

13. ACCOUNTANTS' REPORT (Cont'd)

33

7. Contracts with customers (continued)**7.1 Contract assets/(liabilities) (continued)**

Significant changes to contract assets and contract liabilities balances during the period are as follows:

	30.6.2022 RM'000 Audited	31.12.2021 RM'000 Audited	31.12.2020 RM'000 Audited	31.12.2019 RM'000 Audited
Contract assets at beginning of the period transferred to trade receivables	7,005	919	10,130	-
Contract liabilities at beginning of the period recognised as revenue	19	13	-	-
(Reversal of)/Impairment loss on contract assets	<u>(374)</u>	<u>1,082</u>	<u>-</u>	<u>-</u>

7.2 Contract costs

	30.6.2022 RM'000 Audited	31.12.2021 RM'000 Audited	31.12.2020 RM'000 Audited	31.12.2019 RM'000 Audited
Cost to fulfil a contract	<u>853</u>	<u>385</u>	<u>3,355</u>	<u>1,777</u>

Cost to fulfil a contract comprises costs incurred on ongoing supply, installation and maintenance works which have yet to be fulfilled and claimed at the reporting date. Typically, the amounts will be claimed within 30 days to 90 days. Cost to fulfil a contract is amortised when the revenue is recognised.

13. ACCOUNTANTS' REPORT (Cont'd)

34

8. Inventories

	30.6.2022 RM'000 Audited	31.12.2021 RM'000 Audited	31.12.2020 RM'000 Audited	31.12.2019 RM'000 Audited
Raw materials	9,222	10,413	10,994	2,596
Work-in-progress	294	249	433	702
Finished goods	12	87	112	60
	<u>9,528</u>	<u>10,749</u>	<u>11,539</u>	<u>3,358</u>
Less: Allowance for slow moving inventories	(152)	(152)	(152)	(159)
	<u>9,376</u>	<u>10,597</u>	<u>11,387</u>	<u>3,199</u>
Recognised in profit of loss:				
Reversal of slow moving inventories	-	-	7	-
Inventories recognised as cost of sales	<u>2,842</u>	<u>12,237</u>	<u>12,800</u>	<u>17,191</u>

9. Trade and other receivables

	Note	30.6.2022 RM'000 Audited	31.12.2021 RM'000 Audited	31.12.2020 RM'000 Audited	31.12.2019 RM'000 Audited
Trade					
Trade receivables from contracts with customers	9.1	17,885	6,734	9,645	8,268
Less: Impairment loss		(609)	(633)	(592)	(436)
		<u>17,276</u>	<u>6,101</u>	<u>9,053</u>	<u>7,832</u>
Amount due from related parties	9.2	-	59	388	623
Retention sum	9.3	7,089	4,690	397	98
		<u>24,365</u>	<u>10,850</u>	<u>9,838</u>	<u>8,553</u>
Non-trade					
Amount due from holding company	9.4	-	-	2,250	2,250
Amount due from related parties	9.5	4	75	1,011	5,227
Amount due from Directors	9.6	-	2,343	3,043	3,043
Other receivables		53	2	502	2,008
Deposits		2,137	2,093	676	739
		<u>2,194</u>	<u>4,513</u>	<u>7,482</u>	<u>13,267</u>
		<u>26,559</u>	<u>15,363</u>	<u>17,320</u>	<u>21,820</u>

13. ACCOUNTANTS' REPORT (Cont'd)

35

9. Trade and other receivables (continued)

9.1 The trade receivables from contracts with customers of the Group are given a credit term of 30 days (2021: 30 days ; 2020: 30 days and 2019: 30 days).

9.2 The trade amount due from related parties is subject to normal trade terms.

9.3 Retention sums

Retention sums are due upon the expiry of the defect liability period stated in the respective construction contracts. The defect liability periods range from 12 to 24 months. Retention sums are expected to be collected as follows:

	30.6.2022	31.12.2021	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
	Audited	Audited	Audited	Audited
Within one year	4,484	3,641	299	98
More than one year	2,605	1,049	98	-
	<u>7,089</u>	<u>4,690</u>	<u>397</u>	<u>98</u>

9.4 Amount due from holding company is unsecured, interest free and repayable on demand.

9.5 Amount due from related parties, being companies in which certain Directors have financial interest in, is unsecured, interest free and repayable on demand.

9.6 Amounts due from Directors were loans provided to the Directors to meet expenditure incurred by the Directors for the purposes of the Group prior to 1 January 2019 when the Company was an exempt private company. These loans were unsecured, interest free and repayable on demand by the Directors at the point when the Company was still an exempt private company. The amounts due from Directors were fully recovered during the period ended 30 June 2022.

10. Fixed deposits with licensed banks

	30.6.2022	31.12.2021	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
	Audited	Audited	Audited	Audited
Fixed deposits with licensed banks	<u>6,962</u>	<u>6,844</u>	<u>1,547</u>	<u>-</u>

The fixed deposits with licensed banks of the Group are secured for credit facility provided to the Group (Note 14), bear interest rate of 1.55% to 1.85% (2021: 1.55% to 1.85% ; 2020: 3.10% and 2019: Nil%) per annum and are redeemable in twelve months.

13. ACCOUNTANTS' REPORT (Cont'd)

36

11. Cash and cash equivalents

	30.6.2022 RM'000 Audited	31.12.2021 RM'000 Audited	31.12.2020 RM'000 Audited	31.12.2019 RM'000 Audited
Deposits with licensed banks	4,806	10,255	7,099	8,903
Cash and bank balances	5,751	12,890	5,221	1,577
	<u>10,557</u>	<u>23,145</u>	<u>12,320</u>	<u>10,480</u>

12. Share capital

	30.6.2022 RM'000 Audited	31.12.2021 RM'000 Audited	31.12.2020 RM'000 Audited	31.12.2019 RM'000 Audited
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At beginning of period/ year	1,000	1,000	750	750
Issued during the period/ year	-	-	250	-
At end of period/ year	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>750</u>

	Number of ordinary shares			
	30.6.2022 '000 Audited	31.12.2021 '000 Audited	31.12.2020 '000 Audited	31.12.2019 '000 Audited
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At beginning of period/ year	1,000	1,000	750	750
Issued during the period/ year	-	-	250	-
At end of period/ year	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>750</u>

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

13. ACCOUNTANTS' REPORT (Cont'd)

37

13. Invested equity

For the purpose of these combined financial statements, the invested equity at the end of the respective financial period and financial years is the aggregate of the share capital of the Company's combining entity, STS.

14. Loans and borrowings

	Note	30.6.2022 RM'000 Audited	31.12.2021 RM'000 Audited	31.12.2020 RM'000 Audited	31.12.2019 RM'000 Audited
Non-current					
Secured					
- Term loan	14.1	64,859	54,674	31,395	12,885
- Hire purchase liabilities	14.1	455	565	592	698
		<u>65,314</u>	<u>55,239</u>	<u>31,987</u>	<u>13,583</u>
Current					
Secured					
- Term loan	14.1	18,476	12,000	5,297	61
- Revolving credit	14.1	7,993	7,523	-	-
- Invoice financing	14.1	1,920	-	-	-
- Bank overdraft		-	-	-	156
- Hire purchase liabilities	14.1	345	291	254	175
		<u>28,734</u>	<u>19,814</u>	<u>5,551</u>	<u>392</u>
		<u>94,048</u>	<u>75,053</u>	<u>37,538</u>	<u>13,975</u>

14.1 Term loan, revolving credit, invoice financing and hire purchase liabilities

The term loan, revolving credit, invoice financing and hire purchase liabilities are secured by:

- Corporate guarantee executed by a related party/ultimate holding company
- Joint and several guarantee executed by the Directors of the Group.
- Fixed deposits with licensed banks (Note 10).

13. ACCOUNTANTS' REPORT (Cont'd)

38

15. Deferred tax liabilities

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Audited		Audited		Audited		Audited		Audited	
	Assets		Liabilities		Net		Net		Net	
	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Plant and equipment	-	-	-	(653)	(653)	(1)	(5,001)	(3,564)	(653)	(1)
Right-of-use assets	-	-	(659)	(749)	(739)	(302)	(659)	(739)	(749)	(302)
Lease liabilities	684	765	304	-	-	-	684	765	763	304
Others	685	675	174	(169)	(169)	(2)	685	675	5	(2)
Net tax assets/(liabilities)	1,369	1,440	937	304	304	(305)	(4,291)	(2,863)	(634)	(1)

13. ACCOUNTANTS' REPORT (Cont'd)

39

15. Deferred tax liabilities (continued)

Recognised deferred tax assets/(liabilities) (continued)

Movement in temporary differences during the year/ period

	At 1.1.2019		Recognised in profit or loss (Note 21)		At 31.12.2019/ 1.1.2020		Recognised in profit or loss (Note 21)		At 31.12.2020/ 1.1.2021		Recognised in profit or loss (Note 21)		At 31.12.2021/ 1.1.2022		Recognised in profit or loss (Note 21)		At 30.6.2022	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Plant and equipment	(10)	9	(1)	(652)	(653)	(2,911)	(1,437)	(5,001)										
Right-of-use assets	(238)	(64)	(302)	(447)	(749)	10	80	(659)										
Lease liabilities	238	66	304	459	763	2	(81)	684										
Others	-	(2)	(2)	7	5	670	10	685										
	(10)	9	(1)	(633)	(634)	(2,229)	(1,428)	(4,291)										

13. ACCOUNTANTS' REPORT (Cont'd)

40

15. Deferred tax liabilities (continued)**Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	30.6.2022 RM'000 Audited	31.12.2021 RM'000 Audited	31.12.2020 RM'000 Audited	31.12.2019 RM'000 Audited
Other deductible temporary differences	-	-	-	466

16. Trade and other payables

	Note	30.6.2022 RM'000 Audited	31.12.2021 RM'000 Audited	31.12.2020 RM'000 Audited	31.12.2019 RM'000 Audited
Current					
Trade					
Trade payables	16.1	18,580	24,038	34,812	28,959
Amount due to related parties	16.2	-	290	379	2,523
		<u>18,580</u>	<u>24,328</u>	<u>35,191</u>	<u>31,482</u>
Non-trade					
Other payables		890	564	1,721	5,772
Amount due to related parties	16.3	-	26	125	127
Accrued expenses		682	1,187	342	290
		<u>1,572</u>	<u>1,777</u>	<u>2,188</u>	<u>6,189</u>
		<u>20,152</u>	<u>26,105</u>	<u>37,379</u>	<u>37,671</u>

16.1 The trade payables of the Group have credit terms which range from 30 days to 90 days (2021: 30 days to 90 days ; 2020: 30 days to 90 days and 2019: 30 days to 90 days).

16.2 The trade amount due to related parties is subject to normal trade terms.

16.3 Amount due to related parties is unsecured, interest free and repayable on demand.

13. ACCOUNTANTS' REPORT (Cont'd)

41

17. Revenue

	1.1.2022 to 30.6.2022 RM'000 Audited	1.1.2021 to 30.6.2021 RM'000 Unaudited	1.1.2021 to 31.12.2021 RM'000 Audited	1.1.2020 to 31.12.2020 RM'000 Audited	1.1.2019 to 31.12.2019 RM'000 Audited
Revenue from contracts with customers					
- Video surveillance and analytics services	24,880	11,929	32,135	8,680	623
- Telecommunication and network infrastructure services	1,128	1,023	2,079	1,592	336
- Supply, installation and maintenance services	14,200	20,720	44,494	36,458	35,958
- Trading revenue	532	320	1,051	808	295
	<u>40,740</u>	<u>33,992</u>	<u>79,759</u>	<u>47,538</u>	<u>37,212</u>
Timing of recognition					
- At a point in time	532	320	1,051	808	295
- Over time	40,208	33,672	78,708	46,730	36,917
	<u>40,740</u>	<u>33,992</u>	<u>79,759</u>	<u>47,538</u>	<u>37,212</u>

17.1 Nature of goods and services

The following information reflects the typical transactions of the Group:

Types of revenue	Video surveillance and analytics services	Telecommunication and network infrastructure services	Supply, installation and maintenance services	Trading revenue
Timing of recognition or method used to recognise revenue	Revenue is recognised over-time using output method based on services provided.	Revenue is recognised over-time using output method based on services provided.	Revenue is recognised over-time using output method based on work completed and services provided.	Revenue is recognised at point in time when the goods are delivered and accepted by the customers.
Significant payment terms	Credit period of 30 days from invoice date.	Credit period of 30 days from invoice date.	Credit period of 30 days from invoice date.	Credit period of 30 days from invoice date.
Variable element in consideration	Progress claims are subject to monthly efficiency rate based on the effectiveness of services.	Not applicable.	Not applicable.	Not applicable.

13. ACCOUNTANTS' REPORT (Cont'd)

42

17. Revenue (continued)

17.1 Nature of goods and services (continued)

Types of revenue	Video surveillance and analytics services	Telecommunication and network infrastructure services	Supply, installation and maintenance services	Trading revenue
Obligation for returns or refunds	Not applicable.	Not applicable.	Not applicable.	The Company allows returns only for exchange with new goods if the goods delivered are faulty.
Warranty	Defect liability period of 1 to 2 years is given to the customers.	Not applicable.	Defect liability period of 1 to 2 years is given to the customers.	Not applicable.

17.2 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially satisfied) at the reporting date.

	1.7.2022 to 30.6.2023 RM'000 Audited	1.7.2023 to 30.6.2024 RM'000 Audited	1.7.2024 to 30.6.2025 RM'000 Audited
Video surveillance and analytics services	87,075	94,529	90,486
Telecommunication and network infrastructure services	2,814	2,539	1,867
Supply, installation and maintenance services	40,636	36,768	29,423
	130,525	133,836	121,776

13. ACCOUNTANTS' REPORT (Cont'd)

43

17. Revenue (continued)

17.3 Revenue can also be categorised as follows:

	1.1.2022 to 30.6.2022 RM'000 Audited	1.1.2021 to 30.6.2021 RM'000 Unaudited	1.1.2021 to 31.12.2021 RM'000 Audited	1.1.2020 to 31.12.2020 RM'000 Audited	1.1.2019 to 31.12.2019 RM'000 Audited
Supply and installation of networked systems	13,995	18,655	41,555	32,498	27,211
Provision of networked facilities owned by the Group	26,008	12,952	34,502	10,272	959
Supply of related products	737	2,385	3,702	4,768	9,042
	<u>40,740</u>	<u>33,992</u>	<u>79,759</u>	<u>47,538</u>	<u>37,212</u>

18. Finance income

	1.1.2022 to 30.6.2022 RM'000 Audited	1.1.2021 to 30.6.2021 RM'000 Unaudited	1.1.2021 to 31.12.2021 RM'000 Audited	1.1.2020 to 31.12.2020 RM'000 Audited	1.1.2019 to 31.12.2019 RM'000 Audited
Interest income of financial assets calculated using effective interest rate method that are at amortised cost	<u>78</u>	<u>14</u>	<u>205</u>	<u>264</u>	<u>163</u>

19. Finance costs

	1.1.2022 to 30.6.2022 RM'000 Audited	1.1.2021 to 30.6.2021 RM'000 Unaudited	1.1.2021 to 31.12.2021 RM'000 Audited	1.1.2020 to 31.12.2020 RM'000 Audited	1.1.2019 to 31.12.2019 RM'000 Audited
Interest expense of financial liabilities that are not at fair value through profit or loss	901	1,081	1,723	1,034	279
Interest expense on lease liabilities	78	89	173	130	15
Other finance costs	<u>1,055</u>	<u>43</u>	<u>890</u>	<u>73</u>	<u>82</u>
	<u>2,034</u>	<u>1,213</u>	<u>2,786</u>	<u>1,237</u>	<u>376</u>

13. ACCOUNTANTS' REPORT (Cont'd)

44

19. Finance costs (continued)

	1.1.2022 to 30.6.2022 RM'000 Audited	1.1.2021 to 30.6.2021 RM'000 Unaudited	1.1.2021 to 31.12.2021 RM'000 Audited	1.1.2020 to 31.12.2020 RM'000 Audited	1.1.2019 to 31.12.2019 RM'000 Audited
Recognised in profit or loss	1,133	132	1,063	203	97
Interest expense of financial liabilities that are not at fair value through profit or loss capitalised into qualifying asset:					
Assets under construction	901	1,081	1,723	1,034	279
	<u>2,034</u>	<u>1,213</u>	<u>2,786</u>	<u>1,237</u>	<u>376</u>

20. Profit before tax

	Note	1.1.2022 to 30.6.2022 RM'000 Audited	1.1.2021 to 30.6.2021 RM'000 Unaudited	1.1.2021 to 31.12.2021 RM'000 Audited	1.1.2020 to 31.12.2020 RM'000 Audited	1.1.2019 to 31.12.2019 RM'000 Audited
Profit before tax is arrived at after charging/(crediting):						
Material expenses/(income)						
Depreciation of plant and equipment	3	3,374	1,478	4,476	911	243
Depreciation of right-of-use assets	4	431	400	842	671	283
Amortisation of intangible assets	5	411	357	735	539	175
Personnel expenses (including key management personnel):						
- Contributions to state plans		499	266	555	502	274
- Wages, salaries and others		3,842	2,513	6,426	4,480	2,749
Wage subsidy	a	-	-	-	(237)	-
Realised foreign exchange (gain)/loss		(43)	2	16	(4)	53
Unrealised foreign exchange loss/(gain)		454	378	(14)	(548)	(8)

13. ACCOUNTANTS' REPORT (Cont'd)

45

20. Profit before tax (continued)

	Note	1.1.2022 to 30.6.2022 RM'000 Audited	1.1.2021 to 30.6.2021 RM'000 Unaudited	1.1.2021 to 31.12.2021 RM'000 Audited	1.1.2020 to 31.12.2020 RM'000 Audited	1.1.2019 to 31.12.2019 RM'000 Audited
Expenses arising from leases						
Expenses relating to short-term leases	b	-	-	-	4	3
Expenses relating to leases of low-value assets	b	<u>8</u>	<u>2</u>	<u>15</u>	<u>13</u>	<u>8</u>
Net (reversal)/loss on impairment of financial instruments and contract assets						
Financial assets at amortised cost		(24)	22	41	156	3
Contract assets		<u>(374)</u>	<u>-</u>	<u>1,082</u>	<u>-</u>	<u>-</u>
		<u>(398)</u>	<u>22</u>	<u>1,123</u>	<u>156</u>	<u>3</u>

Note a

In response to the Coronavirus ("COVID-19") pandemic, in March 2020, the government of Malaysia introduced a wage subsidy programme ("WSP") under the Economic Stimulus Package for companies. The Group benefited from the programme from April to September 2020. The Group received a wage subsidy of RM237,150 under the programme.

Note b

The Group leases office equipment and office building with contract terms of 1 to 5 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise the right-of-use assets and lease liabilities for these leases.

13. ACCOUNTANTS' REPORT (Cont'd)

46

21. Tax expense

Recognised in profit or loss

	1.1.2022 to 30.6.2022 RM'000 Audited	1.1.2021 to 30.6.2021 RM'000 Unaudited	1.1.2021 to 31.12.2021 RM'000 Audited	1.1.2020 to 31.12.2020 RM'000 Audited	1.1.2019 to 31.12.2019 RM'000 Audited
Current tax expense					
- Current period/ year	3,966	3,486	8,873	4,132	510
- Prior period/ year	-	-	597	187	115
	<u>3,966</u>	<u>3,486</u>	<u>9,470</u>	<u>4,319</u>	<u>625</u>
Deferred tax expense					
- Origination of temporary differences	1,428	1,426	1,409	746	-
- Under/(Over) provision in prior years	-	-	820	(113)	(9)
	<u>1,428</u>	<u>1,426</u>	<u>2,229</u>	<u>633</u>	<u>(9)</u>
	<u>5,394</u>	<u>4,912</u>	<u>11,699</u>	<u>4,952</u>	<u>616</u>
Reconciliation of tax expense					
Profit before tax	<u>20,848</u>	<u>19,929</u>	<u>40,936</u>	<u>17,621</u>	<u>2,186</u>
Income tax calculated using Malaysian tax rate of 24%	5,004	4,783	9,825	4,229	525
Non-deductible expenses	432	171	499	803	20
Effect of lower tax rate for SME* of 17% on the first RM600,000 (2021: 17% on the first RM600,000; 2020: 17% on the first RM600,000; 2019: 17% on the first RM500,000)	(42)	(42)	(42)	(42)	(35)
Effect of unrecognised deferred tax assets	-	-	-	(112)	-
Under provision of current tax in prior years	-	-	597	187	115
Under/(Over) provision of deferred tax in prior years	-	-	820	(113)	(9)
	<u>5,394</u>	<u>4,912</u>	<u>11,699</u>	<u>4,952</u>	<u>616</u>

* SME – Small and medium sized enterprise

13. ACCOUNTANTS' REPORT (Cont'd)

47

22. Earnings per ordinary share**Basic earnings per ordinary share**

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	1.1.2022 to 30.6.2022 RM'000 Audited	1.1.2021 to 30.6.2021 RM'000 Unaudited	1.1.2021 to 31.12.2021 RM'000 Audited	1.1.2020 to 31.12.2020 RM'000 Audited	1.1.2019 to 31.12.2019 RM'000 Audited
Profit attributable to ordinary shareholders	<u>15,454</u>	<u>15,017</u>	<u>29,237</u>	<u>12,669</u>	<u>1,570</u>
Weighted average number of ordinary shares at period end (basic) (including invested equity)	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>3,894</u>	<u>1,506</u>
Basic earnings per share (Sen)	<u>386</u>	<u>375</u>	<u>731</u>	<u>325</u>	<u>104</u>

Diluted earnings per ordinary share

Diluted earnings per ordinary share as at 30 June 2022, 31 December 2021, 2020 and 2019 are identical with basic earnings per ordinary share as the Group does not have any dilutive potential ordinary shares.

23. Dividend

Dividend recognised by the Group:

	RM per share	Total amount RM'000	Date of payment
2022			
Interim ordinary dividend	8.00	<u>8,000</u>	04 January 2022
2021			
Interim ordinary dividend	6.00	<u>6,000</u>	27 December 2021

13. ACCOUNTANTS' REPORT (Cont'd)

48

24. Operating segments

Operating segments are components in which separate financial information is available that is evaluated by the Managing Director and Chief Executive Office in deciding how to allocate resources and in assessing performance of the Group. As the businesses within the Group are inter-related, the Group considers itself to be operating in single segment.

All the Group's operations and its revenue are carried out and derived in Malaysia.

Performance is measured based on revenue derived from the various services sold and consolidated profit before income tax of the Group as included in the internal management reports that are reviewed by the Managing Director and Chief Executive Office. The Group's segment assets and liabilities, as disclosed in the Group's statement of financial position (as represented by total assets and liabilities), is also reviewed by the Managing Director and Chief Executive Office. Segment capital expenditure is the total cost incurred during the period/ year to acquire plant and equipment, intangible assets and right-of-use assets.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial period/ year to acquire plant and equipment, right-of-use assets and intangible assets.

	1.1.2022 to 30.6.2022 RM'000 Audited	1.1.2021 to 30.6.2021 RM'000 Unaudited	1.1.2021 to 31.12.2021 RM'000 Audited	1.1.2020 to 31.12.2020 RM'000 Audited	1.1.2019 to 31.12.2019 RM'000 Audited
Total additions to property, plant and equipment	23,169	16,021	49,472	29,140	1,763
Total additions to right-of-use assets	163	523	865	2,534	417
Total additions to intangible assets	385	316	679	206	20
	<u>23,717</u>	<u>16,860</u>	<u>51,016</u>	<u>31,880</u>	<u>2,200</u>

13. ACCOUNTANTS' REPORT (Cont'd)

49

24. Operating segments (continued)

Segment profit

	1.1.2022 to 30.6.2022 RM'000 Audited	1.1.2021 to 30.6.2021 RM'000 Unaudited	1.1.2021 to 31.12.2021 RM'000 Audited	1.1.2020 to 31.12.2020 RM'000 Audited	1.1.2019 to 31.12.2019 RM'000 Audited
Revenue from contracts with customers					
- Video surveillance and analytics services	24,880	11,929	32,135	8,680	623
- Telecommunication and network infrastructure services	1,128	1,023	2,079	1,592	336
- Supply, installation and maintenance services	14,200	20,720	44,494	36,458	35,958
- Trading revenue	532	320	1,051	808	295
	<u>40,740</u>	<u>33,992</u>	<u>79,759</u>	<u>47,538</u>	<u>37,212</u>

Included in the measurement of segment profit are:

Finance income	78	14	205	264	163
Finance costs	(1,133)	(132)	(1,063)	(203)	(97)
Depreciation of plant and equipment	(3,374)	(1,478)	(4,476)	(911)	(243)
Depreciation of right-of-use assets	(431)	(400)	(842)	(671)	(283)
Amortisation of intangible assets	(411)	(357)	(735)	(539)	(175)
Income tax expense	(5,394)	(4,912)	(11,699)	(4,952)	(616)
Net gain/ (reversal) on impairment of financial instruments and contract assets	<u>398</u>	<u>(22)</u>	<u>(1,123)</u>	<u>(156)</u>	<u>(3)</u>

Major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

	1.1.2022 to 30.6.2022 RM'000 Audited	1.1.2021 to 30.6.2021 RM'000 Unaudited	Revenue 1.1.2021 to 31.12.2021 RM'000 Audited	1.1.2020 to 31.12.2020 RM'000 Audited	1.1.2019 to 31.12.2019 RM'000 Audited
Customer A	39,080	30,697	58,383	28,870	23,142
Customer B	<u>360</u>	<u>-</u>	<u>-</u>	<u>8,922</u>	<u>-</u>

13. ACCOUNTANTS' REPORT (Cont'd)

50

25. Financial instruments

25.1 Categories of financial instruments

The table below provides an analysis of financial instruments as at 30 June 2022 categorised as amortised cost ("AC").

	Carrying amount RM'000	AC RM'000
30.6.2022		
Financial assets		
Trade and other receivables	26,559	26,559
Fixed deposits with licensed banks	6,962	6,962
Cash and cash equivalents	10,557	10,557
	<u>44,078</u>	<u>44,078</u>
Financial liabilities		
Loans and borrowings	94,048	94,048
Trade and other payables	20,152	20,152
	<u>114,200</u>	<u>114,200</u>
31.12.2021		
Financial assets		
Trade and other receivables	15,363	15,363
Fixed deposits with licensed banks	6,844	6,844
Cash and cash equivalents	23,145	23,145
	<u>45,352</u>	<u>45,352</u>
Financial liabilities		
Loans and borrowings	75,053	75,053
Trade and other payables	26,105	26,105
	<u>101,158</u>	<u>101,158</u>
31.12.2020		
Financial assets		
Trade and other receivables	17,320	17,320
Fixed deposits with licensed banks	1,547	1,547
Cash and cash equivalents	12,320	12,320
	<u>31,187</u>	<u>31,187</u>
Financial liabilities		
Loans and borrowings	37,538	37,538
Trade and other payables	37,379	37,379
	<u>74,917</u>	<u>74,917</u>

13. ACCOUNTANTS' REPORT (Cont'd)

51

25. Financial instruments (continued)

25.1 Categories of financial instruments (continued)

	Carrying amount RM'000	AC RM'000
31.12.2019		
Financial assets		
Trade and other receivables	21,820	21,820
Cash and cash equivalents	10,480	10,480
	<u>32,300</u>	<u>32,300</u>
Financial liabilities		
Loans and borrowings	13,819	13,819
Trade and other payables	37,671	37,671
Bank overdraft	156	156
	<u>51,646</u>	<u>51,646</u>

25.2 Net gains and losses arising from financial instruments

	1.1.2022 to 30.6.2022 RM'000 Audited	1.1.2021 to 30.6.2021 RM'000 Unaudited	1.1.2021 to 31.12.2021 RM'000 Audited	1.1.2020 to 31.12.2020 RM'000 Audited	1.1.2019 to 31.12.2019 RM'000 Audited
Net gains/(losses) arising on:					
Financial assets measured at amortised cost	476	(8)	(918)	108	160
Financial liabilities measured at amortised cost	<u>(1,466)</u>	<u>(423)</u>	<u>(892)</u>	<u>479</u>	<u>(127)</u>
	<u>(990)</u>	<u>(431)</u>	<u>(1,810)</u>	<u>587</u>	<u>33</u>

25.3 Financial risk management

The Group has exposure to the following risks from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

25. Financial instruments (continued)

25.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer and amount due from related parties. There are no significant changes as compared to prior periods.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous periods.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statement of financial position.

Recognition and measurement of impairment losses

In managing credit risk of trade receivables and contract assets, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 days.

As there are only a few contract customers, the Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable.

13. ACCOUNTANTS' REPORT (Cont'd)

53

25. Financial instruments (continued)

25.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

The following table provides information about the exposure to credit risk for trade receivables and contract assets.

	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
30.6.2022			
Current (not past due)	25,906	(708)	25,198
1 - 30 days past due	492	-	492
31 - 60 days past due	149	-	149
61 - 90 days past due	276	-	276
91 - 120 days past due	516	-	516
More than 120 days past due	835	(34)	801
	<u>28,174</u>	<u>(742)</u>	<u>27,432</u>
Credit impaired			
Individually impaired	575	(575)	-
	<u>28,749</u>	<u>(1,317)</u>	<u>27,432</u>
Trade receivables	17,885	(609)	17,276
Contract assets	10,864	(708)	10,156
	<u>28,749</u>	<u>(1,317)</u>	<u>27,432</u>
31.12.2021			
Current (not past due)	11,561	(1,082)	10,479
1 - 30 days past due	499	-	499
31 - 60 days past due	139	-	139
61 - 90 days past due	605	-	605
91 - 120 days past due	1,051	-	1,051
More than 120 days past due	583	(58)	525
	<u>14,438</u>	<u>(1,140)</u>	<u>13,298</u>
Credit impaired			
Individually impaired	575	(575)	-
	<u>15,013</u>	<u>(1,715)</u>	<u>13,298</u>
Trade receivables	6,734	(633)	6,101
Contract assets	8,279	(1,082)	7,197
	<u>15,013</u>	<u>(1,715)</u>	<u>13,298</u>

13. ACCOUNTANTS' REPORT (Cont'd)

54

25. Financial instruments (continued)

25.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
31.12.2020			
Current (not past due)	8,830	-	8,830
1 - 30 days past due	845	-	845
31 - 60 days past due	277	-	277
61 - 90 days past due	808	-	808
91 - 120 days past due	1,061	-	1,061
More than 120 days past due	1,984	(90)	1,894
	13,805	(90)	13,715
Credit impaired			
Individually impaired	502	(502)	-
	14,307	(592)	13,715
Trade receivables	9,645	(592)	9,053
Contract assets	4,662	-	4,662
	14,307	(592)	13,715
31.12.2019			
Current (not past due)	14,378	-	14,378
1 - 30 days past due	48	-	48
31 - 60 days past due	1,050	-	1,050
61 - 90 days past due	637	-	637
91 - 120 days past due	1	-	1
More than 120 days past due	3,416	-	3,416
	19,530	-	19,530
Credit impaired			
Individually impaired	436	(436)	-
	19,966	(436)	19,530
Trade receivables	8,268	(436)	7,832
Contract assets	11,698	-	11,698
	19,966	(436)	19,530

13. ACCOUNTANTS' REPORT (Cont'd)

55

25. Financial instruments (continued)

25.4 Credit risk (continued)

Trade receivables and contract assets (continued)

The movements in the allowances for impairment in respect of trade receivables and contract assets during the period/ year are shown below.

	Trade receivables			
	Credit impaired RM'000	Loss allowances RM'000	Contract asset RM'000	Total RM'000
Balance at 1 January 2019	(433)	-	-	(433)
Net remeasurement of loss allowance	(3)	-	-	(3)
Balance at 31 December 2019/ 1 January 2020	(436)	-	-	(436)
Net remeasurement of loss allowance	(66)	(90)	-	(156)
Balance at 31 December 2020/ 1 January 2021	(502)	(90)	-	(592)
Net remeasurement of loss allowance	(73)	32	(1,082)	(1,123)
Balance at 31 December 2021/ 1 January 2022	(575)	(58)	(1,082)	(1,715)
Net remeasurement of loss allowance	-	24	374	398
Balance at 30 June 2022	(575)	(34)	(708)	(1,317)

Cash and cash equivalents and fixed deposits with licensed banks

The cash and cash equivalents and fixed deposits with licensed banks are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group is of the view that the loss allowance is not material and hence, it is not provided for.

13. ACCOUNTANTS' REPORT (Cont'd)

56

25. Financial instruments (continued)**25.4 Credit risk (continued)****Other receivables**

Credit risks on other receivables are mainly arising from advanced deposits for project and deposits paid for office building rented. These deposits will be received at the end of the project and each lease terms. The Group manages the credit risk together with the project team management and leasing arrangement.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group is of the view that the loss allowance is not material and hence, it is not provided for.

Related party balances*Risk management objectives, policies and processes for managing the risk*

The Group transacts with its related parties. The Group monitors the ability of the related parties to repay the its debts on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period/ year, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Related party balances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Group considers amount due from related parties have low credit risk. The Group assumes that there is a significant increase in credit risk when a related party's financial position deteriorates significantly. As the Group is able to determine the timing of payments of the related parties' balances when they are payable, the Group considers the outstanding debts to be in default when the related parties are not able to pay when demanded.

The Group considers an related party's balances to be credit impaired when:

- The related party is unlikely to repay its loan or advance to the Group in full; or
- The related party is continuously loss making and is having a deficit shareholders' fund.

The Group determines the probability of default for these balances individually using internal information available.

13. ACCOUNTANTS' REPORT (Cont'd)

57

25. Financial instruments (continued)**25.4 Credit risk (continued)**

The following table provides information about the exposure to credit risk and loss impairment for related parties' balances as at 30 June 2022.

	Gross carrying amount RM'000	Impairment loss allowances RM'000	Net balance RM'000
30.6.2022			
Low credit risk	4	-	4
31.12.2021			
Low credit risk	134	-	134
31.12.2020			
Low credit risk	3,649	-	3,649
31.12.2019			
Low credit risk	8,100	-	8,100

25.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings and lease liabilities.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

13. ACCOUNTANTS' REPORT (Cont'd)

58

25. Financial instruments (continued)

25.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting year based on undiscounted contractual payments.

	Carrying amount RM'000	Contractual interest rate/ Incremental borrowing rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
30.6.2022							
Trade and other payables	20,152	-	20,152	20,152	-	-	-
Revolving credit	7,993	4.38%	7,993	7,993	-	-	-
Invoice financing	1,920	4.72%	1,920	1,920	-	-	-
Term loan	83,335	4.38% - 4.72%	91,755	21,876	47,710	293	293
Hire purchase liabilities	800	2.07% - 3.28%	854	375	251	228	-
Lease liabilities	2,875	4.40% - 5.56%	3,311	871	617	1,206	617
	117,075		125,985	53,187	22,744	49,144	910
31.12.2021							
Trade and other payables	26,105	-	26,105	26,105	-	-	-
Revolving credit	7,523	4.38%	7,523	7,523	-	-	-
Term loan	66,674	4.40%	73,686	16,708	36,843	3,427	3,427
Hire purchase liabilities	856	2.07 - 3.28%	922	325	295	302	-
Lease liabilities	3,189	4.40 - 5.56%	4,113	937	856	1,338	982
	104,347		112,349	51,598	17,859	38,483	4,409

13. ACCOUNTANTS' REPORT (Cont'd)

59

25. Financial instruments (continued)

25.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

	Carrying amount RM'000	Contractual interest rate/ Incremental borrowing rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
31.12.2020							
Trade and other payables	37,379	-	37,379	37,379	-	-	-
Term loan	36,692	4.40 - 5.65%	40,727	6,431	8,574	25,722	-
Hire purchase liabilities	846	2.33 - 3.28%	920	288	259	364	9
Lease liabilities	3,181	4.40 - 5.56%	3,765	874	778	1,163	950
	78,098		82,791	44,972	9,611	27,249	959
31.12.2019							
Trade and other payables	37,671	-	37,671	37,671	-	-	-
Term loan	12,946	5.65 - 5.90%	14,369	-	2,269	12,100	-
Bank overdraft	156	7.65 - 7.90%	156	156	-	-	-
Hire purchase liabilities	873	2.33 - 3.28%	965	144	230	538	53
Lease liabilities	1,267	5.56 - 6.70%	1,379	488	417	474	-
	52,913		54,540	38,459	2,916	13,112	53

13. ACCOUNTANTS' REPORT (Cont'd)

60

25. Financial instruments (continued)**25.6 Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's financial position or cash flows.

25.6.1 Currency risk

The Group is exposed to foreign currency risk on purchases that are denominated in a currency other than the respective functional currencies of the Group. The currency giving rise to this risk is primarily the USD.

Risk management objectives, policies and processes for managing the risk

The Group does not hedge its foreign currency risk as the foreign currency exposure is monitored and kept within acceptable levels.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group) risk, based on carrying amounts as at the end of the reporting period are as follows:

	Denominated in USD RM'000
30.6.2022	
Balances recognised in the statement of financial position	
Trade payables	<u>8,834</u>
31.12.2021	
Balances recognised in the statement of financial position	
Trade payables	<u>8,028</u>
31.12.2020	
Balances recognised in the statement of financial position	
Trade payables	<u>12,380</u>
31.12.2019	
Balances recognised in the statement of financial position	
Trade payables	<u>16,663</u>

13. ACCOUNTANTS' REPORT (Cont'd)

61

25. Financial instruments (continued)**25.6 Market risk (continued)****25.6.1 Currency risk (continued)***Currency risk sensitivity analysis*

A 10% (2021: 10% ; 2020: 10% and 2019: 10%) weakening of RM will result in a lower post-tax profit by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant.

	1.1.2022 to 30.6.2022 RM'000 Audited	1.1.2021 to 31.12.2021 RM'000 Audited	1.1.2020 to 31.12.2020 RM'000 Audited	1.1.2019 to 31.12.2019 RM'000 Audited
USD	<u>671</u>	<u>610</u>	<u>941</u>	<u>1,266</u>

A 10% (2021: 10% ; 2020: 10% and 2019: 10%) strengthening of RM against the above currency at the end of the reporting period would have had equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remained constant.

25.6.2 Interest rate risk

The Group's investments in its fixed rate financial assets are exposed to a risk of change in their fair value due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group monitors interest rates on an ongoing basis. The Group does not use derivative financial instruments to hedge its debt obligations.

13. ACCOUNTANTS' REPORT (Cont'd)

62

25. Financial instruments (continued)**25.6.2 Interest rate risk (continued)***Exposure to interest rate risk*

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	30.6.2022	31.12.2021	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
	Audited	Audited	Audited	Audited
Fixed rate instruments				
Financial assets				
Fixed deposits with licensed banks	6,962	6,844	1,547	-
Deposits with licensed banks	4,806	10,255	7,099	8,903
	<u>11,768</u>	<u>17,099</u>	<u>8,646</u>	<u>8,903</u>
Financial liabilities				
Bank overdraft	-	-	-	156
Hire purchase liabilities	800	856	846	873
Lease liabilities	2,875	3,189	3,181	1,267
	<u>3,675</u>	<u>4,045</u>	<u>4,027</u>	<u>2,296</u>
Floating rate instruments				
Financial liabilities				
Term loan	83,335	66,674	36,692	12,946
Invoice financing	1,920	-	-	-
Revolving credit	7,993	7,523	-	-
	<u>93,248</u>	<u>74,197</u>	<u>36,692</u>	<u>12,946</u>

13. ACCOUNTANTS' REPORT (Cont'd)

63

25. Financial instruments (continued)**25.6 Market risk (continued)****25.6.2 Interest rate risk (continued)***Interest rate risk sensitivity analysis**Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss	
	100 bp Increase RM'000	100 bp decrease RM'000
1.1.2022 to 30.6.2022		
Floating rate instruments	<u>(709)</u>	<u>709</u>
1.1.2021 to 31.12.2021		
Floating rate instruments	<u>(564)</u>	<u>564</u>
1.1.2020 to 31.12.2020		
Floating rate instruments	<u>(279)</u>	<u>279</u>
1.1.2019 to 31.12.2019		
Floating rate instruments	<u>(98)</u>	<u>98</u>

25.7 Fair value information

The carrying amounts of fixed deposits with a licensed bank, cash and cash equivalents, short term receivables and payables and loans and borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

13. ACCOUNTANTS' REPORT (Cont'd)

64

25. Financial instruments (continued)

25.7 Fair value information (continued)

	Fair value of financial instruments not carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total fair value RM'000	
30.6.2022					
Financial liabilities					
Hire purchase liabilities	-	-	792	792	800
31.12.2021					
Financial liabilities					
Hire purchase liabilities	-	-	849	849	856
31.12.2020					
Financial liabilities					
Hire purchase liabilities	-	-	842	842	846
31.12.2019					
Financial liabilities					
Hire purchase liabilities	-	-	868	868	873

Level 3 fair value

Level 3 fair value is estimated using inputs for the financial assets or liabilities that are not based on observable market data (unobservable inputs). The fair value within Level 3 of the hire purchase liabilities is determined by using estimated future cash flows discounted using market related rate for a similar instrument at the reporting date. The interest rate used to discount the estimated cash flows for the hire purchase liabilities is 2.07 – 3.28% (2021: 2.07 – 3.28% ; 2020: 2.33 – 3.28% and 2019: 2.33 – 3.28%) per annum.

13. ACCOUNTANTS' REPORT (Cont'd)

65

26. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as going concern, so as to maintain investor and creditor confidence and to sustain future development of the business.

There were no changes in the Group's approach to capital management during the financial periods.

27. Related parties**Identity of related parties**

For the purposes of these combined financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

Related parties also include companies in which certain Directors have substantial financial interest.

The Group has related party relationship with its related parties and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group are shown below. The balances related to the below transactions are shown in Notes 9 and 16.

13. ACCOUNTANTS' REPORT (Cont'd)

66

27. Related parties (continued)

Significant related party transactions (continued)

	1.1.2022 to 30.6.2022 RM'000 Audited	1.1.2021 to 30.6.2021 RM'000 Unaudited	1.1.2021 to 31.12.2021 RM'000 Audited	1.1.2020 to 31.12.2020 RM'000 Audited	1.1.2019 to 31.12.2019 RM'000 Audited
A. Holding company					
Acquisition of shares from a director	-	-	-	-	2,250
B. Related parties					
Rental income	126	126	252	252	63
Purchases	(149)	(6)	(119)	(323)	(167)
Revenue	357	-	115	13	-
Lease expenses	(162)	(102)	(204)	(216)	(54)
C. Key management personnel					
Directors					
- Fees	-	3	6	6	6
- Remuneration	463	228	497	434	278
	463	231	503	440	284

28. Business combinations

28.1 Identifiable assets acquired and liabilities assumed

	Note	Group 2019 RM'000
Plant and equipment	3	12,283
Right-of-use assets	4	132
Intangible assets	5	1,437
Inventories		2,360
Trade and other receivables		15,467
Prepayment and other asset		11
Cash and cash equivalents		5,019
Current tax liabilities		(22)
Loans and borrowings		(11,398)
Lease liabilities		(120)
Trade and other payables		(12,469)
		<u>12,700</u>

28.2 Net cash inflow arising through business combination

	Group 2019 RM'000
Cash and cash equivalents	<u>5,019</u>

13. ACCOUNTANTS' REPORT (Cont'd)

67

29. Subsequent events**(a) Acquisition of STS**

On 21 October 2022, the Company had completed the acquisition of the entire issued share capital of Sena Traffic Systems Sdn Bhd of RM3,000,000 comprising 3,000,000 ordinary shares from Tan Sri Dato' Dr. Tan Boon Hock and Puan Sri Datin Lim Sho Hoo for a purchase consideration of RM59,357,908. The said purchase consideration has been fully satisfied by the issuance of 388,800 new Shares at an issue price of approximately RM152.67 per Share, credited as fully-paid up to Sena Holdings Sdn Bhd, being the sole company jointly nominated by the Sellers.

(b) Share Transfer

On 25 October 2022, the ultimate holding company transferred all 700,000 Shares held in the Company to Sena Holdings Sdn Bhd at a nominal value of RM1.00. The share transfer was undertaken to consolidate the investments of Tan Sri Dato' Dr. Tan Boon Hock and his family in the Company to Sena Holdings Sdn Bhd. Following the completion of the share transfer, Sena Holdings Sdn Bhd became the ultimate holding company of the Company.

(c) Subdivision

On 27 October 2022, the Company subdivided 1,388,800 Shares into 837,446,400 Shares to facilitate and enhance the liquidity of the Shares for the purposes of the Listing.

30. Significant changes in accounting policies

Since the Group applied the requirements of MFRS 16 retrospectively with the cumulative effect initial application at 1 January 2019, there are no adjustments made to the prior period presented.

The following table explains the difference in operating lease commitments disclosed applying MFRS 117 at 31 December 2018, and lease liabilities recognised in the statement of financial position at 1 January 2019.

	Group RM'000
Operating lease commitments at 31 December 2018	<u>132</u>
Discounted using the incremental borrowing rate at 1 January 2019	113
Extension options reasonably certain to be exercised	<u>879</u>
Lease liabilities recognised at 1 January 2019	<u>992</u>

13. ACCOUNTANTS' REPORT (Cont'd)

KPMG PLT
 (LLP0010081-LCA & AF 0758)
 Chartered Accountants
 Level 10, KPMG Tower
 8, First Avenue, Bandar Utama
 47800 Petaling Jaya
 Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388
 Fax +60 (3) 7721 3399
 Website www.kpmg.com.my

The Board of Directors
ITMAX System Berhad
 No. 30-G & 30-3, Jalan Radin Bagus 3
 Bandar Baru Seri Petaling
 57000 Kuala Lumpur

Date: 10 November 2022

Dear Sirs,

Reporting Accountants' opinion on the combined financial statements contained in the accountants' report of ITMAX System Berhad ("ITMAX System" or the "Company")

Opinion

We have audited the combined financial statements of ITMAX System and its combining entity, Sena Traffic Systems Sdn Bhd (collectively the "Group"), which comprise the combined statements of financial position as at 30 June 2022, 31 December 2021, 2020 and 2019, and the combined statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period and years then ended, and notes to the combined financial statements, including a summary of significant accounting policies, as set out on pages 1 to 67. The combined financial statements of the Group have been prepared for inclusion in the Company's prospectus in connection with the initial public offering of up to 320,000,000 ordinary shares in the Company ("Shares") in conjunction with the listing of and quotation for the entire enlarged issued Shares on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and for no other purposes.

In our opinion, the accompanying combined financial statements give a true and fair view of the combined financial positions of the Group as at 30 June 2022, 31 December 2021, 31 December 2020 and 31 December 2019, and of its combined financial performances and combined cash flows for the period and years then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

13. ACCOUNTANTS' REPORT (Cont'd)

ITMAX System Berhad ("ITMAX System" or the "Company")
*Accountants' Report on the
 Combined Financial Statements
 10 November 2022*

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Directors for the Combined Financial Statements

The Board of Directors of ITMAX System (the "Directors") are responsible for the preparation of the combined financial statements of the Group that give a true and fair view in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of the combined financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements of the Group, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)

ITMAX System Berhad ("ITMAX System" or the "Company")
*Accountants' Report on the
 Combined Financial Statements
 10 November 2022*

**Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements
 (continued)**

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountants' report to the related disclosures in the combined financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined financial statements of the Group, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal controls that we identify during our audit.

13. ACCOUNTANTS' REPORT (Cont'd)



ITMAX System Berhad ("ITMAX System" or the "Company")
Accountants' Report on the
Combined Financial Statements
10 November 2022

Other Matter

The comparative information for the combined statements of profit or loss and other comprehensive income, changes in equity and cash flow, and notes to the combined financial statements for the financial period ended 30 June 2021 have not been audited.

Restriction on Distribution and Use

This report is made solely to the Company and for inclusion in the prospectus in connection with the Listing and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink that reads 'KPMG'.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

A handwritten signature in black ink that reads 'Foong Mun Kong'.

Foong Mun Kong
Approval Number: 02613/12/2022 J
Chartered Accountant

14. STATUTORY AND OTHER GENERAL INFORMATION

14.1 SHARE CAPITAL

- (i) As at the date of this Prospectus, we have only one class of shares in our Company, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (ii) Save for the ESOS as disclosed in Section 4.2.6 of this Prospectus, none of the share capital of our Company or our subsidiary is under option, or agreed conditionally or unconditionally to be put under option.
- (iii) No securities will be allotted, issued or offered on the basis of this Prospectus later than six (6) months after the date of issue of this Prospectus.
- (iv) Save as disclosed in Sections 4.2.6 and 6.1.3 of this Prospectus, no shares, stocks or debentures of our Company has been issued or proposed to be issued as fully or partly paid-up in cash or otherwise, during the Financial Years Under Review, FPE 30 June 2022 and from 1 July 2022 up to the date of this Prospectus.
- (v) As at the date of this Prospectus, save for the Issue Shares reserved for the subscription by the Eligible Persons as disclosed in Section 4.2.2(i) of this Prospectus and the LTIP as disclosed in Section 4.2.6 of this Prospectus, there is currently no other scheme involving our Directors and employees in the share capital of our Company or our subsidiary.
- (vi) As at the date of this Prospectus, save for the ESOS as disclosed in Section 4.2.6 of this Prospectus, neither our Company nor our subsidiary has any outstanding warrants, options, convertible securities or uncalled capital.
- (vii) Save as disclosed in Section 2.2 of this Prospectus, and save as provided for under our Constitution as reproduced in Section 14.2 below and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares or the interests in any of our Company or our subsidiary or upon the declaration or payment of any dividend or distribution thereon.

14.2 EXTRACTS OF OUR CONSTITUTION

The following provisions are extracted from our Constitution and are qualified in its entirety by the remainder of our Constitution and by applicable law. The words and expressions appearing in the following provisions shall bear the same meanings used in our Constitution unless otherwise defined or the context otherwise requires.

14.2.1 Remuneration, voting and borrowing powers of directors

Clause 93 – Remuneration of Directors

- “(1) The Company may from time to time by an ordinary resolution passed at a general meeting, approve the remuneration of the Directors, who hold non-executive office with the Company, for their services as non-executive Directors.
- (2) Subject to Clause 84, the fees of the Directors and any benefits payable to the Directors shall be subject to annual shareholders’ approval at a general meeting.

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

- (3) If the fee of each such non-executive Director is not specifically fixed by the Members, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the Members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- (4) The following expenses shall be determined by the Directors:
- (a) Traveling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company; and
- (b) Other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties.
- (5) Executive Directors of the Company shall be remunerated in the manner referred to in Clause 84 but such remuneration shall not include a commission on or percentage of turnover.

Clause 95 – Powers of Directors

“Without limiting the generality of Clauses 94(1) and (2), the Directors may, subject to the Act and the Listing Requirements, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:

- (1) borrow money;
- (2) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;
- (3) issue debentures and other Securities whether primary or as security; and/or
- (a) lend and advance money or give credit to any person or company;
- (b) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company;
- (c) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company;

and otherwise to assist any person or company.”

Clause 118 – Voting at Board Meetings

- “(1) Subject to this Constitution, questions arising at a Board Meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors.
- (2) Each Director is entitled to cast one (1) vote on each matter for determination.”

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**14.2.2 Changes to share capital**Clause 8 – Variation of Rights

- “(1) If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied:
- (a) with the consent in writing of the holders holding not less than seventy-five percent (75%) of the total voting rights of the holders of that class of shares; or
 - (b) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.”

14.2.3 Transfer of securitiesClause 14 – Transfer of Securities

“The transfer of any Deposited Security or class of Deposited Security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Deposited Securities.”

14.2.4 Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rightsClause 7 – Classes of Shares

- “(1) The capital of the Company shall consist of ordinary shares.
- (2) A holder of ordinary share(s) shall have the following voting rights:
- (a) right to vote on a show of hands to one (1) vote on any resolution of the Company; and
 - (b) right to vote on a poll to one (1) vote for every share held on any resolution of the Company.”

14.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of the Shares must deposit his Shares with Bursa Depository on or before the date is fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance, Inc. and such Shares may not be traded on Bursa Securities.

Dealing in our Shares deposited with Bursa Depository may only be effected by a Depositor by means of entries in the Securities Account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be a shareholder of our Company and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**14.4 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS**

Subject to Section 14.3 above, there is no limitation on the right to own our Shares, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights on our Shares, which is imposed by Malaysian law or by our Constitution.

14.5 REPATRIATION OF CAPITAL, REMITTANCE OF PROFIT AND TAXATION

Our Group has not established any other place of business outside Malaysia and is not subject to governmental law, decree, regulation and/ or other requirement which may affect the repatriation of capital and remittance of profit by or to our Group.

All corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single tier dividend are not taxable. Further, the Government does not levy withholding tax on dividend payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian resident companies. There is no Malaysian capital gain tax arising from the disposal of listed shares.

14.6 MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) that have been entered into by our Group during the period covered by the Financial Years Under Review and FPE 30 June 2022 as disclosed in this Prospectus and up to the date of this Prospectus:

- (a) Share sale agreement dated 22 June 2022 between our Company and Tan Sri Tan and Puan Sri Lim in respect of the Acquisition which was fully satisfied via issuance of 388,800 new Shares to Sena Holdings, being the company jointly nominated by Tan Sri Tan and Puan Sri Lim, to receive and hold such new Shares. The Acquisition was completed on 21 October 2022;
- (b) Retail Underwriting Agreement;
- (c) Master Cornerstone Placement Agreement dated 10 November 2022 between our Company, the Selling Shareholder, the Joint Bookrunners, and the Cornerstone Investors, under which the Cornerstone Investors agree to acquire and/or subscribe for an aggregate of 99,800,000 IPO Shares pursuant to the Institutional Offering at RM1.07 per IPO Share or the Institutional Price, whichever is lower, on the terms and subject to the conditions as set out in the Master Cornerstone Placement Agreement and the relevant individual cornerstone placement agreements; and
- (d) Lock-up letter dated 10 November 2022 issued by our Company to the Joint Bookrunners in relation to the lock-up arrangement for our IPO.

14.7 MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability in the 12 months immediately preceding the date of this Prospectus.

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

14.8 CONSENTS

The written consents of the Principal Adviser, Joint Bookrunners, Managing Underwriter and Joint Underwriters, legal advisers, Issuing House and Share Registrar, and company secretaries as set out in the Corporate Directory of this Prospectus for the inclusion of their names and all references thereto in the form and context in which such names are included in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants for the inclusion of its name, the Accountants' Report and the Reporting Accountants' letter on the pro forma combined statement of financial position of our Group as at 30 June 2022 and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of Vital Factor for the inclusion of its name, the IMR Report and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

14.9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office during office hours for a period of six (6) months from the date of this Prospectus:

- (i) our Constitution;
- (ii) material contracts as referred to in Section 14.6 of this Prospectus;
- (iii) audited financial statements of our Company for the FYE 30 September 2019, 15-months FPE 31 December 2020, FYE 31 December 2021 and 6-months FPE 30 June 2022;
- (iv) audited financial statements of STS for the FYEs 31 December 2019, 31 December 2020 and 31 December 2021;
- (v) Reporting Accountants' letter on the pro forma combined statement of financial position of our Group as at 30 June 2022 as included in Section 12.4 of this Prospectus;
- (vi) Accountants' Report as included in Section 13 of this Prospectus;
- (vii) IMR Report as included in Section 8 of this Prospectus;
- (viii) letters of consent referred to in Section 14.8 of this Prospectus; and
- (ix) By-Laws as included in Annexure A of this Prospectus.

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

14.10 RESPONSIBILITY STATEMENTS

Our Directors, our Promoters and the Selling Shareholder have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

Maybank IB, being the Principal Adviser, Joint Bookrunner for the Institutional Offering and Managing Underwriter and Joint Underwriter for the Retail Offering, 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 our IPO.

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

15.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 25 November 2022

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 1 December 2022

In the event there is any change to the dates or times stated above, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

Late Applications will not be accepted.

15.2 METHODS OF APPLICATION

15.2.1 Application of the issue Shares under the Retail Offering

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

<u>Type of Application and category of investors</u>	<u>Application method</u>
Applications by Eligible Persons	Pink Application Form only
Applications by the Malaysian Public:	
(i) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(ii) Non-Individuals	White Application Form only

15.2.2 Application for the IPO Shares under the Institutional Offering

Institutional and selected investors (other than Bumiputera investors approved by the MITI) who have been allocated the IPO Shares under the Institutional Offering will be contacted directly by the Joint Bookrunners and should follow the instructions as communicated by the Joint Bookrunners.

Bumiputera investors approved by the MITI who have been allocated the IPO Shares will be contacted directly by the MITI and should follow the instructions as communicated through the MITI.

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**15.3 ELIGIBILITY****15.3.1 General**

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in the list of ADAs set out in Section 12 of the “**Detailed Procedures for Application and Acceptance**” accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

15.3.2 Application by the Malaysian Public

You can only apply for the Issue Shares if you fulfil all of the following:

- (i) you must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for the Issue Shares; or
 - (b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia;
- (ii) you must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and
- (iii) you must submit the Application by using only one of the following methods:
 - (a) White Application Form;
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)***15.3.3 Application by Eligible Persons**

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation. The applicants must follow the notes and instructions in the said documents and where relevant, in our Prospectus.

15.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of this Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM1.07 for each IPO Share.

Payment must be made out in favour of “**TIH SHARE ISSUE ACCOUNT NO. 730**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

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

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

Tricor Investor & Issuing House Services Sdn Bhd
(Company Registration No. 197101000970 (11324-H))
 Unit 32-01, Level 32, Tower A
 Vertical Business Suite
 Avenue 3, Bangsar South
 No. 8, Jalan Kerinchi
 59200 Kuala Lumpur

or

- (ii) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur,

so as to arrive not later than 5.00 p.m. on 1 December 2022 or by such other time and date as our Directors and the Joint Underwriters may, in their absolute discretion, mutually decide as the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the Application Form to the Issuing House.

15.5 PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATION

Only Malaysian individuals may apply for the Issue Shares offered to the Malaysian Public by way of Electronic Share Application.

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Electronic Participating Financial Institutions.

15.6 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATION

Only Malaysian individuals may use the Internet Share Application to apply for the Issue Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CIMB Bank Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

15.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

- (i) Reject the Applications which:
 - (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 15.9 of this Prospectus.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)***15.8 OVER/UNDER SUBSCRIPTION**

In the event of over-subscription for the Retail Offering, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating the IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis and results of the allocation of the IPO Shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, all major English and Bahasa Malaysia newspapers as well as posted on the Issuing House's website (<https://tiih.online>) within one (1) Market Day after the balloting date.

Pursuant to the Listing Requirements, we are required to have a minimum of 25% of our Company's issued Shares to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon our Listing. We expect to achieve this at the point of our Listing. In the event the above 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 in full (without interest).

In the event of an under-subscription of the IPO Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation provisions as set out in Section 4.2.3 of our Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Joint Underwriters based on the terms of the Retail Underwriting Agreement.

15.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner:

15.9.1 For applications by way of Application Forms

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/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 at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within ten (10) Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

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

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within two (2) Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institutions or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) within two (2) Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the fifth Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institutions or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than ten (10) Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions will be informed of the unsuccessful or partially successful Applications within two (2) Market Days after the date of the final ballot. The Participating Financial Institutions will credit the Application monies or any part thereof (without interest) within two (2) Market Days after the receipt of confirmation from the Issuing House.

15.10 SUCCESSFUL APPLICANTS

If you are successful in your Application:

- (i) The IPO Shares allotted to you will be credited into your CDS account.
- (ii) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, the IPO Shares issued / 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 SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**15.11 ENQUIRIES**

Enquiries in respect of the applications may be directed as follows:

Mode of Application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services Telephone at +6(03) 2783 9299
Electronic Share Application	Participating Financial Institutions
Internet Share Application	Internet Participating Financial Institutions and Authorised Financial Institutions

The results of the allocation of Issue Shares derived from successful balloting will be made available to the public at the Issuing House's website at <https://tiih.online> within one (1) Market Day after the balloting date.

You may also check the status of your Application **five (5) Market Days** after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of this Prospectus on the website of Bursa Securities.

ANNEXURE A: BY-LAWS**BY-LAWS**

**ITMAX SYSTEM BERHAD
BY-LAWS OF THE LONG TERM INCENTIVE PLAN**

PART I**1. THE SCHEME**

This Scheme (as defined herein) shall be called the “ITMAX System Berhad Long Term Incentive Plan” and will comprise the ESGS (as defined below) and the ESOS (as defined below).

2. OBJECTIVES OF THE SCHEME

2.1 The objectives of the LTIP (as defined herein) are as follows:

- (a) To provide an incentive to drive and motivate the Eligible Persons (as defined herein) towards better performance, and work towards achieving the goals and objectives of the Group (as defined herein) in order to drive the growth of the Group.
- (b) To reward the Eligible Persons in recognition of their accumulated contributions to the operations and sustained growth and profitability of the Group.
- (c) To align the interests of the Eligible Persons, including management personnel of the Group, with the interest of the shareholders of the Company (as defined herein) via direct participation in the equity of the Company.
- (d) To retain the Eligible Persons by giving them a sense of ownership, loyalty and belonging to the Group by enabling them to participate directly in the equity of the Company.
- (e) To attract prospective employees with relevant skills and experience to the Group by making the total compensation package more competitive.

2.2 In addition to the objectives set out in By-Law 2.1 above, the objective of the Scheme is to recognise the contributions and efforts made by the non-executive Directors (as defined herein) as they play a constructive role in contributing towards the growth and performance of the Group. Their participation in the equity of the Company is expected to enhance their level of commitment and contribution as well as enable the Company to attract and retain capable individuals to act as non-executive Directors of the Company who will assist in the overall strategic decisions of the Group.

3. DEFINITIONS AND INTERPRETATION

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

Act	The Companies Act 2016 as amended from time to time including all regulations made thereunder and any re-enactment thereof
Award Date	The date of the letter or electronic mail of which an LTIP Award is offered by the LTIP Committee to the Eligible Persons to participate in the Scheme, as the case may be
Board	The Board of Directors of ITMAX System for the time being

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

Bursa Depository	Bursa Malaysia Depository Sdn Bhd [Registration No. 198701006854(165570-W)]
Bursa Securities	Bursa Malaysia Securities Berhad [Registration No. 200301033577(635998-W)]
By-Laws	The rules, terms and conditions of the Scheme (as may be modified, varied and/or amended from time to time in accordance with By-Law 25)
CDS	Central Depository System
CDS Account	An account established by Bursa Depository for the recording of deposits and withdrawal of securities and for dealings in such securities by a depositor
Company or ITMAX System	ITMAX System Berhad [Registration No. 200101008580(544336-M)] and includes its successor-in-title and permitted assigns
Date of Expiry	The last day of the Duration of the Scheme as defined in By-Law 23.1
Director	A director within the meaning stipulated in the Act
Disciplinary Proceedings	Proceedings instituted by any company within the Group against an Executive for any alleged misbehaviour, misconduct and/or any other act of the Executive deemed to be unacceptable by the Group in the course of that Executive's employment, whether or not such proceedings may give rise to a dismissal or termination of the contract of service of such Executive
Duration of the Scheme	The duration of the Scheme as defined in By-Law 23.1
Effective Date	The date on which the Scheme comes into force as provided in By Law 23.1
EGM	Extraordinary General Meeting
Eligible Person(s)	The Executives and the Directors who meet the criteria of eligibility for participation in the Scheme as set out in By-Law 5
Entitlement Date	The date as at the close of business on which the Company's shareholders' names must appear in ITMAX System's Record of Depositors and/or Register of Members in order to be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to the shareholders of the Company
ESGS	The executives share grant scheme as the same may be modified or altered from time to time
ESGS Award	An award of Shares made in writing by the LTIP Committee from time to time to an Eligible Person to participate in the ESGS in the manner provided in By-Law 7

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

ESGS Grantee	An Eligible Person who has accepted an ESGS Award in the manner provided in By-Law 8
ESGS Vesting Date(s)	The date or dates as may be determined by the LTIP Committee on which all or some of the Shares awarded under an ESGS Award to an Eligible Person is/are vested in accordance with By-Law 9
ESOS	The executives share option scheme as the same may be modified or altered from time to time
ESOS Award	An award of ESOS Options made in writing by the LTIP Committee from time to time to an Eligible Person to participate in the ESOS in the manner provided in By-Law 7
ESOS Grantee	An Eligible Person who has accepted an ESOS Award in the manner provided in By-Law 8
ESOS Options	The right of an ESOS Grantee to subscribe for or acquire Shares at the Exercise Price pursuant to an ESOS Award duly accepted by the ESOS Grantee in the manner provided in By-Law 8
ESOS Option Period	The period commencing from the Effective Date to a date not exceeding 5 years or such other date as stipulated by the LTIP Committee in the ESOS Award or upon the date of termination or expiry of the ESOS as provided in By-Laws 15 or 23 respectively
ESOS Vesting Date(s)	The date or dates as may be determined by the LTIP Committee on which all or some of the ESOS Options awarded under an ESOS Award to an Eligible Person is/are vested in accordance with By-Law 9
Executive	An executive employed by and on the payroll of any company in the Group whose employment has been confirmed in writing and falls within any other eligibility criteria that may be determined by the LTIP Committee from time to time at its discretion
Group	The Company and its subsidiary company(ies) as defined in Section 4 of the Act, which are not dormant. Subject to the foregoing, subsidiaries include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the Duration of the Scheme but exclude subsidiaries which have been divested in the manner provided in By-Law 21
Listing Requirements	The Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
LTIP Award(s)	The ESGS Award(s) and/or the ESOS Award(s) as the case may be
LTIP or Scheme	ITMAX System Berhad Long Term Incentive Plan comprising the ESGS and the ESOS which shall be administered in accordance with these By-Laws

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

LTIP Committee	The committee appointed by the Board to administer the LTIP in accordance with By-Law 26, comprising such number of the Directors and/or senior management personnel of the Group identified from time to time
LTIP Grantee	An ESGS Grantee and/or an ESOS Grantee, as the case may be
Market Day	Any day between Monday and Friday, both days inclusive, which is not a public holiday and on which Bursa Securities is open for the trading of securities
Maximum Allowable Allocation	The maximum number of Shares that can be offered to an Eligible Person in accordance with By-Law 6
Performance Targets	The performance targets determined by the LTIP Committee, which are to be achieved by the LTIP Grantee and/or Group and/or business units within the Group as determined by the LTIP Committee, during such period as specified in the LTIP Award
“person(s) connected”	Shall have the same meaning given in relation to persons connected with a Director or persons connected with a major shareholder as defined in Rule 1.01 of the Listing Requirements
Principal Adviser	A corporate finance adviser licensed to make submissions to the SC for corporate proposals
Record of Depositors	The record of securities holders as established by Bursa Depository under the Rules of Bursa Depository
RM and sen	Ringgit Malaysia and sen respectively
Principal Adviser	A corporate finance adviser licensed to make submissions to the SC for corporate proposals
Rules of Bursa Depository	The rules of Bursa Depository, as issued pursuant to SICDA
SC	Securities Commission Malaysia
Shares	Ordinary shares in the relevant ordinary share capital of the Company from time to time
SICDA	Securities Industry (Central Depositories) Act 1991, as amended from time to time
Vesting Conditions	The conditions determined by the LTIP Committee and stipulated in the LTIP Awards which must be fulfilled for LTIP Award to be vested in an LTIP Grantee
3.2	Headings are for ease of reference only and do not affect the meaning of a By-Law.
3.3	Any reference to a statutory provision or an applicable law shall include a reference to:
(a)	any and all subsidiary legislation made from time to time under that provision or law;

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

- (b) any and all Listing Requirements, policies and/or guidelines of Bursa Securities whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed by Bursa Securities;
 - (c) that provision as from time to time modified or re-enacted, whether before or after the date of these By-Laws, so far as such modification or re-enactment applies or is capable of applying to any LTIP Award made, offered and/or accepted within the Duration of the Scheme; and
 - (d) any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced.
- 3.4 Words importing the masculine gender shall include the feminine and *neuter genders*.
- 3.5 Words importing the singular number shall include the plural number and *vice versa*.
- 3.6 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day; and if an event is to occur on a stipulated day which falls after the Date of Expiry then the stipulated day shall be taken to be the last Market Day of the Duration of the Scheme.
- 3.7 Any liberty or power or discretion which may be exercised, and/or any decision or determination which may be made, under these By-Laws:
- (a) by the Board may be exercised in the Board's sole and absolute discretion and the Board shall not be under any obligation to give any reasons therefor; or
 - (b) by the LTIP Committee may be exercised in the LTIP Committee's sole and absolute discretion and the LTIP Committee shall not be under any obligation to give any reason therefor, but subject always to the Board's power to overrule any decision of the LTIP Committee.
- 3.8 In the event of any change in the name of the Company from its present name, all references to "ITMAX System Berhad" in these By-Laws and all other documents pertaining to the Scheme shall be deemed to be references to the Company's new name.

PART II**4. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME**

- 4.1 The total number of new Shares which may be made available under the Scheme and all other employee share schemes of the Company which may still be subsisting, if any (whether in the form of new Shares to be issued under the Scheme or the aggregate number of new Shares together with existing Shares made available for the purposes of the Scheme), shall not in aggregate exceed 10% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the Duration of the Scheme.
- 4.2 Notwithstanding By-Law 4.1 above nor any other provisions herein contained, in the event the maximum number of Shares granted under the Scheme exceeds in aggregate 10% of the total number of issued shares of the Company (excluding treasury shares, if any) as a result of the Company purchasing its own Shares pursuant to Section 127 of the Act or the Company undertaking any corporate proposal and thereby diminishing the issued shares of the Company, then such LTIP Award granted prior to the adjustment of the number of issued shares (excluding treasury shares, if any) of the Company shall remain valid and/or exercisable in accordance with these By-Laws. However, in such a situation, the LTIP Committee shall not make any further LTIP Award unless the total number of Shares to be

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

issued under the Scheme falls below 10% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the Duration of the Scheme.

5. ELIGIBILITY

5.1 Only the Executives and the Directors who fulfil the following conditions as at the Award Date shall be eligible to participate in the Scheme:

- (a) In respect of an Executive, he/she must fulfil the following criteria as at the Award Date:
 - (i) he/she has attained 18 years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;
 - (ii) he/she is employed on the Award Date and he/she is employed –
 - (1) on a full time basis and is on the payroll of any company in the Group and his/her employment has been confirmed by any company in the Group; or
 - (2) serving in a specific designation under an employment contract with any company of the Group for a continuous fixed duration of at least one year (which shall include any probation period) and may, if the LTIP Committee deems fit, to include contract staff hired for a period of one year or more for any purposes or specific requirements of the Group; and
 - (iii) such Executive falls within any other eligibility criteria (including variations to the eligibility criteria under By-Law 5.1(a)(i) or (ii) above) that may be determined by the LTIP Committee from time to time at its sole discretion, whose decision shall be final and binding.
- (b) If an Executive is employed by a company which is acquired by the Group during the Duration of the Scheme and becomes a subsidiary whether directly or indirectly held by the Company upon such acquisition, he/she must fulfil the following as at the Award Date:
 - (i) he/she has attained 18 years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings; and
 - (ii) he/she is employed full time by and on the payroll of the newly acquired company and his/her employment has been confirmed by the newly acquired company.
- (c) In respect of a Director, he/she must fulfil the following criteria as at the Award Date:
 - (i) he/she has attained 18 years of age on the Award Date and is not an undischarged bankrupt or subject to any bankruptcy proceedings; and
 - (ii) he/she is not an independent director of our Company as prescribed under the Listing Requirements.
- (d) In respect of an Eligible Person who is a Director, chief executive officer of the Company or a person connected with a Director, chief executive officer or major shareholder of the Company, the specific allocation of LTIP Award granted under the Scheme must have been approved by the shareholders of the Company at a general meeting.

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

- (e) The Eligible Person must fulfil any other criteria and/or fall within such category/designation of employment as may be determined by the LTIP Committee from time to time at its sole discretion, whose decision shall be final and binding.

For the avoidance of doubt, an Executive who attains the prescribed retirement age but is offered to continue to serve the Group on a full time basis shall be treated as an Executive of the Group.

- 5.2 Without prejudice to the generality of the foregoing and subject to the LTIP Committee's discretion otherwise, any LTIP Award made by the LTIP Committee that has not been accepted or exercised by an Eligible Person shall be automatically terminated in the following circumstances:

- (a) the death of the Eligible Person;
- (b) the Eligible Person having received a letter of termination or ceasing to be an Executive of the Group, for any reason whatsoever;
- (c) the Eligible Person giving notice of his/her resignation from service/employment;
- (d) bankruptcy of the Eligible Person, in which event the LTIP Award shall be automatically terminated on the date a receiving order is made against the Eligible Person by a court of competent jurisdiction;
- (e) the corporation which employs the Eligible Person ceasing to be part of the Group;
- (f) a disciplinary action is taken on the Eligible Person pursuant to By-Law 15.7; or
- (g) winding up or liquidation of the Company, in which event the LTIP Award shall be automatically terminated on the following date:
 - (i) In the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
 - (ii) In the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
- (h) termination of the Scheme pursuant to By-Law 23.5,

whichever shall be applicable.

- 5.3 The LTIP Committee may from time to time at its absolute discretion select and identify suitable Eligible Persons to be offered the LTIP Award. In the event that any Eligible Person is a member of the LTIP Committee, such Eligible Person shall not participate in the deliberation or discussion of his/her own allocation or allocations to person(s) connected to him/her.
- 5.4 Any Eligible Person who holds more than one position within the Group and by holding such position is an Eligible Person, shall only be entitled to the Maximum Allowable Allocation of any one category/designation of employment. Each Director shall only be entitled to the Maximum Allowable Allocation irrespective of his/her sitting on more than one board of directors. The LTIP Committee shall be entitled at its discretion to determine the applicable category/designation.
- 5.5 For the avoidance of doubt, an Executive of a dormant company within the Group is not eligible to participate in the Scheme.

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

- 5.6 Eligibility under the Scheme does not confer upon the Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the LTIP Awards unless an LTIP Award has been made by the LTIP Committee to the Eligible Person and the Eligible Person has accepted the LTIP Award in accordance with By-Law 8 hereof.

6. MAXIMUM ALLOWABLE ALLOCATION OF SHARES AND BASIS OF ALLOCATION

- 6.1 Subject to By-Law 4.1 and any adjustments which may be made under By-Law 19, the aggregate maximum number of Shares that may be allocated to any one category/designation of Eligible Person shall be determined entirely at the discretion of the LTIP Committee.
- 6.2 No allocation of more than 10% of the total number of the Shares to be made available under the Scheme shall be made to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the total number of the issued shares of the Company.
- 6.3 Not more than 80% of the Shares available under the Scheme shall be allocated in aggregate to the Directors and senior management of the companies in the Group.
- 6.4 Subject to By-Laws 6.2 and 6.3, the aggregate number of Shares that may be offered to an Eligible Person under the Scheme shall be determined at the sole and absolute discretion of the LTIP Committee after taking into consideration, amongst others, the provisions of the Listing Requirements or other applicable regulatory requirements prevailing during the Duration of the Scheme relating to executives' and/or directors' share issuance schemes and after taking into consideration the performance, targets, position, annual appraised performance, seniority and/or length of service, contribution, category or grade of employment of the Eligible Person or such other matters which the LTIP Committee may in its sole and absolute discretion deem fit.
- At the time the LTIP Award is offered, the LTIP Committee shall set out the basis of the allocation of the LTIP Award(s) made to the Eligible Person(s) having the further particulars as set out in By-Law 7.3.
- 6.5 The LTIP Committee may make more than one LTIP Award to an Eligible Person **PROVIDED THAT** the aggregate number of Shares so awarded to an Eligible Person throughout the Duration of the Scheme does not exceed the Maximum Allowable Allotment of such Eligible Person.
- 6.6 The Company shall ensure that allocation of Shares pursuant to the Scheme is verified by the Audit Committee of the Company at the end of each financial year as being in compliance with the criteria for allocation of Shares which have been disclosed to the Executives and the Directors. A statement by the Audit Committee of the Company verifying such allocations shall be included in the annual report of the Company.
- 6.7 For the avoidance of doubt, the LTIP Committee shall have sole and absolute discretion in determining whether the Shares available for vesting under the Scheme are to be awarded to the Eligible Person via:
- (a) one single LTIP Award at a time determined by the LTIP Committee; or
 - (b) several LTIP Awards, where the vesting of Shares and/or ESOS Options comprised in those LTIP Awards are staggered or made in several tranches at such times and on terms determined by the LTIP Committee.
- 6.8 In the event the LTIP Committee decides that the LTIP Awards are to be staggered, the number of Shares comprised in each LTIP Award, the vesting conditions and the vesting dates

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

for the same shall be decided by the LTIP Committee at its discretion. Each LTIP Award shall be separate and independent from the others.

- 6.9 No Director or Executive shall participate in the deliberation and discussion of their own respective allocations and/or allocations to persons connected to them.

PART III**7. LTIP AWARD**

- 7.1 During the Duration of the Scheme, the LTIP Committee may at its discretion at any time from the Effective Date and from time to time make an LTIP Award in writing for acceptance in accordance with By-Law 8 below to any Eligible Person based on the criteria for allocation as set out in By-Law 6 and otherwise in accordance with the terms of the Scheme.
- 7.2 The actual number of Shares which may be awarded to an Eligible Person shall be at the discretion of the LTIP Committee, subject to any adjustments that may be made under By-Law 19. The number of Shares so awarded shall not be less than 100 Shares nor more than the Maximum Allowable Allocation of such Eligible Person and shall be in multiples of 100 Shares. The LTIP Committee may stipulate any terms and conditions it deems appropriate in an LTIP Award and the terms and conditions of each may differ. Nothing herein shall require any LTIP Award offered to be the same as LTIP Awards previously or subsequently offered whether to the same or a different Eligible Person.
- 7.3 The LTIP Committee will in its letter of offer for an LTIP Award to an Eligible Person (“**LTIP Award Letter**”) state, amongst others:
- (a) whether the LTIP Award is an ESGS Award and/or an ESOS Award;
 - (b) the number of Shares and/or ESOS Options that are being granted to the Eligible Person;
 - (c) the date of the LTIP Award;
 - (d) the Vesting Conditions (if any/if applicable);
 - (e) the ESGS Vesting Date(s) and/or the ESOS Vesting Date(s) (as applicable);
 - (f) the Validity Period as mentioned in By-Law 7.4;
 - (g) in respect of ESOS Award, the ESOS Option Period and the Exercise Price; and
 - (h) any other terms and conditions deemed necessary by the LTIP Committee.
- 7.4 The LTIP Award shall be valid for acceptance for a period of 30 days from the Award Date or such period as the LTIP Committee at its sole and absolute discretion determines on a case to case basis (“**Validity Period**”).
- 7.5 No LTIP Award shall be made to any Director, chief executive officer of the Company or a person connected with any Director, chief executive officer or major shareholder of the Company who are Eligible Persons unless such LTIP Award and the related allocation of Shares have previously been approved by the shareholders of the Company in general meeting.
- 7.6 Without prejudice to By-Law 25, in the event of an error on the part of the LTIP Committee in stating any of the particulars referred to in By-Law 7.3, the following provisions shall apply:

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

- (a) As soon as possible but in any event no later than one month after discovery of the error, the LTIP Committee shall issue a supplemental LTIP Award Letter, stating the correct particulars referred to in By-Law 7.3. and
- (b) In relation to an ESOS Award –
 - (i) in the event that the error relates to particulars other than the Exercise Price, the Exercise Price applicable in the supplemental LTIP Award Letter shall remain as the Exercise Price as per the original letter of ESOS Award; and
 - (ii) in the event that the error relates to the Exercise Price, the Exercise Price applicable in the supplemental LTIP Award Letter shall be the Exercise Price applicable as at the date of the original letter of ESOS Award, save and except with respect to any ESOS Options which have already been exercised as at the date of issue of the supplemental LTIP Award Letter.

8. ACCEPTANCE OF LTIP AWARD

- 8.1 An LTIP Award shall be accepted by an Eligible Person within the Validity Period by written notice to the Company accompanied by a payment to the Company of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) only to accept the LTIP Award (regardless of the number of Shares comprised therein).
- 8.2 If the LTIP Award is not accepted in the manner set out in By-Law 8.1 above, the LTIP Award shall automatically lapse upon the expiry of the Validity Period and be null and void and be of no further force and effect (unless otherwise extended at any time and from time to time by the LTIP Committee). The Shares comprised in such LTIP Award may, at the discretion of the LTIP Committee, be re-offered to other Eligible Persons.
- 8.3 The number of Shares offered in the lapsed LTIP Award shall be deducted from the Maximum Allowable Allocation or the balance of the Maximum Allowable Allocation of the Eligible Person, and the Eligible Person shall not be entitled to be offered the number of Shares offered in the lapsed LTIP Award, in any LTIP Award made in the future. However, Shares not taken up resulting from the non-acceptance of LTIP Award within the Validity Period shall thereafter form part of the balance of Shares available for future LTIP Award.
- 8.4 In respect of an ESGS Award, the Eligible Persons are not required to pay for the Shares they are entitled to receive upon vesting of the Shares pursuant to the ESGS Award.
- 8.5 In respect of an ESOS Award, the Company shall within 30 days of the acceptance of the ESOS Award by the Eligible Person, issue to the Eligible Person an Option Certificate in such form as may be determined by the LTIP Committee.

9. VESTING CONDITIONS AND SATISFACTION OF VESTING CONDITIONS

- 9.1 The LTIP Committee shall, as and when it deems practicable and necessary, review and determine at its own discretion the Vesting Conditions specified in respect of an LTIP Award. The Shares and/or ESOS Options or such part thereof as may be satisfied in the LTIP Award will only vest with the LTIP Grantee on the ESGS Vesting Date and/or the ESOS Vesting Date if the Vesting Conditions are fully and duly satisfied, including the following:
 - (a) the LTIP Grantee remains an Eligible Person and shall not have given notice of resignation or received a notice of termination as at the ESGS Vesting Date and/or the ESOS Vesting Date or has otherwise ceased or had his/her employment terminated;
 - (b) the LTIP Grantee has not been adjudicated a bankrupt;

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

- (c) the Performance Targets, including the target of the Group's financial performance and/or the LTIP Grantee's individual performance as determined by the LTIP Committee, are fully and duly satisfied; and/or
 - (d) any other conditions which are determined by the LTIP Committee.
- 9.2 The LTIP Committee shall have full discretion to determine whether the Performance Targets or performance period have been fully and duly satisfied. In the event that the LTIP Committee shall determine that the Performance Targets or performance period are not fully and duly satisfied, the LTIP Committee may, at its discretion, adjust the number of Shares and/or ESOS Options (if any) which may vest in the LTIP Grantee on the ESGS Vesting Date(s) and/or the ESOS Vesting Date(s).
- 9.3 Where the LTIP Committee has determined that the Vesting Conditions have been fully and duly satisfied, the LTIP Committee shall notify the LTIP Grantee of the number of Shares and/or ESOS Options vested or which will be vested in him/her on the ESGS Vesting Date(s) and/or the ESOS Vesting Date(s) ("**Vesting Notice**").
- 9.4 No LTIP Grantee shall have any right to or interest in the Shares and/or ESOS Options awarded to him/her under an LTIP Award until and unless the Shares and/or ESOS Options are vested in him/her on and with effect from the ESGS Vesting Date(s) and/or the ESOS Vesting Date(s).
- 9.5 In respect of an ESGS Award, the ESGS Grantee shall provide all information as required in the Vesting Notice and the LTIP Award Letter respectively and the Company shall within 8 Market Days after the Vesting Date or such other period as may be prescribed or allowed by Bursa Securities, and subject to the provisions of the Constitution, the SICDA and the Rules of Bursa Depository, allot and issue the relevant number of new Shares and/or transfer the relevant number of existing Shares to the ESGS Grantee(s) accordingly and apply to Bursa Securities for the quotation of new Shares arising from the vesting of an ESGS Award. The Shares to be issued pursuant to the vesting of an ESGS Award will be credited directly into the CDS Account and no physical share certificates will be delivered to the ESGS Grantee or his authorised nominee (as the case may be).

10. EXERCISE OF ESOS OPTIONS

- 10.1 Each ESOS Option shall be exercisable into one Share, in accordance with the provisions of these By-Laws.
- 10.2 Subject to By-Laws 15, 20, 21, 22 and 23, an ESOS Grantee shall be allowed to exercise the ESOS Options granted to him/her as provided in these By-Laws whilst he/she is in the employment of the Group and within the ESOS Option Period.
- 10.3 An ESOS Grantee shall exercise the ESOS Options granted to him/her in whole or part in multiples of 100 Shares. Notwithstanding anything herein to the contrary in the event of any alteration in the share capital of the Company during the ESOS Option Period in accordance with By-Law 19 which result in the number of Shares comprised in an ESOS Option not being in multiples of not less than 100, then the requirement that an ESOS Option shall be exercised in multiples of not less than 100 Shares shall not be applicable for the ESOS Grantee's final exercise of the ESOS Option.
- 10.4 An ESOS Grantee shall exercise his/her ESOS Options in such form and manner as the LTIP Committee may prescribe or approve ("**Notice of Exercise**"), which will be attached to LTIP Award Letter. The procedure for the exercise of ESOS Options to be complied with by the ESOS Grantee shall be determined by the LTIP Committee from time to time. Any ESOS

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

Options which remain unexercised at the expiry of the ESOS Option Period shall be automatically terminated and lapse without any claim against the Company.

- 10.5 Subject to By-Law 10.4, an ESOS Grantee shall exercise his/her ESOS Options by executing and delivering to the Company the Notice of Exercise, stating the number of ESOS Options to be subscribed and be accompanied with the remittance for the full amount of the subscription monies payable in respect thereof in Ringgit Malaysia in the form of a banker's draft or cashier's order drawn and payable in Malaysia or any other mode acceptable to the LTIP Committee for the full amount of the Exercise Price in relation to the number of Shares in respect of which the notice is given **PROVIDED THAT** the number of Shares stated therein shall not exceed the amount granted to such ESOS Grantees and be subject to By-Laws 10.2 and 10.3 above. The LTIP Committee may pursuant to By-Law 25 hereof, at any time and from time to time, before or after the ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of Shares and/or such percentage of total Shares comprised in the ESOS Option during such periods within the ESOS Option Period and impose any other terms and/or conditions deemed appropriate by the LTIP Committee in its sole discretion including amending or varying any terms and conditions imposed earlier. The exercise by an ESOS Grantee of some but not all of the ESOS Options which have been offered to and accepted by him/her shall not preclude the ESOS Grantee from subsequently exercising any other ESOS Options which have been or will be offered to and accepted by him/her, during the ESOS Option Period.
- 10.6 The ESOS Grantee shall provide all information as required in the Notice of Exercise. Within 8 Market Days of the receipt by the Company of such notice and payment, or such other period as may be prescribed by Bursa Securities, and subject to the Constitution, in the event that the Shares are delivered to the ESOS Grantee via issuance of new Shares, the Company shall allot and issue the relevant number of Shares to the ESOS Grantee and apply to Bursa Securities for the quotation for such new Shares arising from the exercise of the ESOS Options. The said Shares will be credited directly into the CDS Account of the ESOS Grantee or his/her financier, as the case may be, and a notice of allotment stating the number of Shares so credited will be issued to the ESOS Grantee. No physical share certificates will be issued to the ESOS Grantee or his/her authorised nominee (as the case may be).
- 10.7 The Group, the Board (including Directors that had resigned but were on the Board during the ESOS Option Period) and the LTIP Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities, gains or profits foregone, howsoever arising in the event of any delay on the part of the Company in allotting and issuing and/or transferring the Shares or in procuring Bursa Securities to list and quote the Shares subscribed for by an ESOS Grantee or any delay in receipt or non-receipt by the Company of the Notice of Exercise in respect of the ESOS Options or for any errors in any ESOS Award.
- 10.8 Any failure to comply with the procedures specified by the LTIP Committee or to provide information as required by the Company in the Notice of Exercise or inaccuracy in the CDS Account number provided shall result in the Notice of Exercise being rejected at the discretion of the LTIP Committee, and the LTIP Committee shall inform the ESOS Grantee of the rejection of the Notice of Exercise within 14 Market Days from the date of rejection and the ESOS Grantee shall be deemed to not have exercised his/her ESOS Option.
- 10.9 Every ESOS Options shall be subjected to the condition that no Shares shall be issued and/or transferred pursuant to the ESOS Options if such issue would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the Duration of the Scheme or such period as may be extended.

11. EXERCISE PRICE

Subject to any adjustments made under these By-Laws and pursuant to the Listing Requirements, the Exercise Price shall be –

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

- (a) in respect of any ESOS Award which is made in conjunction with the listing of the Company, the Final Retail Price; and
- (b) in respect of any ESOS Award which is made subsequent to the listing of the Company, as determined by the LTIP Committee and shall be based on the 5-day volume weighted average market price of the Shares for the 5 Market Days immediately preceding date of the ESOS Award with a discount of not more than 10%, if deemed appropriate, or such other percentage of discount as may be permitted by any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time during the ESOS Option Period.

For the purposes of By-Law 11(a) above, "Final Retail Price" shall refer to the final price paid by the investors for the Shares issued by the Company under its retail offering pursuant to its initial public offering, as determined in the manner described in the Company's prospectus for the said initial public offering.

The Exercise Price as determined in the manner set out above shall be conclusive and binding on the ESOS Grantees.

PART IV**12. NON-TRANSFERABILITY**

- 12.1 An LTIP Award and an ESOS Option are personal to the LTIP Grantee and subject to the provisions of By-Laws 12.2, 12.3 and 15, are exercisable/vested only by/in the LTIP Grantee personally during the Duration of the Scheme whilst he/she is in the employment of any company in the Group.
- 12.2 An LTIP Award shall not be transferred, assigned, disposed of or subject to any encumbrances by the LTIP Grantee save and except in the event of the death of the LTIP Grantee as provided under By-Law 15.5. Any attempt to transfer, assign, dispose or encumber any LTIP Award shall result in the automatic cancellation of the LTIP Award.
- 12.3 Notwithstanding this By-Law 12, in the event an LTIP Grantee is transferred to another company within the Group which has its own share issuance scheme, the LTIP Grantee shall be entitled to continue to be vested with such number of unvested Shares and/or exercise all unexercised ESOS Options granted under the Scheme, in accordance with these By-Laws, unless the Board otherwise determines in its absolute discretion.

13. RIGHTS ATTACHING TO SHARES AND ESOS OPTIONS

- 13.1 The new Shares to be allotted and issued upon the vesting of any ESGS Awards and/or exercise of any ESOS Options under the Scheme will be subject to the provisions of the Constitution of the Company and will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions, which may be declared, made or paid to shareholders, the Entitlement Date of which precedes the date of allotment and issuance of such new Shares.
- 13.2 In respect of the existing Shares to be transferred to the LTIP Grantees, such Shares shall not be entitled to any dividends, rights, allotments and/or other distributions, which may be declared, made or paid to shareholders, the Entitlement Date of which precedes the date on which the existing Shares are credited into the CDS Accounts of the LTIP Grantees.
- 13.3 The LTIP Awards and the ESOS Options shall not carry any rights to vote at any general meeting of the Company. For the avoidance of doubt, the LTIP Grantee shall not in any event be entitled to any dividends, rights, allotments or other distributions on his/her unvested Shares.

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS****14. RESTRICTION ON DEALING/RETENTION PERIOD**

The Shares to be allotted and issued and/or transferred to an LTIP Grantee under the Scheme may be subject to such reasonable retention period or restriction on transfer (if any/applicable) imposed/determined by the LTIP Committee at its discretion. The Company encourages LTIP Grantees to hold the Shares granted to and/or subscribed for by them for as long as possible although an LTIP Grantee or his/her financier, as the case may be, may sell the Shares granted to and/or subscribed by the LTIP Grantee at any time after such Shares have been credited to the LTIP Grantee's or his/her financier's CDS Account. An LTIP Grantee should note that the Shares are intended for him/her to hold as an investment rather than for any speculative purposes and/or for the realization of any immediate gain.

Notwithstanding the above, a LTIP Grantee who is a non-executive Director must not sell, transfer or assign his/her Shares obtained through the LTIP Award(s) pursuant to the Scheme within one (1) year from the date of the LTIP Award Letter or such period as may be prescribed by Bursa Securities.

15. TERMINATION OF THE LTIP AWARD

15.1 Prior to the full vesting of any LTIP Award and/or the allotment or satisfaction by any other means of an LTIP Award in the manner as provided for under By-Law 26.2, such LTIP Award that remain unvested or unsatisfied (as the case may be) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group in the following circumstances:

- (a) Termination or cessation of employment of the LTIP Grantee with the Group for any reason whatsoever, in which event the LTIP Award shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any other member of the Group on the day the LTIP Grantee's employer accepts his/her notice of resignation or the LTIP Grantee's employer notifies the LTIP Grantee of termination of his/her employment or on the day the LTIP Grantee notifies his/her employer of his/her resignation or on the LTIP Grantee's last day of employment, whichever is the earlier; or
- (b) Bankruptcy of the LTIP Grantee, in which event the LTIP Award shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the date a receiving order is made against the LTIP Grantee by a court of competent jurisdiction; or
- (c) Upon the happening of any other event which results in the LTIP Grantee being deprived of the beneficial ownership of the LTIP Award, in which event the LTIP Award shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the date such event occurs; or
- (d) Winding up or liquidation of the Company, in which event the LTIP Award shall be automatically terminated and/or cease to be valid on the following date:
 - (i) In the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
 - (ii) In the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
- (e) Termination of the Scheme pursuant to By-Law 23.5, in which event the LTIP Award shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Group on the Termination Date (as defined below) pursuant to By-Law 23.5,

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

whichever shall be applicable.

Upon the termination of the LTIP Award(s) pursuant to By-Laws 15.1(a), (b), (c), (d) or (e) above, the LTIP Grantee shall have no right to compensation or damages or any claim against the Company or any other member of the Group from any loss of any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from him/her ceasing to hold office or employment or from the suspension of his/her entitlement to the award of, acceptance or vesting of any LTIP Award(s) or his/her LTIP Award(s) ceasing to be valid.

- 15.2 Notwithstanding By-Law 15.1 above, the LTIP Committee may at its discretion allow for (i) all or any part of any unvested LTIP Awards to vest in accordance with the provisions of these By-Laws and/or (ii) any unexercised ESOS Option to remain exercisable during the ESOS Option Period on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:
- (a) Ill-health, injury, physical or mental disability; or
 - (b) Transfer to any company outside the Group at the direction of the Company; or
 - (c) Any other circumstance as may be deemed as acceptable to the LTIP Committee in its sole and absolute discretion.
- 15.3 Applications under By-Law 15.2 shall be made:-
- (a) in a case where By-Law 15.2(a) is applicable, within 3 months after the LTIP Grantee notifies his/her employer of his/her resignation due to ill health, injury, physical or mental disability, the LTIP Grantee may be vested with such number of unvested Shares and/or exercise all his/her unexercised ESOS Options within the said 3 months period. In the event that no application is received by the LTIP Committee within the said period, any such number of unvested Shares and/or unexercised ESOS Options held by the LTIP Grantee at the expiry of the said period shall be automatically terminated; and;
 - (b) in a case where By-Law 15.2(b) is applicable, the LTIP Grantee may be vested with such number of unvested Shares and/or exercise all his/her unexercised ESOS Options within one month after he/she is notified. Thereafter, any such number of unvested Shares and/or unexercised ESOS Options held by the LTIP Grantee at the expiry of the said period shall be automatically terminated.
- 15.4 in the event that an LTIP Grantee is notified that he/she will be made redundant or retrenched or participate in a voluntary separation scheme or where he/she is given an offer by his/her employer as to whether he/she wishes to accept redundancy or retrenchment or participate in a voluntary separation scheme upon certain terms, the LTIP Grantee may be vested with such number of unvested Shares and/or exercise his/her unexercised ESOS Options within one month after he/she receives such notice or accepts such offer, as the case may be. Thereafter, any such number of unvested Shares and/or unexercised ESOS Options held by the LTIP Grantee at the expiry of the said period shall be automatically terminated.
- 15.5 In the event that an LTIP Grantee dies before the Date of Expiry and, at the date of death, holds any Shares under the ESGS which remain unvested and/or ESOS Options which are unvested / unexercised, the following provisions shall apply:
- (a) Such unvested Shares and/or unexercised ESOS Options may be exercised and/or be vested by/in (as the case may be) the personal or legal representative of the deceased LTIP Grantee (“**Representative**”) within 12 months after the LTIP Grantee’s death (“**Permitted Period**”) or within the Date of Expiry, whichever expires first, subject to the approval of the LTIP Committee;

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

- (b) In the event that the Date of Expiry expires before the Permitted Period, any unvested LTIP Awards and/or ESOS Options which have not been exercised by the Representative at the Date of Expiry shall be automatically lapsed / terminated and the Representative shall not be entitled to apply for any extension of time;
- (c) In the event that the Permitted Period expires before the Date of Expiry, the following provisions shall apply:
- (i) The Representative may, at any time before the expiry of the Permitted Period, apply in writing to the LTIP Committee for an extension of the Permitted Period, stating the reasons as to why the extension is required. In the event no application is received by the LTIP Committee before the expiry of the Permitted Period, any unvested LTIP Awards and/or ESOS Options which have not been exercised by the Representative at the expiry of the Permitted Period shall be automatically lapsed / terminated.
- (ii) The LTIP Committee shall consider such applications on a case-by-case basis and may at its discretion approve or reject an application in whole or in part without giving any reasons therefor and may impose any terms and conditions in granting an approval. The decision of the LTIP Committee shall be final and binding. In the event that the LTIP Committee approves an application in whole or in part, the Representative may be vested with the Shares and/or exercise the ESOS Options which are the subject of the approval within such extension of the Permitted Period as is approved (which shall not exceed the Date of Expiry).
- 15.6 The provisions of By-Law 15.5 constitute exception to the provisions of By-Law 5.1 and By-Law 12.
- 15.7 Notwithstanding anything to the contrary herein contained in these By-Laws, the LTIP Committee shall have the right, at its absolute discretion by notice in writing to that effect to the LTIP Grantee, to suspend the right of any LTIP Grantee who is being subjected to Disciplinary Proceedings (whether or not such Disciplinary Proceedings may give rise to a dismissal or termination of service of such LTIP Grantee or are found to have had no basis or justification) to exercise his/her ESOS Options and/or have Shares vested in him/her pending the outcome of such Disciplinary Proceedings. In addition to this right of suspension, the LTIP Committee may impose such terms and conditions as the LTIP Committee shall deem appropriate at its sole and absolute discretion, on the LTIP Grantee's right to exercise his/her ESOS Options and/or have Shares vested in him/her having regard to the nature of the charges made or brought against such LTIP Grantee, **PROVIDED ALWAYS** that:
- (a) in the event such LTIP Grantee is found not guilty of the charges which gave rise to such Disciplinary Proceedings, the LTIP Committee shall reinstate the right of such LTIP Grantee to their LTIP Award and/or ESOS Option;
- (b) in the event the Disciplinary Proceedings result in a recommendation for the dismissal or termination of service of such LTIP Grantee, all unvested LTIP Awards and/or unexercised and partially exercised ESOS Options of the LTIP Grantee shall immediately lapse / terminate and be null and void and of no further force and effect, without notice to the LTIP Grantee, upon pronouncement of the dismissal or termination of service of such LTIP Grantee notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the LTIP Grantee in any other forum;
- (c) in the event the LTIP Grantee is found guilty but no dismissal or termination of service is recommended, the LTIP Committee shall have the right to determine at its absolute discretion whether or not the LTIP Grantee may continue to exercise his/her ESOS Options and/or have the Shares vested in him/her or any part thereof and if so,

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

to impose such terms and conditions as it deems appropriate, on such exercise rights; and

- (d) in the event that no decision is made and/or Disciplinary Proceedings are not concluded prior to the Date of Expiry, the LTIP Awards and/or ESOS Options of such LTIP Grantee shall immediately lapse on the Date of Expiry without notice,

and nothing herein shall impose any obligation on the LTIP Committee to enquire into or investigate the substantiveness and/or validity of such Disciplinary Proceeding(s) and the LTIP Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the LTIP Committee's exercise of or failure to exercise any of its rights under this By-Law.

16. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

All LTIP Grantees shall be entitled to inspect a copy of the latest annual audited consolidated financial statements of the Company, which shall be made available on Bursa Securities' website as well as the Company's website.

17. SCHEME NOT A TERM OF EMPLOYMENT

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

18. TAXES

For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes (including, without limitation, income taxes) that are incurred by an LTIP Grantee pursuant to or relating to the exercise of any ESOS Options, vesting of any Shares under the LTIP Awards, and any holding or dealing of such Shares (such as (but not limited to) brokerage commissions and stamp duty) shall be borne by that LTIP Grantee for his/her own account and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

PART V**19. ALTERATION OF SHARE CAPITAL AND ADJUSTMENTS**

19.1 In the event of any alteration in the capital structure of the Company during the Duration of the Scheme, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Shares or reduction or any other alteration of capital or otherwise howsoever, the LTIP Committee may, in its discretion, determine whether the Exercise Price, the number of unexercised ESOS Options and/or the ESOS Options and Shares comprised in the unvested LTIP Awards, shall be adjusted, and if so, the manner in which such adjustments should be made.

19.2 The provisions of this By-Law 19 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:

- (a) An issue of Shares pursuant to the exercise of ESOS Options and vesting of Shares under the Scheme; or

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

- (b) An issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business; or
 - (c) An issue of securities via a placement; or
 - (d) Any special issuance of new Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation; or
 - (e) A restricted issue of securities; or
 - (f) An issue of warrants, convertible loan stocks or other instruments by the Company which give a right of conversion into new Shares arising from the conversion of such securities; or
 - (g) An issue of new Shares arising from the conversion of securities with a right of conversion into new Shares; or
 - (h) A purchase by the Company of its own Shares of all or a portion of such Shares purchased pursuant to Section 127 of the Act.
- 19.3 Save as expressly provided for herein, the external auditors or Principal Adviser (acting as an expert and not as an arbitrator) must confirm in writing that the adjustments are in their opinion, fair and reasonable. The opinion of such external auditors or Principal Adviser shall be final, binding and conclusive.
- 19.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part III, Division 7 of the Act, By-Law 19.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 19.1 is applicable, but By-Law 19.1 shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 19.1 is not applicable as described in By-Law 19.2.
- 19.5 An adjustment pursuant to By-Law 19.1 shall be made according to the following terms:
- (a) In the case of a rights issue, bonus issue or other capitalisation issue, on the next Market Day immediately following the Entitlement Date in respect of such issue; or
 - (b) In the case of a consolidation or subdivision of Shares or reduction of capital, on the next Market Day immediately following the date on which the consolidation, subdivision or reduction becomes effective.
- 19.6 Upon any adjustment required to be made pursuant to this By-Law 19, the Company shall notify the LTIP Grantee (or his/her duly appointed personal representatives where applicable) in writing and deliver to him/her (or his/her duly appointed personal representatives where applicable) a statement setting forth:
- (a) In respect of the ESOS, the adjusted Exercise Price, number of unexercised ESOS Options and/or the ESOS Options which are the subject of the adjusted ESOS Award; and
 - (b) In respect of ESGS, the number of Shares comprised in the unvested ESGS Awards which are the subject of the adjusted ESGS Award.

Any adjustment shall take effect upon such written notification being given or such date as may be specified in such written notification.

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

19.7 In respect of the ESOS Options or the ESOS, any adjustment pursuant to this By-Law 19 shall be made in accordance with the following formula below, pursuant to By-Law 19.6:

(a) Consolidation, Subdivision, Conversion

If and whenever Shares shall be consolidated, subdivided or converted, the Exercise Price and/or the additional number of Options to be issued shall be adjusted, calculated or determined in the following manner:

$$\text{New Exercise Price} = S \times \left(\frac{P}{Q} \right)$$

(1) For consolidation of Shares,

$$\text{Additional number of Options} = T \times \left(\frac{Q}{P} \right)$$

(2) For subdivision of Shares,

$$\text{Additional number of Options} = T \times \left(\frac{Q}{P} \right) - T$$

Where:

P = the aggregate number of issued Shares immediately before such consolidation, subdivision or conversion;

Q = the aggregate number of issued Shares immediately after the consolidation, subdivision or conversion;

S = Existing Exercise Price; and

T = Number of existing Options held

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the date on which the consolidation, subdivision, conversion or reduction becomes effective.

(b) Capitalisation of Profits or Reserves

If and whenever the Company shall make any issue of new Shares to ordinary shareholders, by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature), in respect of ESOS Options, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the additional number of ESOS Options to be issued shall be calculated as follows:

$$\text{Additional number of ESOS Options} = T \times \left(\frac{A+B}{A} \right) - T$$

Where:

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

- A = the aggregate number of issued Shares immediately before such bonus issue or capitalisation issue;
- B = the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature); and
- T = Number of existing ESOS Options held

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

- (c) If and whenever the Company shall make:
- (1) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
 - (2) any offer or invitation to ordinary shareholders whereunder they may acquire or subscribe new Shares by way of rights; or
 - (3) any offer or invitation to ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares attached thereto,

then and in respect of each such case, the Exercise Price for ESOS Options shall be adjusted by multiplying it by the following fraction:

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

and in respect of the case referred to in By-Law 19.7(c)(2) hereof, the number of additional ESOS Options to be issued shall be calculated as follows:

$$\text{Additional number of ESOS Options} = T \times \left(\frac{C}{C - D^*} \right) - T$$

Where:

- T = T as in By-Law 19.7(b) above;
- C = the prevailing market price of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation or (where appropriate) any relevant date as may be determined by the Company; and
- D = (aa) in the case of an offer or invitation to acquire or subscribe for new Shares under By-Law 19.7(c)(2) above or for securities convertible into Shares or securities with rights to acquire or subscribe for new Shares under By-Law 19.7(c)(3) above, the value of rights attributable to one existing Share (as defined below); or

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

- (bb) in the case of any other transaction falling within By-Law 19.7(c) hereof, the fair market value as determined by the external auditors or Principal Adviser of that portion of the Capital Distribution attributable to one existing Share.

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

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

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

Where:

C = C as in By-Law 19.7(c) above;

E = the subscription price for one additional Share under the terms of such offer or invitation to acquire or subscribe for Shares or subscription price of one Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one Share under the offer or invitation; and

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

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

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

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

Where:

C = C as in By-Law 19.7(c) above;

E* = the subscription price for one additional Share under the terms of such offer or invitation to acquire or subscribe for Shares; and

F* = the number of existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one additional Share.

For the purpose of By-Law 19.7(c) hereof, "**Capital Distribution**" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of new Shares (not falling under By-Law 19.7(b) hereof) or other securities by way of capitalisation of profits or reserves of the Company (whether of a capital or income nature).

Any dividend charged or provided for in the audited financial statements of the Company for any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated statement of comprehensive income of the Company for any period as shown in the audited consolidated profit and loss accounts of the Company.

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day (or such other period as may be prescribed by Bursa Securities) immediately following the Entitlement Date for such issue or the closing date for the acceptance of the rights, as the case may be, for such issue.

(d) **Capitalisation of Profits/Reserves and Rights Issue of Shares or Convertible Securities**

If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 19.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 19.7(c)(2) or (3) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and where the Company makes any allotment to its ordinary shareholders as provided in By-Law 19.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 19.7(c)(2) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of additional Options to be issued shall be calculated as follows:

$$\text{Additional number of ESOS Options} = T \times \left(\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

B = B as in By-Law 19.7(b) above;

G = the aggregate number of issued Shares on the Entitlement Date;

C = C as in By-Law 19.7(c) above;

H = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares, as the case may be;

H* = the aggregate number of Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;

I = the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one additional Share, as the case may be;

I* = the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares;

T = T as in By-Law 19.7(b) above.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day (or such other period as may be prescribed

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

by Bursa Securities) immediately following the Entitlement Date for such issue or the closing date for the acceptance of the rights, as the case may be, for such issue.

(e) Rights Issue of Shares and Convertible Securities

If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in By-Law 19.7(c)(2) above together with an offer or invitation to acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for Shares as provided in By-Law 19.7(c)(3) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the number of additional ESOS Options to be issued shall be calculated as follows:

$$\text{Additional number of ESOS Options} = T \times \left(\frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

G = G as in By-Law 19.7(d) above;

C = C as in By-Law 19.7(c) above;

H = H as in By-Law 19.7(d) above;

H* = H* as in By-Law 19.7(d) above;

I = I as in By-Law 19.7(d) above;

I* = I* as in By-Law 19.7(d) above;

J = the aggregate number of Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders;

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one additional Share; and

T = T as in By-Law 19.7(b) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions or the closing date for the acceptance of the rights, as the case may be, for such issue.

(f) Capitalisation of Profits/Reserves and Rights Issue of Shares and Convertible Securities

If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 19.7(b) above and also makes an offer or invitation to acquire or subscribe for Shares to its ordinary shareholders as provided in By-Law 19.7(c)(2) above, together with rights to acquire or subscribe for securities convertible into new Shares or with rights to acquire or subscribe for Shares as provided in By-Law

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

19.7(c)(3) above, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

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

and the number of additional Options to be issued shall be calculated as follows:

$$\text{Additional number of ESOS Options} = T \times \left(\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

G = G as in By-Law 19.7(d) above;

C = C as in By-Law 19.7(c) above;

H = H as in By-Law 19.7(d) above;

H* = H* as in By-Law 19.7(d) above

I = I as in By-Law 19.7(d) above;

I* = I* as in By-Law 19.7(d) above

J = J as in By-Law 19.7(e) above;

T = T as in By-Law 19.7(b) above;

K = K as in By-Law 19.7(e) above; and

B = B as in By-Law 19.7(b) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day (or such other period as may be prescribed by Bursa Securities) immediately following the Entitlement Date for the above transactions or the closing date for the acceptance of the rights, as the case may be, for such issue.

(g) **Others**

If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under By-Laws 19.7(c)(2), 19.7(c)(3), 19.7(d), 19.7(e) or 19.7(f) above) the Company shall issue either any Shares or any security convertible into new Shares or with rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than 90% of the Average Price for one Share (as defined below) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{L + M}{L + N}$$

Where:

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

- L = the number of Shares in issue at the close of business on Bursa Securities on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
- M = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses); and
- N = the aggregate number of Shares so issued or, in the case of securities convertible into new Shares or securities with rights to acquire or subscribe for Shares, the maximum number (assuming no adjustments of such rights) of Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purpose of this By-Law 19.7(g), “**Total Effective Consideration**” shall be determined by the LTIP Committee with the concurrence of the external auditors or Principal Adviser and shall be:

- (i) in case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares; or
- (ii) in the case of the issue by the Company of securities wholly or partly convertible into new Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or
- (iii) in the case of the issue by the Company of securities with rights to acquire or subscribe for Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

in each case, without any deduction of any commission, discount or expenses paid, allowed or incurred in connection with the issue thereof, and the “Total Effective Consideration per Share” shall be the Total Effective Consideration divided by the number of new Shares issued as aforesaid or, in the case of securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares, by the maximum number of new Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of By-Law 19.7(g), “**Average Price**” of a Share shall be the average market price of one Share as derived from the last traded prices for one or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

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

- (h) For the purpose of By-Laws 19.7(c), (d), (e) and (f), the current market price in relation to one existing Share for any relevant day shall be the average of the last traded prices for the 5 consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

- 19.8 In respect of the ESGS, any adjustment pursuant to By-Law 19.1 shall be made in such a manner as to give the ESGS Grantee a fair and reasonable ESGS Award entitlement after taking into consideration the nature and effect of the relevant alteration in the capital structure of the Company.
- 19.9 If an event occurs that is not set out in By-Law 19.7 or if the application of any of the formula set out in By-Law 19.7 to an event results in a manifest error or does not, in the opinion of the LTIP Committee, achieve for any reason whatsoever the desired result of preventing the dilution or enlargement of the Eligible Person's rights or providing a fair and reasonable entitlement, the LTIP Committee may effect an adjustment in such manner deemed appropriate by the LTIP Committee provided that the Eligible Persons shall be notified of the adjustment through an announcement to all Eligible Persons to be made in such manner deemed appropriate by the LTIP Committee.
- 19.10 Notwithstanding the provisions of this By-Law, the LTIP Committee may exercise its discretion to determine whether any adjustments to the Exercise Price, the number of ESOS Options and/or Shares (as the case may be) be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the Exercise Price and/or the number of ESOS Options notwithstanding that no such adjustment formula has been explicitly set out in this By-Law.
- 19.11 Any adjustment to the Exercise Price shall be rounded down to the nearest RM0.01.
- 19.12 In the event that a fraction of a Share arises from the adjustments pursuant to this By-Law 19, the number of Shares comprised in an LTIP Award shall automatically be rounded down to the nearest whole number.
- 20. TAKE-OVER OFFER, SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC**
- In the event of:
- (a) a takeover offer being made for the Company through a general offer to acquire the whole of the issued share capital (or such part of the issued share capital not at the time owned by the person making the general offer (“Offeror”) or any persons acting in concert with the Offeror); or
 - (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Shares under the provisions of any statutes, rules and/or regulations applicable at that point of time and gives notice to the Company that it intends to exercise such right on a specific date; or
 - (c) the court sanctioning a compromise or arrangement between the Company and its members for the purpose of, or in connection with, a scheme of arrangement and reconstruction of the Company under Section 176 of the Act or its amalgamation with any other company or companies under Section 178 of the Act,
- then –
- (1) LTIP Committee may at its discretion to the extent permitted by law allow the vesting of any ESGS Awards (or any part thereof) by the ESGS Grantee at any time subject to such terms and conditions as may be prescribed notwithstanding that the ESGS Vesting Date is not due or has not occurred and/or the other terms and conditions set out in the ESGS Award have not been fulfilled or satisfied; and
 - (2) an ESOS Grantee who is holding outstanding exercisable ESOS Options shall be entitled to exercise all or any of his/her unexercised ESOS Options in accordance with By-Law 10.4, within 60 days from the date of his/her receipt of the notice by the Company in respect of any

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

of the events in paragraphs (a), (b) and (c) as above. In the event that the ESOS Grantee elects not to so exercise some or all of the ESOS Options held by him/her, the unexercised ESOS Options shall be automatically terminated and lapse by the date prescribed and be null and void and of no further force and effect.

21. DIVESTMENT FROM THE GROUP, ETC

21.1 In the event that a company within the Group shall be divested from the Group, an LTIP Grantee who is employed by such company –

- (a) shall remain entitled to receive those Shares which have been granted but not vested under the ESGS Awards granted to him/her under the Scheme;
- (b) shall not be entitled to continue to hold and to exercise all unexercised vested ESOS Options held by him/her from the date of completion of such divestment, within a period of 3 months from the date of completion of such divestment or the Date of Expiry, whichever expires first, and in accordance with the provisions of By-Law 10.4. In the event that the ESOS Grantee does not so exercise some or all of such ESOS Options, the unexercised ESOS Options shall be automatically terminated upon the expiry of the relevant period; and
- (c) shall no longer be eligible to participate for further LTIP Awards under the Scheme as from the date of completion of such divestment, unless approved by the LTIP Committee in writing.

21.2 For the purposes of By-Law 21.1, a company shall be deemed to be divested from the Group or disposed of from the Group in the event that the effective interest of the Company in such company is reduced from above 50% to 50% or below so that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act or such company ceases to form part of the Group for such reason(s) as determined by the LTIP Committee at its absolute discretion.

22. WINDING UP

All outstanding LTIP Awards and ESOS Options shall be automatically terminated / lapsed and be of no further force and effect in the event that a resolution is passed or a court order is made for the winding up of the Company commencing from the date of such resolution or the date of the court order. In the event a petition is presented in court for the winding-up or liquidation of the Company, all rights to vest the LTIP Award and/or exercise the ESOS Options shall automatically be suspended from the date of the presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the right to vest the LTIP Award and/or exercise the ESOS Options shall accordingly be unsuspended.

PART VI**23. EFFECTIVE DATE, DURATION, TERMINATION AND EXTENSION OF SCHEME**

23.1 The Effective Date for the implementation of the Scheme shall be such date following full compliance with all relevant requirements of the Listing Requirements, including the following:

- (a) submission of the final copy of the By-Laws to Bursa Securities together with a letter of compliance pursuant to Rule 2.12 of the Listing Requirements and a checklist

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

showing compliance with Appendix 6E of the Listing Requirements (and/or such other documents as may be determined by Bursa Securities from time to time);

- (b) receipt of the approval or approval-in-principle, as the case may be, from Bursa Securities for the listing of and quotation for the new Shares to be issued pursuant to the Scheme;
- (c) procurement of shareholders' approval for the Scheme;
- (d) receipt of approval of any other relevant authorities, where applicable; and
- (e) fulfilment or waiver (as the case may be) of all conditions attached to the above proposals, if any.

The Scheme shall be in force for a duration of 5 years from the Effective Date subject however to any extension of the Scheme as provided under By-Law 23.3 below. The date of expiry of the Scheme shall be at the end of the 5 years from the Effective Date or, if the Scheme shall be extended, shall be the date of expiry as so extended.

- 23.2 The LTIP Award can only be made during the Duration of the Scheme before the Date of Expiry.
- 23.3 On or before the Date of Expiry, the Board shall have the discretion, without having to obtain approval of the Company's shareholders, to extend the Duration of the Scheme provided that the initial period of the Scheme and such extension of the Scheme made pursuant to this By-Law shall not in aggregate exceed the duration of 10 years from the Effective Date. In the event the Scheme is extended in accordance with this provision, the LTIP Committee shall furnish a written notification to all LTIP Grantees and the Company shall make necessary announcements to Bursa Securities prior to the proposed extension of the Scheme. For the avoidance of doubt, no further sanction, approval, consent or authorisation of the shareholders of the Company in a general meeting is required for any such extension.
- 23.4 Notwithstanding anything to the contrary, all unvested Shares under the ESGS Awards which are not vested and all ESOS Options shall lapse on the Date of Expiry.
- 23.5 The Scheme may be terminated by the Board, upon the recommendation of the LTIP Committee at any time before the Date of Expiry **PROVIDED THAT** the Company makes an announcement immediately to Bursa Securities. The announcement shall include:
 - (a) the effective date of termination ("**Termination Date**");
 - (b) the number of Shares vested under the ESGS; and
 - (c) the reasons and justification for termination.
- 23.6 The Company may implement more than one employee share scheme provided that the aggregate number of Shares available under all the employee share schemes implemented by the Company is not more than 15% of its issued and paid-up share capital (excluding treasury shares, if any) at any one time or any other limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.
- 23.7 In the event of termination as stipulated in By-Law 23.5 above, the following provisions shall apply:
 - (a) No further LTIP Awards shall be made by the LTIP Committee from the Termination Date;
 - (b) All LTIP Awards which have yet to be accepted by Eligible Persons shall automatically lapse on the Termination Date;

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

- (c) All LTIP Awards which have yet to be vested in the Eligible Persons shall automatically lapse on the Termination Date; and
- (d) All outstanding ESOS Options which have yet to be exercised by ESOS Grantees and/or vested shall be automatically terminated on the Termination Date.

23.8 For the avoidance of doubt, approval or consent of the shareholders of the Company by way of a resolution in an EGM and written consent of LTIP Grantees who have the LTIP Awards vested in them are not required to effect a termination of the Scheme.

24. NO COMPENSATION FOR TERMINATION

No Eligible Persons shall be entitled to any compensation for damages arising from the termination of any LTIP Award or the Scheme pursuant to the provisions of these By-Laws. Notwithstanding any provisions of these By-Laws:

- (a) this Scheme shall not form part of any contract of employment between the Company or any company within the Group and any Eligible Person of any company of the Group. The rights of any Eligible Person under the terms of his/her office and/or employment with any company within the Group shall not be affected by his/her participation in the Scheme, nor shall such participation or the LTIP Award or consideration for the LTIP Award afford such Eligible Person any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;
- (b) this Scheme shall not confer on any person any legal or equitable right or other rights under any other theory of law (other than those constituting the LTIP Award themselves) against the Board, the Company or any company of the Group, directly or indirectly, or give rise to any course of action in law or in equity or under any other theory of law against any company within the Group;
- (c) no LTIP Grantee or his/her Representative shall bring any claim, action or proceeding against any company of the Group, the LTIP Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/cancellation of his/her rights of his/her LTIP Award or his/her rights to exercise his/her ESOS Options or his/her LTIP Award ceasing to be valid pursuant to the provisions of these By-Laws; and
- (d) the Company, the Board or the LTIP Committee shall in no event be liable to the LTIP Grantee or his/her personal or legal representative or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation lost profits or savings, directly or indirectly arising from the breach or non-performance of these By-Laws or any loss suffered by reason of any change in the price of the Shares or from any other cause whatsoever whether known or unknown, contingent, absolute or otherwise, whether based in contract, tort, equity, indemnity, breach of warranty or otherwise and whether pursuant to common law, statute, equity or otherwise, even if any company of the Group, the Board, the Company or the LTIP Committee has been advised of the possibility of such damage.

25. MODIFICATION, VARIATION AND/OR AMENDMENT TO THE SCHEME

25.1 Subject to the compliance with the Listing Requirements and any other relevant authorities, the LTIP Committee may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its discretion think fit. The approval of the shareholders of the Company in general meeting shall not be required in respect of additions or amendments to, or modifications and/or deletions of these By-Laws **PROVIDED THAT** no additions, modifications or amendments to or deletions of these By-Laws shall be made which will:

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

- (a) prejudice any rights which have accrued to any LTIP Grantee without the prior consent or sanction of that LTIP Grantee; or
 - (b) increase the number of Shares available under the Scheme beyond the maximum imposed by By-Law 4.1; or
 - (c) alter any matter which are required to be contained in these By-Laws by virtue of the Listing Requirements to the advantage of the Eligible Person and/or LTIP Grantee.
- 25.2 For the purpose of complying with the provisions of the Listing Requirements, By-Laws 4, 5, 6, 7.4, 8.1, 10.2, 10.5, 11, 12, 13, 14, 19, 22 and 23 shall not be amended or altered in any way whatsoever for the advantage of Eligible Persons and/or LTIP Grantees without the prior approval of shareholders obtained at a general meeting and subject to any applicable laws.
- 25.3 Upon amending and for modifying all or any of the provisions of the Scheme, the Company shall within 5 Market Days after the effective date of the amendments, cause to be submitted to Bursa Securities the amended By-Laws and a confirmation letter that the said amendment and/or modification complies and does not contravene any of the provisions of the Listing Requirements in relation to the Scheme.

PART VII**26. ADMINISTRATION AND TRUST**

- 26.1 The Scheme shall be administered by the LTIP Committee. The LTIP Committee shall, subject to these By-Laws, administer the Scheme in such manner as it shall think fit and with such powers and duties as are conferred upon it by the Board. The decision of the LTIP Committee shall be final and binding.
- 26.2 In implementing the Scheme, the LTIP Committee may in its absolute discretion, after taking into consideration, amongst others, factors such as prevailing market price of the Shares, funding considerations and dilutive effects on the Company's capital base, future returns and cash requirements of the Group, decide that the Shares to be awarded under this Scheme shall be satisfied by any of the following methods:
- (a) Issuance of new Shares;
 - (b) Acquisition and transfer of existing Shares;
 - (c) Any other methods as may be permitted by the Act, as amended from time to time and any re-enactment thereof; or
 - (d) A combination of any of the above.
- 26.3 For the purposes of facilitating the implementation and administration of the Scheme, the Company and/or the LTIP Committee may (but shall not be obliged to) establish a trust to be administered by trustee(s) to be appointed by the Company for the Scheme from time to time ("**Trustee**"), if required, for the purposes of subscribing for new Shares and/or acquiring existing Shares from the Main Market of Bursa Securities and transferring them to LTIP Grantees at such times as the LTIP Committee shall direct ("**Trust**"). To enable the Trustee to subscribe for new Shares and/or acquire existing Shares for the purpose of the Scheme and to pay expenses in relation to the administration of the Trust, the Trustee may, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise, from the Group and/or any third party to be paid into the bank account(s) to be established by the Trustee for the purpose of the Trust as the Trustee may direct for any such payment.

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

- 26.4 The Trustee, if and when the Trust is established, shall administer the Trust in accordance with the terms of the trust deed to be entered into between the Company and the trustee constituting the trust (“**Trust Deed**”). For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements or make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the LTIP Committee may in its sole and absolute discretion direct for the implementation and administration of the Trust.
- 26.5 The Company or LTIP Committee shall have power from time to time, at any time, to appoint or rescind/terminate the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed. The Company or LTIP Committee shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.
- 26.6 Without limiting the generality of By-Law 26.1, the LTIP Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any errors in the LTIP Award, execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its discretion consider to be necessary or desirable for giving effect to the Scheme.
- 26.7 The Board shall have power at any time and from time to time to approve, rescind and/or revoke the appointment of any person in the LTIP Committee as it shall deem fit.

27. DISPUTES

- 27.1 In case any dispute or difference shall arise between the LTIP Committee and an Eligible Person or an LTIP Grantee or in the event of an appeal by an Eligible Person, as the case may be, as to any matter of any nature arising hereunder, such dispute or appeal must have been referred to and received by the LTIP Committee during the Duration of the Scheme. The LTIP Committee shall then determine such dispute or difference by a written decision (without the obligation to give any reason therefor) given to the Eligible Person and/or LTIP Grantee, as the case may be, PROVIDED THAT where the dispute is raised by a member of the LTIP Committee, the said member shall abstain from voting in respect of the decision of the LTIP Committee in that instance.
- 27.2 In the event the Eligible Person or LTIP Grantee, as the case may be, shall dispute the same by written notice to the LTIP Committee within 14 days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, provided that any Director of the Company who is also in the LTIP Committee shall abstain from voting and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws. Under no circumstances shall a dispute or difference be brought to a court of law. Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the LTIP Committee shall be borne by such party.
- 27.3 Notwithstanding the foregoing provisions of By-Laws 27.1 and 27.2 above, matters concerning adjustments made pursuant to By-Law 19 shall be referred to external auditors of the Company or Principal Adviser, who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.

28. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment and/or transfer of the Shares pursuant to the LTIP Award and/or ESOS Option, shall be borne by the Company. Notwithstanding this, the LTIP Grantee shall bear any fees, costs, expenses and stamp duty incurred in relation to his/her acceptance of the LTIP Award and exercise of the ESOS Options under the Scheme.

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS****29. CONSTITUTION**

In the event of a conflict between any of the provisions of these By-Laws and the Constitution, the Constitution of the Company shall at all times prevail.

30. NOTICE

30.1 Subject to By-Law 32.5, any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the LTIP Grantee pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given:

- (a) if it is sent by ordinary post by the Company to the Eligible Person or the LTIP Grantee at the last address known to the Company as being his/her address, such notice or request shall be deemed to have been received 3 Market Days after posting;
- (b) if it is delivered by hand to the Eligible Person or the LTIP Grantee, such notice or request shall be deemed to have been received on the date of delivery; and
- (c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the LTIP Grantee, such notice or request shall be deemed to have been received by the recipient on the Market Day immediately following the day on which the electronic mail is sent or (in the case of communication by other digital means) on the Market Day immediately following the day on which such communication is effected or otherwise upon confirmation or notification received after the sending of notice or request by the Company.

Any change of address of the Eligible Person or the LTIP Grantee shall be communicated in writing to the Company.

30.2 Where any notice which the Company or the LTIP Committee is required to give, or may desire to give, in relation to matters which may affect all the Eligible Persons or all the LTIP Grantee (as the case may be) pursuant to the Scheme, the Company or the LTIP Committee may give such notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the LTIP Committee (including via electronic media). Upon the making of such an announcement, the notice to be made under By-Law 30.1 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or LTIP Grantee, as the case may be.

31. SEVERABILITY

Any term, condition, stipulation or provision in these By-Laws which is or becomes illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

32. GOVERNING LAW AND JURISDICTION

32.1 These By-Laws shall be governed and construed in accordance with the laws of Malaysia and the Eligible Person and/or LTIP Grantee shall, subject to the provisions of By-Law 27, submit to the exclusive jurisdiction of the courts of Malaysia in all matters connected with the obligations and liabilities of the parties hereto under or arising out of these By-Laws.

ANNEXURE A: BY-LAWS (Cont'd)**BY-LAWS**

- 32.2 Any proceeding or action shall subject to the provisions of By-Law 27, be instituted or taken in Malaysia and the Eligible Person and/or LTIP Grantee irrevocably and unconditionally waives any objection on the ground of venue or forum non-convenience or any other grounds.
- 32.3 Any notice/process required to be given to or served upon the Eligible Person and/or LTIP Grantee by the Board or the LTIP Committee shall be given or shall be deemed to be sufficiently given, served or made if it is given served or made by hand, by facsimile transmission and/or by letter sent via ordinary post addressed to the Eligible Person and/or LTIP Grantee at his place of employment, at his last facsimile transmission number known to the Company, or to his last-known address. Any notice/process served by hand, by facsimile, by post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and duly acknowledged, (if by facsimile transmission) is transmitted with a confirmed log print-out for the transmission indicating the date, time and transmission of all pages, and (if by post) on the day the letter containing the same is posted and in proving such service by post, it shall be sufficient to prove that the letter containing the notice or documents was properly addressed, stamped and posted.
- 32.4 Any notice/process required to be given to or served upon the Board or the LTIP Committee by an Eligible Person and/or LTIP Grantee shall be given, served or made in writing and delivered by hand or by registered post to the registered office of the Company (or such other office or place which the LTIP Committee may have stipulated for this purpose). Any notice/process served by hand, or post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and duly acknowledged and (if by post) three 5 Market Days after postage.
- 32.5 Any LTIP Award to be made and acceptances thereof, and normal correspondence (other than notice/process) under the Scheme (“**Normal Correspondence**”) to be given to or served upon the Board or the LTIP Committee, Eligible Person, as the case may be, shall be given, served or made in writing and delivered by electronic mail to such e-mail address specified by the Company (if to be given to or served upon the Board of the LTIP Committee) or to such e-mail address of the employee provided by the Company (if to be given to or served upon the Eligible Person) or such communication by other digital means as may be prescribed by the Board and/or LTIP Committee, and shall be deemed to have been received by the recipient (in the case of electronic mail) on the Market Day immediately following the day on which the electronic mail is sent or (in the case of communication by other digital means) on the Market Day immediately following the day on which such communication is effected.
- 32.6 Notwithstanding By-Law 32.5, where any Normal Correspondence is required to be given by the Company or the LTIP Committee or the Trustee under these By-Laws in relation to matters which may affect any or all of the Eligible Persons and/or LTIP Grantees, the Company or the LTIP Committee may give the Normal Correspondence through an announcement to all employees of the Group to be made in such manner deemed appropriate by the LTIP Committee. Upon the making of such an announcement, the Normal Correspondence to be made under By-Law 32.5 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons and/or LTIP Grantee.
- 32.7 In order to facilitate the offer of any LTIP Award (and/or the benefit thereof) under this Scheme, the LTIP Committee may provide for such special terms to the Eligible Persons who are employed by any corporation in the Group in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, as the LTIP Committee may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction. The LTIP Committee may further approve such supplements to or amendments, restatements or alternative versions of the Scheme as it may consider necessary or appropriate for such purposes without affecting the terms of the Scheme as in effect for any other purpose, and the secretary of the Company or any other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the Scheme. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Scheme, as then in effect unless this Scheme has been amended to eliminate such

ANNEXURE A: BY-LAWS (Cont'd)

BY-LAWS

inconsistency. Notwithstanding the above, any LTIP Award offered to such Eligible Person pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the LTIP Committee in the LTIP Award.

- 32.8 No action has been or will be taken by the Company to make the LTIP Award valid in any country or jurisdiction other than Malaysia or to ensure compliance of the LTIP Award with all applicable laws and regulations in any other country or jurisdiction other than Malaysia. No action has or will be taken also by the Company to ensure compliance by the Eligible Person to whom the LTIP Award is offered, with all applicable laws and regulations in such other country or jurisdiction in which the Eligible Person accepts the LTIP Award or will be vested with Shares pursuant to the LTIP Award.
- 32.9 Any Eligible Person to whom the LTIP Award is offered is required to ensure that they comply with all applicable laws and regulations in each country or jurisdiction in or from which they accept the LTIP Award or be vested with Shares pursuant to the LTIP Award. By their acceptance of the LTIP Award, each LTIP Grantee has represented, warranted and agreed that they have and will continue to observe all applicable laws and regulations in the jurisdiction in which they accept the LTIP Award or will exercise the ESOS Option or be vested with Shares pursuant to the LTIP Award.