolution at any general meeting. On a poll, a proxy need not use all the votes he is entitled to cast or cast all such votes in the same way.</p> <p>Bye-law 81: The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such</p>	<p>Both the Act and the Malaysian Companies Act provide for proxies.</p> <p>The Bye-laws do not apply the restrictions on proxies in section 149(1)(a) and (b) of the Malaysian Companies Act which provisions are allowed to be excluded in the articles of associations of a Malaysian company.</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>in default shall be guilty of an offence against the Malaysian Companies Act.</p> <p>Section 149(5) of the Malaysian Companies Act: Any person who authorises or permits an invitation to appoint as proxy a person or one of a number of persons specified in the invitation to be issued or circulated shall be guilty of an offence against the Malaysian Companies Act unless the invitation is accompanied by a form of proxy which shall entitle the member to direct the proxy to vote either for or against the resolution.</p>	<p>officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.</p> <p>Bye-law 82: The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed on behalf of the appointor or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.</p> <p>Bye-law 83: Instruments of proxy shall be in any usual or common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on Differences</u>
<p><i>Transfer of Shares</i></p> <p>Section 98 of the Malaysian Companies Act: The shares or other interest of any member in a company shall be movable property, transferable in the manner provided by the articles, and shall not be of the nature of immovable property.</p> <p>Section 100(1) of the Malaysian Companies Act: A certificate under the common or official seal of a company specifying any shares held by any member of the company shall be <i>prima facie</i> evidence of the title of the member to the shares.</p> <p>Section 100(2) of the Malaysian Companies Act: Every share certificate shall be under the common seal of the company or (in the case of a share certificate relating to shares on a branch register) the common or official seal of the company and shall state as at the date of the issue of the certificate –</p> <p>(a) the name of the company and the authority under which the company is constituted;</p> <p>(b) the address of the registered office of the company in Malaysia, or where the certificate is issued by a branch office, the address of that branch office; and</p> <p>(c) the nominal value and the class of the shares and the extent to which the shares are paid up.</p> <p>Section 103 of the Malaysian Companies Act:</p> <p>(1) Notwithstanding anything in its articles, a company shall</p>	<p>a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.</p>	
<p>Section 98 of the Malaysian Companies Act: The shares or other interest of any member in a company shall be movable property, transferable in the manner provided by the articles, and shall not be of the nature of immovable property.</p> <p>Section 100(1) of the Malaysian Companies Act: A certificate under the common or official seal of a company specifying any shares held by any member of the company shall be <i>prima facie</i> evidence of the title of the member to the shares.</p> <p>Section 100(2) of the Malaysian Companies Act: Every share certificate shall be under the common seal of the company or (in the case of a share certificate relating to shares on a branch register) the common or official seal of the company and shall state as at the date of the issue of the certificate –</p> <p>(a) the name of the company and the authority under which the company is constituted;</p> <p>(b) the address of the registered office of the company in Malaysia, or where the certificate is issued by a branch office, the address of that branch office; and</p> <p>(c) the nominal value and the class of the shares and the extent to which the shares are paid up.</p> <p>Section 103 of the Malaysian Companies Act:</p> <p>(1) Notwithstanding anything in its articles, a company shall</p>	<p>Section 48(1) of the Act: Subject to any other enactment the shares or other interest of any member in a company shall be personal estate, transferable in manner provided by the bye-laws of the company.</p> <p>Section 48(2) of the Act: Notwithstanding anything in the bye-laws of a company, it shall not be lawful for the company to register a transfer of shares in or debentures of the company unless a proper instrument of transfer has been delivered to the company:</p> <p>Provided that nothing in section 48 of the Act shall prejudice any power of the company to register as shareholder or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.</p> <p>Section 19(2) of the Act: Every other person who agrees to become a member of a company, and whose name is entered in its register of members (which includes any branch register kept under section 65 of the Act), shall be a member of the company.</p> <p>Bye-law 48(1): The transfer of any listed securities or class of listed securities of the Company shall be made by way of book entry by the Depository in accordance with the Rules, and the Company shall be precluded from effecting any transfer of listed securities other than through the Depository in accordance with the Rules. Instruments of</p>	<p>Both the Act and the Malaysian Companies Act provide for transfer of shares. The Bye-laws further provide for transfer of listed securities.</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>not register a transfer of shares or debentures unless a proper instrument of transfer in the prescribed form has been delivered to the company, but this subsection shall not prejudice any power to register as a shareholder or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.</p> <p>(1A) Nothing in this section shall be construed as affecting the validity of any instrument which would be effective to transfer shares or debentures apart from this section; and any instrument purporting to be made in any form which was common or usual in use, or in any other form authorised or required for that purpose apart from this section before the commencement of the Malaysian Companies Act, shall be sufficient, whether or not it is completed in accordance with the prescribed form, if it complies with the requirements as to execution and contents which apply to a transfer:</p> <p>Provided that a company shall be precluded from registering a transfer of shares or debentures, the title of which is evidenced by a certificate that is issued on or after the date of coming into operation of this subsection unless a proper instrument of transfer in the prescribed form has been delivered to the company.</p> <p>Section 104(1) of the Malaysian Companies Act: On the request in writing of the transferor of any share, debenture or other interest in a company, the company shall enter in the appropriate register the name of the transferee in the same manner and subject to the same conditions as if the application for the entry were made by the transferee.</p> <p>Section 104(2) of the Malaysian Companies Act: On the request in writing of the transferor of a share or debenture the company shall by notice in writing require the person having the possession, custody or control of the share certificate or debenture and the instrument of transfer thereof or either of them to bring the same into the office of the company within a stated period, being not less than</p>	<p>transfer of any deposited security may be in the form of electronic records of the Depository relating to such transfers. The Record of Depositors received from the Depository shall be entered in the Company's Register. For so long as the shares of the Company are listed on the Bursa Securities, the Company shall procure from the Depository a copy of the Record of Depositors as at the close of each market day and entered in the Company's Register upon receipt of the same.</p> <p>Bye-law 48(2): Subject to these Bye-laws, any Member may transfer all or any of his shares (other than deposited securities) by an instrument of transfer in the form acceptable to the Board provided always that the Company shall accept for registration an instrument of transfer in a form approved by the Board.</p> <p>Bye-law 50(3): The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the Register to any branch register or any share on any branch register to the Register or any other branch register. In the event of any such transfer, the shareholder requesting such transfer shall bear the cost of effecting the transfer unless the Board otherwise determines.</p> <p>Bye-law 50(4): Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time determine, and which agreement the Board shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold), no shares upon the Register shall be transferred to any branch register nor shall shares on any branch register be transferred to the Register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the case of any shares on the Register, at the Office or such other place in</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>seven and not more than twenty-eight days after the date of the notice, to have the share certificate or debenture cancelled or rectified and the transfer registered or otherwise dealt with.</p> <p>Section 106(1) of the Malaysian Companies Act: The certification by a company of any instrument of transfer of shares debentures or other interests in the company shall be taken as a representation by the company to any person acting on the faith of the certification that there have been produced to the company such documents as on the face of them show a <i>prima facie</i> title to the shares, debentures or other interests in the transferor named in the instrument of transfer but not as a representation that the transferor has any title to the shares, debentures or other interests.</p> <p>Section 107B of the Malaysian Companies Act:</p>	<p>Bermuda at which the Register is kept in accordance with the Act.</p> <p>Bye-law 61(5): In accordance with the Rules, the Company shall inform the Depository of the dates of general meetings of the Company and the Company shall request the Depository to issue a Record of Depositors to whom notices of general meetings shall be given by the Company. In addition, in respect of each general meeting, the Company shall request the Depository in accordance with the Rules, to issue a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than three (3) clear market days before that general meeting ("General Meeting Record of Depositors"). Subject to the Regulations, notwithstanding any other provision of these Bye-laws, a Depositor shall not be entitled to attend any general meeting and to speak and vote thereat unless his name appears in the relevant General Meeting Record of Depositors.</p>	
<p>(1) Notwithstanding section 100, a depositor whose name appears in the record of depositors maintained by the central depository pursuant to section 34 of the Securities Industry (Central Depositories) Act 1991 in respect of the securities of a company which have been deposited with the central depository shall be deemed to be a member, debenture holder, interest holder or option holder, as the case may be, of the company, and shall, subject to the provisions of the Securities Industry (Central Depositories) Act 1991 of Malaysia and any regulations made thereunder, be entitled to the number of securities stated in the record of depositors and all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such securities (whether conferred or imposed by the Malaysian Companies Act or the memorandum or articles of association of the company).</p> <p>(2) Nothing in this Division shall be construed as affecting the obligation of the company to keep a register of its members under section 158, a register of holders of</p>		

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>debentures under section 70, a register of interest holders under section 92 and a register of option holders under section 68A and to open them for inspection in accordance with the provisions of the Malaysian Companies Act except that the company shall not be obliged to enter in such registers the names and particulars of depositors who are deemed to be members, debenture holders, interest holders or option holders.</p> <p>(3) Notwithstanding any other provision of this of the Malaysian Companies Act, a depositor shall not be regarded as a member of a company entitled to attend any general meeting and to speak and vote thereat unless his name appears on the record of depositors not less than three market days before the general meeting.</p> <p>(4) The record of depositors shall be <i>prima facie</i> evidence of any matters inserted therein as required or authorised by the Malaysian Companies Act.</p> <p>(5) For the purpose of this section, "market day" means any day between Mondays and Fridays which is not a market holiday of the stock exchange or public holiday.</p> <p>Section 107C(1) of the Malaysian Companies Act: On or after the coming into operation of this section, the transfer of any securities or class of securities of a company whose securities or any class of whose securities have been deposited with a central depository shall be by way of book entry by the central depository in accordance with the rules of the central depository and, notwithstanding sections 103 and 104, such company shall be precluded from registering and effecting any transfer of securities or class of securities which have been deposited.</p> <p>Section 107C(2) of the Malaysian Companies Act: Subsection (1) shall not apply to a transfer of securities to a</p>		

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>central depository or its nominee company.</p>		
<p><i>Refusal to Register Transfer</i></p>	<p>Section 50(1) of the Act: If a company refuses to register a transfer of any shares or debentures, the company shall, within three months after the date on which the transfer was lodged with the company, send to the transferor and transferee notice of the refusal.</p> <p>Bye-law 50(1): Save in respect of any deposited securities, the Board may, in its absolute discretion and without giving any reason therefor, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also, without prejudice to the foregoing generality, refuse to register a transfer of any share (not being a fully paid up share) on which the Company has a lien or, except in the case of a transfer to executors, administrators or trustees of the estate of a deceased Member, a transfer of any share to more than three (3) joint holders.</p> <p>Bye-law 50(2): No transfer shall be made to an infant or to a person of unsound mind or under other legal disability.</p> <p>Bye-law 50(5): Save as provided in the Bye-laws, there shall be no restriction on the transfer of fully paid up shares (except where required by law or the Listing Requirements).</p> <p>Bye-law 51: Without limiting the generality of Bye-law 50, the Board may decline to recognise any instrument of transfer (in respect of shares other than deposited securities) unless:-</p> <p>(a) a fee of such sum (not exceeding three Ringgit</p>	<p>The Act provides for "three months" after the date on which the transfer was lodged with the company for the company to send to the transferor and transferee notice of the refusal whereas the Malaysian Companies Act only requires "one month".</p> <p>The Bye-laws provides additional provisions on the registration of transfer of shares.</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
	<p>(RM3.00) or such other maximum sum as the Designated Stock Exchange may determine to be payable) as the Board may from time to time require is paid to the Company in respect thereof;</p> <p>(b) the instrument of transfer is in respect of only one class of share;</p> <p>(c) the instrument of transfer is lodged at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act or the Registration Office (as the case may be) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and</p> <p>(d) if applicable, the instrument of transfer is duly and properly stamped.</p> <p>Bye-law 52: If the Board refuses to register a transfer of any share (other than deposited securities), it shall, within one (1) month after the date on which the transfer was lodged with the Company, send to each of the transferor and transferee notice of the refusal.</p> <p>Bye-law 53: The registration of transfers of shares of any class of shares may, after notice has been given by advertisement in an appointed newspaper and in accordance with the requirements of the Designated Stock Exchange be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p><i>Issue of Certificates</i></p> <p>Section 107(1) of the Malaysian Companies Act: Every company shall within two months after the allotment of any of its shares or debentures, and within one month after the date on which a transfer (other than such a transfer as the company is for any reason entitled to refuse to register and does not register) of any of its shares or debentures is lodged with the company, complete and have ready for delivery all the appropriate certificates and debentures in connection with the allotment or transfer.</p>	<p>Section 51(1) of the Act: Every company shall, so soon as practicable after the allotment of any of its shares, or debentures and in any case within two months after a demand for a certificate of such shares or debentures has been made by the person to whom they have been allotted, complete and have ready for delivery such certificates unless the conditions of issue of the shares or debentures otherwise provide.</p> <p>Bye-law 16(3): The share certificate in respect of any deposited security held jointly by a Depositor and the Depository shall be issued in the name of, and delivered to, the Depository as joint holder and the Company shall not be bound to issue any certificate therefor to the Depositor. A Depositor shall not be entitled to withdraw any deposited security held jointly with the Depository for so long as the shares of the Company are listed on the Designated Stock Exchange.</p> <p>Bye-law 18(1): In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders, provided that for so long as the shares of the Company are listed on the Bursa Securities the share certificate in respect of any deposited security held jointly by a Depositor and the Depository shall be issued in the name of, and delivered to, the Depository only.</p>	<p>The Malaysian Companies Act provides that the certificates shall be delivered within two (2) months after allotment and the Act provides that the share certificates are to be delivered as soon as practicable after allotment of the shares and in any case within two (2) months after a demand has been made.</p> <p>The Malaysian Companies Act further provides that the company shall within one (1) month after the date on which a transfer of any shares or debentures is lodged with it, complete and have the certificate ready for delivery.</p> <p>The Bye-laws contain additional provisions on share certificates in relation to shares held by the Depository as joint holder.</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
	<p>Bye-law 18(2): Where a share stands in the names of two or more persons, the person first named in the Register shall as regards service of notices and, subject to the provisions of the Bye-laws, all or any other matters connected with the Company, except the transfer of the shares, be deemed the sole holder thereof, save that in respect of any deposited security which is jointly held by the Depository and a Depositor, the Depositor named in the Register as the joint holder of the deposited security shall as regards service of notices and, subject to the provisions of the Bye-laws, all or any other matters connected with the Company, be deemed to be the sole holder thereof.</p> <p>Bye-law 18(3): Where a share stands in the names of two or more persons, any request relating to cancellation or issue of share certificates may be made by any one of the registered joint holders, save that for so long as the shares of the Company are listed on the Bursa Securities any request relating to cancellation or issue of share certificates in respect of any deposited security held jointly by a Depositor and the Depository may only be made by the Depository.</p> <p>Bye-law 19(1): Other than a Depositor, every person whose name is entered as a Member in the Register shall be entitled, without payment, to receive one certificate for all shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first of such fee as is provided in Bye-law 19(2). Any certificates issued in respect of deposited securities may be issued in the name of the Depository as joint holder and a bare trustee for the relevant Depositors. In such case, the Depository shall be entitled, without payment, to receive any reasonable number of such certificates.</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
	<p>Bye-law 19(2): The fee payable in respect of share certificates referred to in this Bye-law and Bye-law 20 shall be an amount not exceeding three Ringgit (RM3.00) per certificate or such other maximum amount as the Board may from time to time determine and which the Company may be permitted to charge by applicable law or by the Designated Stock Exchange (if applicable) plus any stamp duty levied from time to time. Subject to the foregoing, the Board may at any time waive such fee or determine a lower amount for such fee.</p> <p>Bye-law 20(1): Upon every transfer of shares (which are not deposited securities) the share certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued to the transferee in respect of the shares transferred to him.</p> <p>Bye-law 20(2): Where a Member (who is not a Depositor holding deposited security) transfers part only of the shares comprised in a certificate or where a Member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and such Member shall pay all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Board in its absolute discretion may require and such fee as is provided in Bye-law 19(2).</p> <p>Bye-law 21 : Subject to the payment of all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Board in its absolute discretion may require, every person (other than a Depositor) whose name is entered as a Member in the</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p><i>Power of Directors to Dispose of the Issuer's or any of its Subsidiaries' Assets</i></p> <p>Section 132C of the Malaysian Companies Act:</p> <p>(1) Notwithstanding anything in the memorandum or articles of association of the company, the directors shall not carry into effect any arrangement or transaction for –</p> <p>(a) the acquisition of an undertaking or property of a substantial value; or</p> <p>(b) the disposal of a substantial portion of the company's undertaking or property, unless the arrangement or transaction has been approved by the company in a general meeting.</p> <p>(1A) For the purpose of subsection (1), in the case of a company where all or any of its shares are listed for quotation on the official list of a Stock Exchange as defined in the Securities Industry Act 1983, the term 'substantial value' or 'substantial portion' shall mean the same value prescribed by the provisions in the listing requirements of the Exchange –</p> <p>(a) which relates to acquisitions or disposals by a company or its subsidiaries to which such provision applies; and</p> <p>(b) which would require the approval of shareholders</p>	<p>Register shall be entitled to receive within ten (10) market days of the date of allotment (or such other period as may be approved by the Designated Stock Exchange) or within ten (10) market days after the date of lodgement of a registrable transfer (or such other period as may be approved by the Designated Stock Exchange) share certificates in reasonable denominations for the shares so allotted or transferred.</p>	
	<p>Not provided for in the Act save that section 91(1) of the Act states (inter alia) that the affairs of the company shall be managed by not less than two (2) directors who shall be individuals and section 91(5) of the Act states that the directors may, subject to the bye-laws of the company, exercise all the powers of the company except those powers that are required by the Act or the bye-laws to be exercised by the members of the company.</p> <p>Bye-law 106(1): The business of the Company shall be managed and conducted by the Board, which may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) except powers that by the Statutes or by the Bye-laws are required to be exercised by the Company in general meeting. The general powers given by Bye-law 106 shall not be limited or restricted by any special authority or power given to the Board by any other Bye-law.</p> <p>Bye-law 173:</p> <p>(1) For so long as the shares of the Company are listed on the Designated Stock Exchange, the Directors shall not carry into effect any arrangement or transaction for:-</p> <p>(a) the acquisition of an undertaking or property of a substantial value; or</p>	<p>Bye-law 173 does not permit the acquisition of an undertaking or property of substantial value and the disposal of a substantial portion of the Company's undertaking unless with the approval of members in general meeting.</p> <p>However, the term 'substantial value' or 'substantial portion' defined in the Malaysian Companies Act is not adopted. Instead reference is made to the Listing Requirements.</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>at a general meeting in accordance with the provisions of such listing requirements.</p> <p>(1B) In the case of any company other than a company to which subsection (1A) is applicable, an undertaking or property shall be considered to be of a substantial value and a portion of the company's undertaking or property shall be considered to be a substantial portion if –</p> <p>(a) its value exceeds twenty-five per centum of the total assets of the company;</p> <p>(b) the net profits (after deducting all charges except taxation and excluding extraordinary items) attributed to it amounts to more than twenty-five per centum of the total net profit of the company; or</p> <p>(c) its value exceeds twenty-five per centum of the issued share capital of the company, whichever is the highest.</p> <p>(2) The Court may, on the application of any member of the company, restrain the directors from entering into a transaction in contravention of subsection (1).</p> <p>(3) Where an arrangement or transaction is carried into effect in contravention of subsection (1), the arrangement or transaction shall be void except in favour of any person dealing with the company for valuable consideration and without actual notice of the contravention.</p> <p>(4) This section shall not apply to proposals for disposing of the whole or substantially the whole of the company's undertaking or property made by a receiver and manager of any part of the undertaking or property</p>	<p>(b) the disposal of a substantial portion of the Company's undertaking or property, unless the arrangement or transaction has been approved by the Company in general meeting.</p> <p>(2) For the purposes of Bye-law 173(1), where all or any of the shares of the Company are listed for quotation on the Designated Stock Exchange, the term "substantial value" or "substantial portion" shall mean the same value prescribed by the provisions in the Listing Requirements: –</p> <p>(a) which relates to acquisitions or disposals by a company or its subsidiaries to which such provision applies; and</p> <p>(b) which would require the approval of shareholders in general meeting in accordance with the provisions of such Listing Requirements.</p> <p>(3) Bye-law 173 shall not apply to proposals for disposing of the whole or substantially the whole of the Company's undertaking or property made by a receiver and manager of any part of the undertaking or property of the Company appointed under a power contained in any instrument or by a Court or a liquidator of the Company appointed in a voluntary winding up.</p> <p>(4) In Bye-law 173, "Director" includes the chief executive officer, the chief operating officer, the chief financial controller or any other person primarily responsible for the operations or financial management of the Company, by whatever name called.</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>of the company appointed under a power contained in any instrument or by a Court or a liquidator of a company appointed in a voluntary winding up.</p> <p>(5) Any director who contravenes this section shall be guilty of an offence against the Malaysian Companies Act.</p> <p>(6) In this section, "director" includes the chief executive officer, the chief operating officer, the chief financial controller or any other person primarily responsible for the operations or financial management of a company, by whatever name called.</p>		
<p><i>Alterations of Memorandum and Articles of Association/Constituent Documents</i></p>		
<p>Section 21(1) of the Malaysian Companies Act: The memorandum of a company may be altered to the extent and in the manner provided by the Malaysian Companies Act but not otherwise.</p> <p>Section 21(1A) of the Malaysian Companies Act: Notwithstanding subsection (1) and subject to section 33 and section 181, if a provision of the memorandum of a company could lawfully have been contained in the articles of the company, the company may, by special resolution, alter the memorandum:-</p> <p>(a) by altering; or</p> <p>(b) by deleting,</p> <p>the provision, unless the memorandum itself prohibits the alteration or deletion of that provision.</p> <p>Section 21(1B) of the Malaysian Companies Act: Nothing in subsection (1A) permits the alteration or deletion of a provision of the memorandum that relates to rights to which only members included in a particular class of members are entitled.</p>	<p>Section 12(1) of the Act: Subject to the provisions of section 12 of the Act, a company may, by resolution passed at a general meeting of members of which due notice has been given, alter the provisions of its memorandum.</p> <p>Section 13(5) of the Act: The directors of a company may after its registration amend the bye-laws but any such amendment shall be submitted to a general meeting of the company, and shall become operative only to such extent as they are approved at such meeting.</p> <p>Bye-law 168: No Bye-law shall be rescinded, altered or amended and no new Bye-law shall be made until the same has been approved by a resolution of the Board and confirmed by a special resolution of the Members. A special resolution shall be required to alter the provisions of the memorandum of association or to change the name of the Company.</p> <p>Section 45 (1) to (4) of the Act provides:</p> <p>(1) A company limited by shares, or other company having a share capital, if authorised by a general</p>	<p>The Malaysian Companies Act requires the company to alter the memorandum of association by way of special resolution. The Act provides that alteration of provisions of the memorandum of association of a company requires a resolution passed at a general meeting of members.</p> <p>Bye-law 168 permits the company to alter the Bye-laws with approval from the Board and confirmed by a special resolution of the members. It further states that special resolution is required for alteration of provisions of memorandum of association or to change the name of the Company.</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>Section 28 of the Malaysian Companies Act:</p> <p>(1) Subject to this section a company may by special resolution alter the provisions of its memorandum with respect to the objects of the company.</p> <p>(2) Where a company proposes to alter its memorandum, with respect to the objects of the company it shall give by post twenty-one days' written notice specifying the intention to propose the resolution as a special resolution and to submit it for passing to a meeting of the company to be held on a day specified in the notice.</p> <p>(3) The notice shall be given to all members, and to all trustees for debenture holders and if there are no trustees for any class of debenture holders to all debenture holders of that class whose names are, at the time of the posting of the notice, known to the company.</p> <p>Section 31 of the Malaysian Companies Act:</p> <p>(1) Subject to the provisions of the Malaysian Companies Act and to any conditions in its memorandum, a company may by special resolution alter or add to its articles.</p> <p>(2) Any alteration or addition so made in the articles shall, subject to the Malaysian Companies Act, on and from the date of the special resolution or such later date as is specified in the resolution, be as valid as if originally contained therein and be subject in like manner to alteration by special resolution.</p> <p>Section 62(1) of the Malaysian Companies Act:</p> <p>(1) A company if so authorised by its articles may in general meeting alter the conditions of its</p>	<p>meeting and by its bye-laws, may alter the conditions of its memorandum as follows, that is to say, it may –</p> <p>(a) increase its share capital by new shares of such amount as it thinks expedient;</p> <p>(b) divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;</p> <p>(c) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p> <p>(d) subdivide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, 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 share from which the reduced share is derived;</p> <p>(dd) change the currency denomination of its share capital;</p> <p>(e) make provision for the issue and allotment of shares which do not carry any voting rights; and</p> <p>(f) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.</p> <p>(2) A cancellation of shares in pursuance of this section shall not be deemed to be a reduction of share capital within the meaning of this Act.</p> <p>(3) Whenever a company alters the conditions of its memorandum under subsection (1)(a), (dd) or (f).</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>memorandum in anyone or more of the following ways:</p> <p>(a) increase its share capital by the creation of new shares of such amount as it thinks expedient;</p> <p>(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p> <p>(c) convert all or any of its paid-up shares into stock and re-convert that stock into paid-up shares of any denomination;</p> <p>(d) subdivide its shares or any of them into shares of smaller amount than is fixed by the memorandum, so however 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 share from which the reduced share is derived; or</p> <p>(e) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.</p>	<p>then within thirty days thereafter the company shall file a memorandum with the Registrar setting out the altered conditions.</p> <p>(4) If any company fails to file a memorandum in accordance with subsection (3) it shall be liable to a default fine.</p>	
<p><i>Giving of Financial Assistance to Purchase the Issuer's or its Holding Company's Shares</i></p> <p>Section 67(1) of the Malaysian Companies Act: Except as is otherwise expressly provided by the Malaysian Companies Act no company shall give, whether directly or indirectly and whether by means of a loan, guarantee or the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the company or, where the company is a subsidiary, in its holding company or in any way purchase,</p>	<p>Section 39(1) of the Act: Subject to sections 39A to 39C (inclusive) of the Act, where a person is acquiring or is proposing to acquire shares in a company, it shall not be lawful for the company or any of its subsidiaries to give financial assistance directly or indirectly for the purpose of that acquisition before or at the same time as the acquisition takes place.</p> <p>Section 39A(1) of the Act: Section 39(1) of the Act does not prohibit a company from giving financial assistance for the</p>	<p>Both the Act and the Malaysian Companies Act prohibit the giving of financial assistance in connection with the acquisition of a company's own shares or that of its holding company. The exceptions to the provisions in this regard in the Malaysian Companies Act are found particularly in section 67(2) and 67A and in sections 39A and 39B of the Act.</p> <p>Unlike the Malaysian Companies Act, the Act permits a company to give financial assistance if the company can</p>

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>deal in or lend money on its own shares.</p> <p>Section 67(2) of the Malaysian Companies Act: Nothing in subsection (1) shall prohibit –</p> <p>(a) where the lending of money is part of the ordinary business of a company, the lending of money by the company in the ordinary course of its business;</p>	<p>purpose of an acquisition of shares in it or in its holding company if –</p> <p>(a) the company's principal purpose in giving that assistance is not to give it for the purpose of any such acquisition, or the giving of the assistance for that purpose is but an incidental part of some larger purpose of the company, and</p> <p>(b) the assistance is given in good faith in the interests of the company.</p>	<p>meet a solvency test.</p> <p>The Bye-laws contain provisions similar to Section 67(2) of the Malaysian Companies Act.</p>
<p>(b) the provision by a company, in accordance with any scheme for the time being in force, of money for the purchase of or subscription for fully-paid shares in the company or its holding company, being a purchase or subscription by trustees of or for shares to be held by or for the benefit of employees of the company or a subsidiary of the company, including any director holding a salaried employment or office in the company or a subsidiary of the company; or</p> <p>(c) the giving of financial assistance by a company to persons, other than directors, bona fide in the employment of the company or of a subsidiary of the company with a view to enabling those persons to purchase fully-paid shares in the company or its holding company to be held by themselves by way of beneficial ownership.</p>	<p>Section 39A(2A) of the Act: Section 39 of the Act shall only prohibit a company from giving financial assistance if, on the date from which the financial assistance is to be given, there are reasonable grounds for believing that the company is, or after the giving of such financial assistance would be, unable to pay its liabilities as they become due.</p> <p>Section 39A(3) of the Act: Section 39 of the Act does not prohibit any transaction which is permitted by the Act or any other statutory provision including –</p> <p>(a) a distribution of a company's assets out of funds of the company which would otherwise be available for dividend or distribution;</p> <p>(b) a distribution made in the course of the company's winding up;</p> <p>(c) the allotment of bonus shares;</p> <p>(d) a reduction of capital made in accordance with the provisions of the Act;</p> <p>(e) a redemption or purchase of shares made in accordance with the provisions of the Act.</p> <p>Section 39A(4) of the Act: Section 39 of the Act does not prohibit –</p> <p>(a) where the lending of money is part of the ordinary business of the company, the lending of money by the company in the ordinary course of its business;</p>	
<p>Section 67A of the Malaysian Companies Act:</p> <p>(1) Notwithstanding the provisions of section 67, a public company with a share capital may, if so authorised by its articles, purchase its own shares.</p> <p>(2) A company shall not purchase its own shares, unless-</p> <p>(a) it is solvent at the date of the purchase and will not become insolvent by incurring the debts involved in the obligation to pay for the shares so purchased;</p> <p>(b) the purchase is made through the Stock</p>		

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>Exchange on which the shares of the company are quoted and in accordance with the relevant rules of the Stock Exchange; and</p> <p>(c) the purchase is made in good faith and in the interests of the company.</p> <p>(3) Notwithstanding section 60, the company may apply its share premium account to provide the consideration for the purchase of its own shares.</p>	<p>(b) the provision by a company in accordance with an employees' share scheme of money for the acquisition of fully or partly paid shares in the company or any holding company; and for the purposes of the Act, an employees' share scheme is a scheme for encouraging or facilitating the holding of shares or debentures in a company by or for the benefit of the bona fide employees or former employees (including, notwithstanding section 96 of the Act, any such bona fide employee or former employee who is or was also a director) of the company, the company's subsidiary or holding company or a subsidiary of the company's holding company, or the wives, husbands, widows, widowers or children or step-children under the age of eighteen of such employees or former employees;</p> <p>(c) the making by a company, the company's subsidiary or holding company or a subsidiary of the company's holding company of loans to persons (including, notwithstanding section 96 of the Act, any such bona fide employee or former employee who is or was also a director) employed in good faith by the company with a view to enabling those persons to acquire fully or partly paid shares in the company or its holding company to be held by them by way of beneficial ownership.</p>	
<p>(3A) Where a company has purchased its own shares, the directors of the company may resolve-</p> <p>(a) to cancel the shares so purchased;</p> <p>(b) to retain the shares so purchased in treasury (in the Malaysian Companies Act referred to as "treasury shares"); or</p> <p>(c) to retain part of the shares so purchased as treasury shares and cancel the remainder.</p>	<p>In addition, the Act expressly permits the grant of financial assistance where (i) the financial assistance does not reduce the company's net assets or, to the extent the net assets are reduced, such financial assistance is provided for out of funds of the company which would otherwise be available for dividend or distribution; (ii) an affidavit of solvency is sworn by the directors of the company before the financial assistance is given, and (iii) the financial assistance is approved by resolution of shareholders of the company in general meeting.</p>	
<p>(3B) The directors of the company may-</p> <p>(a) distribute the treasury shares as dividends to shareholders, such dividends to be known as "share dividends"; or</p> <p>(b) resell the treasury shares on the market of the Stock Exchange on which the shares are quoted, in accordance with the relevant rules of the Stock Exchange.</p>		
<p>(3C) While the shares are held as treasury shares, the rights attached to them as to voting, dividends and participation in other distribution and otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the company for any purposes including, without limiting the generality of this provision, the provisions of any law or requirements of the articles of association of the</p>		

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on difference</u>
<p>company or the listing rules of a Stock Exchange on substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.</p> <p>(3D) Where the directors decide to distribute the treasury shares as share dividends, the costs of the shares on the original purchase shall be applied in the reduction of either the share premium account or the funds otherwise available for distribution as dividends or both.</p> <p>(3E) Where the directors resolve to cancel the shares so purchased, or cancel any treasury shares, the issued capital of the company shall be diminished by the shares so cancelled and the amount by which the company's issued capital is diminished shall be transferred to the capital redemption reserve.</p> <p>(4) The capital redemption reserve may be applied in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares.</p> <p>(5) A cancellation of shares made pursuant to subsection (3E) shall not be deemed to be a reduction of share capital within the meaning of the Malaysian Companies Act.</p> <p>(6) A company shall, within fourteen days after the shares are purchased, lodge with the Registrar and the Stock Exchange a notice in the prescribed form.</p> <p>(7) If default is made in complying with this section, the company, every officer of the company and any other person or individual who is in default shall be guilty of an offence against the Malaysian Companies Act.</p>	<p>Bye-law 3(3): Neither the Company nor any of its subsidiaries shall give, whether directly or indirectly, whether by means of loan, guarantee, provision of security or otherwise, any financial assistance for the purpose of the acquisition, subscription or proposed acquisition or proposed subscription by any person of any shares in the Company or in any way purchase, deal in or lend money on its own shares, save for the following transactions:</p> <p>(a) where the lending of money is part of the ordinary business of the Company, the lending of money by the Company in the ordinary course of its business;</p> <p>(b) the provision by the Company, in accordance with any employees' share scheme for the time being in force, of money, for the purchase of or subscription for fully paid shares or partly paid shares in the Company or its holding company; and for the purposes of this Bye-law, an employees' share scheme is a scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of the bona fide employees or former employees (including any such employee or former employee who is or was also a director) of the Company, the Company's subsidiary or holding company or a subsidiary of the Company's holding company or the wives, husband, widows, widowers or children or step-children under the age of 18 of such employees or former employees; or</p> <p>(c) the giving of financial assistance by the Company to persons, other than Directors, <i>bona fide</i> in the employment of the Company with a view to enabling those persons to purchase fully paid shares in the Company or its holding company to be held by them by way of beneficial ownership.</p>	

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p><i>Accounts and Audit</i></p> <p>Section 167(1) of the Malaysian Companies Act: Every company and the directors and managers thereof shall cause to be kept such accounting and other records as will sufficiently explain the transactions and financial position of the company and enable true and fair profit and loss accounts and balance sheets and any documents required to be attached thereto to be prepared from time to time, and shall cause those records to be kept in such manner as to enable them to be conveniently and properly audited.</p> <p>Section 167(1A) of the Malaysian Companies Act: Every company and the directors and managers thereof shall cause appropriate entries to be made in the accounting and other records within sixty days of the completion of the transactions to which they relate.</p> <p>Section 167(2) of the Malaysian Companies Act: The company shall retain the records referred to in subsection (1) for seven years after the completion of the transactions or operations to which they respectively relate.</p> <p>Section 167(3) of the Malaysian Companies Act: The records referred to in subsection (1) shall be kept at the registered office of the company or at such other place in Malaysia as the directors think fit and shall at all times be open to inspection by the directors.</p> <p>Section 167(4) of the Malaysian Companies Act: Notwithstanding the provisions in subsection (3), the accounting and other records of operations outside Malaysia may be kept by the company at a place outside Malaysia and there shall be sent to and kept at a place in Malaysia and be at all times open to inspection by the directors, such statements and returns with respect to the business dealt with in the records so kept as will enable to be prepared true and fair profit and loss accounts and balance sheets and any documents required to be attached thereto.</p>	<p>Section 83(1) of the Act: Every company shall cause to be kept proper records of account with respect to –</p> <p>(a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;</p> <p>(b) all sales and purchases of goods by the company;</p> <p>(c) the assets and liabilities of the company.</p> <p>Bye-law 151: The Board shall cause to be kept proper records of account with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place; all sales and purchases of goods by the Company; the assets and liabilities of the Company; and all other matters required by the Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions.</p> <p>Section 84(1) of the Act: The directors of every company shall subject to section 88 of the Act at such intervals and for such period as the Act and the bye-laws of the company provide lay before the company in general meeting –</p> <p>(a) financial statements for the period, which shall include –</p> <ul style="list-style-type: none"> (i) a statement of the results of operations for the period; (ii) a statement of retained earnings or deficit; (iii) a balance sheet at the end of such period; (iiiA) a statement of changes in financial position or cash flows for the period; (iv) notes to the financial statements and the notes thereto shall be in accordance with section 84(1A) of the Act; 	<p>Both the Act and the Malaysian Companies Act provide for proper record of accounts to be kept.</p> <p>The Bye-laws further requires financial statements to include documents and information as required by the Listing Requirements.</p>

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>Section 167(5) of the Malaysian Companies Act: If any accounting and other records are kept at a place outside Malaysia pursuant to subsection (4), the company shall, if required by the Registrar to produce those records at a place in Malaysia, comply with the requirements.</p> <p>Section 166A of the Malaysian Companies Act:</p> <p>(1) In this Part unless the contrary intention appears, "approved accounting standards" shall have the meaning assigned thereto in section 2 of the Financial Reporting Act 1997 [Act 558].</p>	<p>(v) such further information as required by the Act and the company's own Act of incorporation or its memorandum, and its bye-laws; and</p> <p>(b) the report of the auditor as set out in section 90(2) of the Act, in respect of the financial statements described in section 84(1)(a) of the Act.</p> <p>Section 84(2) of the Act: Financial statements shall before being laid before a general meeting of a company be signed on the balance sheet page by two directors of the company.</p>	
<p>(2) The approved accounting standards shall apply to the accounts of a company or the consolidated accounts of a holding company if, at the time when the accounts or consolidated accounts are made out, the approved accounting standards –</p> <p>(a) apply in relation to the financial year of the company or the holding company to which the accounts or consolidated accounts relate; and</p> <p>(b) are relevant to those accounts or consolidated accounts.</p>	<p>Section 84(3) of the Act: Notwithstanding the provisions of section 84(1) of the Act if at a general meeting at which financial statements should be laid the statements have not been so laid, it shall be lawful for the Chairman to adjourn the meeting for a period of up to ninety days or such longer period as the members may agree.</p> <p>Section 87(1) of the Act: Subject to sections 87A and 87B of the Act, a copy of the financial statements of a company, including every document required by law or the bye-laws of the company shall be made available to every member of the company and if such financial statements and other documents are not sent to each member five days before the general meeting any member may move a resolution at the general meeting that it be adjourned for five days.</p>	
<p>(3) Without prejudice to the generality of the provisions of this Division, the directors of a company shall ensure that the accounts of the company and, if the company is a holding company for which consolidated accounts are required, the consolidated accounts of the company, laid before the company at its annual general meeting are made out in accordance with the applicable approved accounting standards.</p>	<p>Provided that section 87(1) of the Act shall not require the making available of the financial statements and other documents to –</p>	
<p>(4) Notwithstanding subsection (3), the directors of a company or holding company shall not be required to ensure that the accounts or consolidated accounts, as the case may be, are made out in accordance with a particular approved accounting standard if they are of the opinion that making out the accounts or</p>	<p>(a) any person not entitled to receive notices of general meetings;</p> <p>(b) more than one of the joint holders of any shares or debentures;</p> <p>(c) any person whose address is not known to the</p>	

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>consolidated accounts in accordance with the approved accounting standard would not give a true and fair view of the matters required by section 169 to be dealt with in the accounts or consolidated accounts or a true and fair view of the results of the business and the state of affairs of the company and, if applicable, of all the companies the affairs of which are dealt with in the consolidated accounts.</p> <p>(5) Where the accounts or consolidated accounts of a company are not made out in accordance with a particular approved accounting standard under subsection (4), the directors of the company shall –</p> <p>(a) disclose by way of a note on the accounts their reason for not making out the accounts or consolidated accounts in accordance with the approved accounting standard; and</p> <p>(b) give particulars in the note of the quantified financial effect on the accounts or consolidated accounts if the relevant approved accounting standard was complied with.</p> <p>Section 169 of the Malaysian Companies Act:</p> <p>(1) The directors of every company shall, at some date not later than eighteen months after the incorporation of the company and subsequently once at least in every calendar year at intervals of not more than fifteen months, lay before the company at its annual general meeting a profit and loss account for the period since the preceding account (or in the case of the first account, since the incorporation of the company) made up to a date not more than six months before the date of the meeting.</p> <p>(2) Notwithstanding subsection (1) the Registrar on application by the company, if for any special reason he thinks fit so to do, may extend the periods of eighteen months and fifteen months referred to in that</p>	<p>company.</p> <p>Section 87A(1) of the Act: A company, the shares of which are listed on an appointed stock exchange need not send financial statements as required by section 87(1) of the Act to members, but may instead send them summarised financial statements.</p> <p>Section 87A(2) of the Act: The company shall make a copy of the summarised financial statements available for inspection by the public at the company's registered office in Bermuda.</p> <p>Section 88(1) of the Act: Notwithstanding sections 13(c) and (d), 84, 87 and 89 of the Act if all members and directors of a company, either in writing or at a general meeting, agree that in respect of a particular interval no financial statements or auditor's report thereon need be laid before a general meeting or that no auditor shall be appointed to the close of the next annual general meeting then there shall be no obligation to lay financial statements for such period or to appoint an auditor until the close of the next annual general meeting, as the case may be.</p> <p>Section 89(1) of the Act: The members of a company at the statutory meeting shall subject to section 88 of the Act appoint one or more auditors to hold office until the close of the next annual general meeting, and, if the members fail to do so, the directors shall forthwith make such appointment or appointments.</p> <p>Section 89(2) of the Act: The members of a company at each annual general meeting shall appoint one or more auditors to hold office until the close of the next annual general meeting, and, if an appointment is not so made, the auditor in office shall continue in office until a successor is appointed.</p> <p>Section 90(1) of the Act: The auditor shall audit any</p>	

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>subsection and with respect to any year extend the period of six months referred to in that subsection, notwithstanding that period is so extended beyond the calendar year.</p> <p>(3) The directors of every company shall cause to be made out, and to be laid before the company at its annual general meeting with the profit and loss account required by subsection (1) a balance sheet as at the date to which the profit and loss account is made up.</p>	<p>financial statements to be laid pursuant to section 84 of the Act as will enable him to report to the members.</p> <p>Section 90(2) of the Act: Based on the results of his audit under section 90(1) of the Act which audit shall be made in accordance with generally accepted auditing standards, the auditor shall make a report to the members.</p>	
<p>(4) The profit and loss account and the balance sheet of a company shall be duly audited before they are laid before the company at its annual general meeting as required by this section.</p>	<p>Section 90(3) of the Act: The generally accepted auditing standards referred to in section 90(2) of the Act may be those of Bermuda or a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be appointed by the Minister under section 90(4) of the Act for the purpose of section 90(3) of the Act; and where the generally accepted auditing standards used are other than those of Bermuda, the report of the auditor shall identify the generally accepted auditing standards used.</p>	
<p>(5) The directors of a company shall cause to be attached to every balance sheet made out under subsection (3) a report made in accordance with a resolution of the directors and signed by not less than two of the directors with respect to the profit or loss of the company for the financial year and the state of the company's affairs as at the end of the financial year and if the company is a holding company also a report with respect to the state of affairs of the holding company and all its subsidiaries.</p>	<p>Bye-law 153:</p> <p>(1) Subject to Section 87A of the Act, a copy of the financial statements which is to be laid before a general meeting of the Company, made up to the end of the applicable financial year and including every document and all information as required by the Act and the Listing Requirements ("Financial Statements"), together with a copy of the Directors' and Auditors' report, shall be issued not more than four (4) months from the close of a financial year (or such other period as may be prescribed or permitted by the Designated Stock Exchange) and a copy of</p>	
<p>(6) Each report to which subsection (5) relates shall state with appropriate details –</p> <p>(a) the names of the directors in office since the date of the last report;</p> <p>(b) the principal activities of the company in the course of the financial year and any significant change in the nature of those activities during the</p>		

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>period,</p> <p>(c) the net amount of the profit or loss of the company for the financial year after provision for income tax;</p> <p>(d) the amounts and particulars of any material transfer to or from reserves or provisions;</p> <p>(e) where, during the financial year, the company has issued and shares or debentures — the purposes of the issue, the classes of shares or debentures issued, the number of shares of each class and the amount of debentures of each class, and the terms of issue of the shares and debentures of each class;</p> <p>(f) whether at the end of that financial year —</p> <p>(i) there subsist arrangements to which the company is a party, being arrangements with the object of enabling directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate; or</p> <p>(ii) there have, at any time in that year, subsisted such arrangements as aforesaid to which the company was a party, and if so the report shall contain a statement explaining the effect of the arrangements and giving the names of the persons who at any time in that year were directors of the company and held, or whose nominees held, shares or debentures acquired in pursuance of the arrangements;</p> <p>(g) in respect of each person who, at the end of the financial year, was a director of the company—</p> <p>(i) whether or not (according to the register kept by the company for the purposes of section 134 relating to the obligation of a director of a company to notify such company of his</p>	<p>each of such documents shall be sent to each person entitled thereto (the "Entitled Persons") at least twenty-one (21) days before the date of the general meeting provided that Bye-law 153 shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures.</p> <p>(2) Subject to compliance with Sections 81A and 81B of the Act and the rules or regulations of the Designated Stock Exchange, the Company may send to Entitled Persons summarised financial statements, derived from the Financial Statements for the relevant period, instead of the Financial Statements. The summarised financial statements shall be accompanied by the Auditors' report and shall be sent to Entitled Persons not less than twenty-one (21) days before the general meeting at which the Financial Statements are to be laid. Entitled Persons who receive the summarised financial statements may elect, by notice in writing to the Company, to receive the Financial Statements. Financial Statements shall be sent within seven (7) days of receipt of the Entitled Person's election to receive the Financial Statements.</p> <p>Bye-law 154(1): At each annual general meeting, the Members shall appoint an auditor to hold office until the close of the next annual general meeting, and if an appointment is not so made, the Auditor in office shall continue in office until a successor is appointed. Such</p>	

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<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>interests in shares in, or debentures of, the company and of every other body corporate, being the company's subsidiary or holding company or a subsidiary of the company's holding company) he was at the end of that year, interested in shares in, or debentures of the company or any other such body corporate and, if he was so interested, the number and amount of shares in, and debentures of, each body (specifying it) in which, according to that register, he was then interested;</p>	<p>auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.</p> <p>Bye-law 155: The financial statements of the Company shall be audited at least once in every year.</p> <p>Bye-law 159: The financial statements of the Company shall be examined by the Auditor and compared by him with the books, accounts and vouchers relating thereto; and he shall make a written report thereon stating whether such financial statements are drawn up so as to present fairly the financial position of the Company and the results of its operations for the period under review and, in case information shall have been called for from Directors or officers of the Company, whether the same has been furnished and has been satisfactory. The financial statements of the Company shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the Auditor shall be submitted to the Members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than Bermuda. If so, the financial statements and the report of the Auditor should disclose this fact and name of such country or jurisdiction.</p>	
<p>(ii) whether or not, according to that register, he was, at the beginning of that year (or, if he was not then a director), when he became a director, interested in shares in, or debentures of, the company or any other such body corporate and, if he was so interested, the number and amount of shares in, and debentures of, each body (specifying it) in which according to that register, he was interested at the beginning of that year or, as the case may be, when he became a director; and</p> <p>(iii) the total number of shares in or debentures of the company or any other such corporate bought and sold by him during that financial year;</p> <p>(h) the amount, if any, which the directors recommended should be paid by way of dividend, and any amounts which have been paid or declared by way of dividend since the end of the previous financial year, indicating which of those</p>		

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<p>amounts, if any, have been shown in a previous report under this subsection or under a corresponding repealed provision of the Malaysian Companies Act ;</p> <p>(i) whether the directors (before the profit and loss account and balance sheet were made out) took reasonable steps to ascertain what action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts;</p> <p>(j) whether at the date of the report the directors are aware of any circumstances which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent and, if so, giving particulars of the circumstances;</p> <p>(k) whether the directors (before the profit and loss account and balance sheet were made out) have taken reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the company have been written down to an amount which they might be expected so to realise;</p> <p>(l) whether at the date of the report the directors are aware of any circumstances –</p> <p>(i) which would render the values attributed to current assets in the accounts misleading; and</p>		

Annexure A COMPARISON OF BERMUDA COMPANY LAW AND MALAYSIAN COMPANY LAW (Cont'd)

<u>Malaysian Company Law</u>	<u>Bermuda Company Law</u>	<u>Comments on differences</u>
<p>(ii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the company misleading or inappropriate;</p> <p>and, if so, giving particulars of the circumstances;</p> <p>(m) whether there exists at the date of the report –</p> <p>(i) any charge on the assets of the company which has arisen since the end of the financial year which secures the liabilities of any other person and, if so, giving particulars of any such charge and, so far as practicable, of the amount secured; and</p> <p>(ii) any contingent liability which has arisen since the end of the financial year and, if so, stating the general nature thereof and, so far as practicable, the maximum amount, or an estimate of the maximum amount, for which the company could become liable in respect thereof;</p> <p>(n) whether any contingent or other liability has become enforceable, or likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the liability of the company to meet its obligations when they fall due and, if so, giving particulars of any such liability;</p> <p>(o) whether at the date of the report the directors are aware of any circumstances not otherwise dealt with in the report or accounts which would render any amount stated in the accounts misleading and, if so, giving particulars of the circumstances;</p> <p>(p) whether the results of the company's operations during the financial year were, in the opinion of the</p>		

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<p>directors, substantially affected by any item, transaction or event of a material and unusual nature and, if so, giving particulars of that item, transaction or event and the amount or the effect thereof, if known or reasonably ascertainable; and</p> <p>(q) whether there has arisen in the interval between the end of the financial year and the date report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the company's operations for the financial year in which the report is made and, if so, giving particulars of the item, transaction or event.</p> <p>(7) In subsection (6) of this section, the expression "any item, transaction or event of a material and unusual nature" includes but is not limited to –</p>		
<p>(a) any change in accounting policies adopted since the last report;</p> <p>(b) any material change in the method of valuation of the whole or any part of the trading stock;</p> <p>(c) any material item appearing in the accounts or consolidated accounts for the first time or not usually included in the accounts or consolidated accounts; and</p> <p>(d) any absence from the accounts or consolidated accounts of any material item usually included in the accounts or consolidated accounts.</p>		
<p>(8) The directors of a company shall state in the report whether a director of the company has since the end of the previous financial year received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the accounts or the fixed salary of a full-time employee of the</p>		

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<p>company) by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, and, if so, the general nature of the benefit.</p> <p>(9) Every statement, report or other document relating to the affairs of a company or any of its subsidiaries attached to, or included with, a report of the directors laid before the company at its general meeting or sent to the members under section 170 (not being a statements, report or document required by the Malaysian Companies Act to be laid before the company in general meeting) shall, for the purposes of section 364 be deemed to be part of that last-mentioned report.</p>		
<p>(10) Where at the end of a financial year a company is the subsidiary of another corporation, the directors of the company shall state in, or in a note as a statement annexed to, the company's accounts laid before the company at its annual general meeting the name of the corporation regarded by the directors as being the company's ultimate holding company and if known to them the country in which it is incorporated.</p> <p>(11) Where any option has been granted during the period covered by the profit and loss account to take up unissued shares of a company the report required by subsection (5) shall state –</p> <p>(a) the name of the person to whom the option has been granted;</p> <p>(b) the number and class of shares in respect of which the option has been granted;</p> <p>(c) the date of expiration of the option;</p>		

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<p>(d) the basis upon which the option may be exercised; and</p> <p>(e) whether the person to whom the option has been granted has any right to participate by virtue of the option in any share of any other company.</p> <p>(12) Each report required by subsection (5) shall specify –</p> <p>(a) particulars of shares issued during the period to which the report relates by virtue of the exercise of options to take up unissued shares of the company, whether granted before or during that period; and</p> <p>(b) the number and class of unissued shares of the company under option as at the end of that period, the price, or method of fixing the price, of issue of those shares, the date of expiration of the option and the rights, if any, of the persons to whom the options have been granted to participate by virtue of the options in any share issue of any other company;</p> <p>(13) Paragraph (11)(a) shall not apply in any case where the option to take up shares of the company has been conferred generally on all the holders of a class of shares or debentures of the company.</p> <p>(14) Every balance sheet referred to in subsection (3) shall give a true and fair view of the state of affairs of the company as at the end of the period to which it relates and every profit and loss account referred to in subsection (1) shall give a true and fair view of the profit or loss of the company for the period of accounting as shown in the accounting and other records of the company, and without affecting the generality of the foregoing, every such balance sheet and profit and loss account shall comply with the requirements of the Ninth Schedule so far as applicable thereto.</p> <p>(15) The directors of a company shall cause to be attached</p>		

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<p>to every balance sheet and profit and loss account laid before the company in general meeting (including any consolidated balance sheet and consolidated profit and loss account of a holding company) a statement made in accordance with a resolution of the directors and signed by at least two directors stating whether, in the opinion of the directors –</p> <p>(a) the profit and loss account and, where applicable, the consolidated profit and loss account, is or are drawn up so as to give a true and fair view of the results of the business of the company and, if applicable, of all the companies the accounts of which are dealt with in the consolidated profit and loss account for the period covered by the account;</p> <p>(b) the balance sheet, and where applicable the consolidated balance sheet, is or are drawn up so as to give a true and fair view of the state of affairs of the company and, if applicable, of all the companies the affairs of which are dealt with in the consolidated balance sheet as at the end of that period; and</p> <p>(c) the accounts, and where applicable the consolidated accounts, have been made out in accordance with the applicable approved accounting standards.</p> <p>(16) Every balance sheet and profit and loss account of a company laid before the company in general meeting (including any consolidated balance sheet and consolidated profit and loss account annexed to the balance sheet and profit and loss account of a holding</p>		

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<p>company) shall be accompanied by a statutory declaration by a director or where that director is not primarily responsible for the financial management of the company by the person so responsible setting forth his opinion as to the correctness or otherwise of the balance sheet and profit and loss account and, where applicable, the consolidated balance sheet and consolidated profit and loss account.</p> <p>Section 170(1) of the Malaysian Companies Act: A copy of every profit and loss account and balance sheet (including every document required by law to be attached thereto) which is to be laid before company in general meeting accompanied by a copy of the auditor's report thereon shall, not less than fourteen days before the date of the meeting, be sent to all persons entitled to receive notice of general notice of general meeting of the company.</p> <p>Section 170(2) of the Malaysian Companies Act: Any member of a company (whether he is or is not entitled to have sent to him copies of the profit and loss accounts and balance sheets) to whom copies have not been sent and any holder of a debenture shall, on a request being made by him to the company, be furnished by the company without charge with a copy of the last profit and loss account and balance sheet of the company (including every document required by the Malaysian Companies Act to be attached thereto) together with a copy of the auditor's report thereon.</p> <p>Section 172(1) of the Malaysian Companies Act: At any time before the first annual general meeting of a company, the directors of the company may appoint, or (if the directors do not make an appointment) the company at a general meeting may appoint, a person or persons to be the auditor or auditors of the company, and any auditor or auditors so appointed shall, subject to this section, hold office until the conclusion of the first annual general meeting.</p>		

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<p>Section 172(2) of the Malaysian Companies Act: A company shall at each annual general meeting of the company appoint a person or persons to be the auditor or auditors of the company, and any auditor or auditors so appointed shall, subject to this section, hold office until the conclusion of the next annual general meeting of the company.</p>		
<p><i>Inspection of Register of Members and Minute Books</i></p>		
<p>Section 156(1) of the Malaysian Companies Act: Every company shall cause –</p> <p>(a) minutes of all proceedings of general meetings and of meetings of its directors and of its managers, if any, to be entered in books kept for that purpose within fourteen days of the date upon which the relevant meeting was held; and</p> <p>(b) those minutes to be signed by the chairman of the meeting at which the proceedings were had or by the chairman of the next succeeding meeting.</p>	<p>Section 66(1) of the Act: Except when the register of members is closed under the provisions of the Act, the register of the members of a company shall during business hours (subject to such reasonable restrictions as the company may impose, so that not less than two hours in each day be allowed for inspection) be open for inspection by members of the public without charge.</p> <p>Section 66(2) of the Act: Any member of the public may require a copy of the register, or of any part thereof, on payment of the appropriate fee prescribed in the Fourth Schedule to the Act.</p>	<p>Both the Act and the Malaysian Companies Act allow for the inspection of the Register of Members and Minute Books.</p> <p>In addition, the Bye-laws makes provisions for minutes to be entered in books provided for the purpose and to be kept by the Secretary at the Office.</p>
<p>Section 156(2) of the Malaysian Companies Act: Any minute so entered that purports to be signed as provided in subsection (1) shall be evidence of the proceedings to which it relates.</p> <p>Section 160 of the Malaysian Companies Act:</p> <p>(1) A company may, on giving not less than fourteen days notice to the Registrar, close the register of members or any class of members for any time, but so that no part of the register shall be closed for more than thirty days in the aggregate in any calendar year.</p> <p>(2) The register and index shall be open to the inspection of any member without charge and of any other person on payment for each inspection of one ringgit or such</p>	<p>Section 66(5) of the Act: A company may on giving notice by advertisement in an appointed newspaper close the register of members for any time or times not exceeding in the whole thirty days in a year.</p> <p>Section 66(6) of the Act: Section 66 of the Act applies to a branch register kept under section 65 of the Act except that in relation to a branch register section 66(5) of the Act shall have effect as if for reference to an appointed newspaper there were substituted reference to a national newspaper in the jurisdiction in which the branch register is kept.</p> <p>Bye-law 46: The Register and branch register of Members, as the case may be, shall be open to inspection between 10.00 a.m. and 12.00 noon on every business day by members of the public without charge at the Office or such</p>	