
21. ENGLISH LAW AND THE COMPANY'S ARTICLES OF ASSOCIATION

The Company, being incorporated in England and Wales, is subject to English company, insolvency and taxation law, certain features of which, together with the Company's constitutional documents, are summarised below as they relate to the Company. The summary is based upon the advice of the Company's English legal advisers, Clifford Chance Limited Liability Partnership.

This summary does not purport to contain all applicable qualifications and exemptions and does not purport to be a complete review of all matters of English company law or a comparison of provisions that may differ from the laws of other jurisdictions, with which interested parties may be more familiar. The summary also does not purport to be a complete statement of the Company's constitutional documents, copies of which are available for inspection at the registered office of the Company.

This summary is not intended to be a definitive statement of the rights and liabilities of the Company's shareholders and is qualified in its entirety by reference to applicable English law and the Company's constitutional documents.

Any person wishing to have a detailed summary of English company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

a. Incorporation

The Company was incorporated under the laws of England and Wales on 22 July 2003.

b. Constitutional Documents

The business activities of the Company are governed by the provisions of its Memorandum of Association which sets out its business objects and the powers that may be exercised in support of those objects.

The Memorandum and Articles of Association may be altered in accordance with the provisions of the U.K. Act. Such alterations may only be effected with the consent of a special resolution (being three-quarters of the members of the Company entitled to vote and voting at a shareholders' meeting).

The members of the Company are entitled to receive copies of the Memorandum and Articles of Association upon request, which obligation is established by the provisions of the U.K. Act. The U.K. Act provides that all persons who agree to become members of the Company shall upon entry in the register of members be members of the Company.

The Articles of Association (the "Article") govern the Company's administration and the relationship between its members and the board of directors. A summary of the Company's Articles follows:-

(A) Rights Attaching to Ordinary Shares

- (i) Voting rights of members - subject to (a) forfeiture in the event of non-payment of any call or any instalment of a call due and payable in respect of any share; and (b) special rights or restrictions as to voting attached to any class of shares, at a general meeting every member present in person or by proxy has on a show of hands one vote and every member present in person or by proxy has on a poll one vote for every ordinary share of which he is the holder. In the case of joint holders, the vote of the person whose name stands first in the register of members and who tenders a vote shall be accepted to the exclusion of any votes tendered by any other joint holders.

21. **ENGLISH LAW AND THE COMPANY'S ARTICLES OF ASSOCIATION (Cont'd)**

- (ii) Dividends - subject to the rights attached to any shares issued and any special terms and conditions, dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on the shares in advance of a call may be treated for the purpose as paid up on the share. The board may in addition declare and pay interim dividends (including, without limitation, a dividend payable at a fixed rate) as appears to it to be justified by the profits of the Company payable for distribution.
- (iii) Return of capital - on a voluntary winding up of the Company the liquidator may, on obtaining any sanction required by law, divide among the members in kind the whole or any part of the assets of the Company, whether or not the assets consist of property of one kind or of different kinds, and vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he, with the like sanction, shall determine. For this purpose, the liquidator may set the value he deems fair on a class or classes of property, and may determine on the basis of that valuation and in accordance with the then existing rights of members, how the division is to be carried out between members or classes of members. The liquidator may not, however, distribute to a member without his consent an asset to which there is attached a liability or potential liability for the owner.

(B) Transfer of Ordinary Shares

- (i) Any member may transfer all or any of his certificated shares by instrument of transfer in writing in any usual form or in any other form in which the board and the Kuala Lumpur Stock Exchange may approve. A member may transfer any Deposited Security (as defined in the Articles) in accordance with the Central Depositories Act and the Rules (both as defined in the Articles). Subject to the provisions of the Central Depositories Act and the Rules, the instrument of transfer of a share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) the transferee, and the transferor shall be deemed to remain the shareholder of the share until the name of the transferee is entered in the register in respect of it. All instruments of transfer, when registered, may be retained by the Company provided that subject to compliance with the Central Depositories Act and the Rules, an instrument of transfer in respect of which the transferee is the Central Depository (as defined in the Articles) shall be effective although not signed by or on behalf of the Central Depository if it has been certified by an authorised Depository Agent pursuant to Section 18 of the Central Depositories Act.
- (ii) The board may, in its absolute discretion and without giving a reason, decline to register any transfer of a certificated share unless all of the following conditions are satisfied:
 - (a) the instrument of transfer is left at the office or such other place as the board may determine accompanied by the certificate for the shares to which it relates and such other evidence as the board may reasonably require to prove the title to the transferor;
 - (b) the instrument of transfer is in respect of only one class of share;
 - (c) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four; and
 - (d) it is duly stamped (if required).

21. ENGLISH LAW AND THE COMPANY'S ARTICLES OF ASSOCIATION (Cont'd)

(C) Changes in Capital

- (i) The Company may by ordinary resolution:
- (a) increase its share capital by a sum to be divided into shares of an amount prescribed by the resolution;
 - (b) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
 - (c) subject to the U.K. Act, sub-divide all or any of its shares into shares of a smaller amount and so that the resolution whereby any share is sub-divided may determine that the shares resulting from such sub-division have amongst themselves such preferred, deferred or other special rights or advantages or be subject to any such restrictions as the Company has power to attach to unissued or new shares; and
 - (d) cancel shares which, at the date of the parcel and the resolution, have not been taken or agreed to be taken by a person and diminish the amount of its share capital of the amount of the shares so cancelled.
- (ii) Subject to the U.K. Act and to the rights attaching to existing shares and to any requirements imposed by the KLSE, the Company may also:
- (a) purchase shares of any class (including redeemable shares) in its own capital in any way; and
 - (b) by special resolution reduce its share capital, capital redemption reserve, share premium account or other distributable reserve in any way.

(D) Variation of Rights

- (i) Subject to the U.K. Act, the rights attached to a class of shares may be varied or abrogated (whether or not the Company is being wound up) either with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the issued shares of that class validly held.
- (ii) The rights attached to a class of shares are not, unless otherwise expressly provided for in the rights attaching to those shares, deemed to be varied by the creation, allotment or issue of further shares ranking *pari passu* with or subsequent to them or by the purchase or redemption by the Company of its own shares in accordance with the U.K. Act and the Articles.

(E) Proportionate Voting Rights

If the Company's voting rights are divided into classes of different nominal amounts, the shares will carry voting rights which are proportionate to their relative nominal values so that, for example, a share with a nominal value of £1 will carry ten times the votes of a share with a nominal value of £0.10.

21. ENGLISH LAW AND THE COMPANY'S ARTICLES OF ASSOCIATION (Cont'd)

(F) Rights of Depositors

To the extent that it complies with the U.K. Act, the Company will arrange with the MCD for all of the rights attaching to the Issue Shares credited to each investor's CDS Account to be made available to such investor as if that investor were the registered member of the Company in respect of those Issue Shares.

(G) Notices

- (i) A notice or other document may be given to a member by the Company:
- (a) personally;
 - (b) by sending it by post in a pre-paid envelope addressed to the member at his registered address;
 - (c) by leaving it at the registered address of the member (or at another address notified for the purpose) in an envelope addressed to the member; or
 - (d) by giving it by electronic communication to an address for the time being notified to the Company by the member for that purpose; or
 - (e) by any other means authorised in writing by the member concerned.
- (ii) In the case of joint holders of a share, a notice or other document shall be given to whichever of them is named first in the register in respect of the joint holding and notice given in this way is sufficient notice to all joint holders.
- (iii) A notice or other document addressed to a member at his registered address or address for service in (i) Malaysia, is, if sent by post, deemed to be given within twenty four hours if pre-paid (ii) any other country, is, if sent by courier or air-mail, deemed to be given within three days after it has been posted or sent, and in proving service it is sufficient to prove that the envelope containing the notice or document was properly addressed, pre-paid and posted.

(H) Directors

- (i) All directors of the Company shall be natural persons. Unless and until otherwise decided by the Company by ordinary resolution the number of directors must not be less than two and is not subject to a maximum number. The majority of the directors shall be resident in Malaysia.
- (ii) Subject to the Articles, the Company may by ordinary resolution appoint a person who is willing to act to be a director, either to fill a vacancy or as an addition to the board, but the total number of directors may not exceed any maximum number fixed in accordance with the Articles.
- (iii) A director need not be a member of the Company.

21. **ENGLISH LAW AND THE COMPANY'S ARTICLES OF ASSOCIATION (Cont'd)**

- (iv) No person is incapable of being appointed a director by reason of his having reached the age of 70 or another age. Special notice is not required in connection with the appointment or the approval of the appointment of such a person. No director is required to vacate his office because he has reached the age of 70 or another age and section 293 of the U.K. Act does not apply to the Company. Where a general meeting is convened at which, to the knowledge of the board, a director is to be proposed for appointment or reappointment who is at the date of the meeting 70 or more, the board shall give notice of his age in the notice convening the meeting or in a document accompanying the notice, but the accidental omission to do so does not invalidate proceedings or an appointment or reappointment of that director at that meeting.
- (v) The directors may from time to time appoint any one or more of their body to be Managing Director(s) on such terms as they think fit and, subject to the terms of any agreement entered into in any particular case and provided that any such person shall be resident in Malaysia, may revoke any such appointment. The Managing Director(s) shall at all times be resident in Malaysia. The directors may vest in such Managing Director(s) such of the powers as are vested in the board of directors as they may think fit, but subject thereto such Managing Director(s) shall be subject to the control of the board of directors.
- (vi) Unless otherwise decided by the Company by ordinary resolution, the Company shall pay to the directors (but not alternate directors) for their services as directors such amount of aggregate fees as the Board decides provided that the aggregate of all fees so paid to each director (excluding amounts payable under any other provision of the Articles) shall not exceed £100,000 or its equivalent in other currencies per annum, as may be determined at the discretion of the Board, or such higher amount as may be decided by ordinary resolution of the Company passed in a general meeting where notice of the proposed increase of the aggregate of all fees so payable to each director has been given in the notice convening such meeting. The aggregate fees shall be divided among the directors in such proportions as the Board decides or, if no decision is made, equally. A fee payable to a director pursuant to the Articles is distinct from any salary, remuneration or other amount payable to him pursuant to other provisions of the Articles or otherwise and accrues from day to day. Any fee paid by the Company to an alternate director shall be deducted from such fees as are paid to the relevant director.
- (vii) Subject to the U.K. Act and to the Articles, the board may arrange for part of a fee payable to a director to be provided in the form of fully-paid shares in the capital of the Company. The amount of the fee payable in this way shall be at the discretion of the board and shall be applied in the purchase or subscription of shares on behalf of the relevant director.

21. ENGLISH LAW AND THE COMPANY'S ARTICLES OF ASSOCIATION (Cont'd)

- (viii) The fees of the executive and non-executive directors shall be such fixed sum of money as shall from time to time be determined by ordinary resolution of the Company and shall, unless such resolution otherwise provides, be divisible among the directors as they may agree or, failing agreement, in equal parts, except that any director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which the director has held office PROVIDED ALWAYS that:
- (a) fees payable to non-executive directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
 - (b) salaries payable to executive directors may not include a commission on or percentage of turnover; and
 - (c) fees payable to directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.
- (ix) A director who, at the request of the board, goes or resides abroad, makes a special journey or performs a special service on behalf of the Company may be paid such reasonable additional remuneration (whether by way of salary, percentage of profits or otherwise) and expenses as the board may decide.
- (x) A director is entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in the performance of his duties as director including, without limitation, expenses incurred in attending meetings of the board or of committees of the board or general meetings or separate meetings of the holders of a class of shares or debentures.
- (xi) The board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (by insurance or otherwise) for a person who is or has at any time been a director of:
- (a) the Company;
 - (b) a company which is or was a subsidiary undertaking of the Company;
 - (c) a company which is or was allied to or associated with the Company or a subsidiary undertaking of the Company; or
 - (d) a predecessor in business of the Company or of a subsidiary undertaking of the Company,

(or, in each case, for any member of his family, including a spouse or former spouse, or a person who is or was dependent on him). For this purpose the board may establish, maintain, subscribe and contribute to any scheme, trust or fund and pay premiums. The board may arrange for this to be done by the Company alone or in conjunction with another person.

21. ENGLISH LAW AND THE COMPANY'S ARTICLES OF ASSOCIATION (Cont'd)

- (xii) A director or former director is entitled to receive and retain for his own benefit a pension or other benefit provided under the Articles and is not obliged to account for it to the Company.
- (xiii) (A) Subject to the U.K. Act and provided he has disclosed to the board the nature and extent of any direct or indirect interest of his, a director, notwithstanding his office:
- (a) may enter into or otherwise be interested in a contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested either in connection with his tenure of an office or place of profit or as seller, buyer or otherwise;
 - (b) may hold another office or place of profit with the Company (except that of auditor or auditor of a subsidiary of the Company) in conjunction with the office of director and may act by himself or through his firm in a professional capacity to the Company, and in that case on such terms as to remuneration and otherwise as the board may decide either in addition to or instead of any remuneration provided for by the Articles;
 - (c) may be a director or other officer of, or employed by, or a party to a contract, transaction, arrangement or proposal with or otherwise interested in, a company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has a power of appointment; and
 - (d) is not liable to account to the Company for a profit, remuneration or other benefit realised by such contract, arrangement, transaction, proposal, office or employment and no such contract, arrangement, transaction or proposal is avoided on the grounds of any such interest or benefit.
- (B) A director who, to his knowledge, is in any way (directly or indirectly) interested in a contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract, arrangement, transaction or proposal is first considered, if he knows his interest then exists or, in any other case, at the first meeting of the board after he knows that he is or has become interested. For the purposes of the Articles:
- (a) a general notice given to the board by a director that he is to be regarded as having an interest (of the nature and extent specified in the notice) in a contract, transaction, arrangement or proposal in which a specified person or class of persons is interested is a sufficient disclosure under the Articles in relation to that contract, transaction, arrangement or proposal; and
 - (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge is not treated as his interest.

21. ENGLISH LAW AND THE COMPANY'S ARTICLES OF ASSOCIATION (*Cont'd*)

- (C) A director may not vote on or be counted in the quorum in relation to a resolution of the board or of a committee of the board concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he has an interest which is, to his knowledge, a material interest (otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company), but this prohibition does not apply to a resolution concerning any of the following matters:
- (a) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
 - (b) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
 - (c) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - (d) a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company (including a subsidiary undertaking of the Company) in which he is interested (directly or indirectly) whether as an officer, shareholder, creditor or otherwise (a "**relevant company**"), if he does not to his knowledge hold an interest in shares (as that term is used in sections 198 to 211 of the U.K. Act) representing one per cent. or more of either any class of the equity share capital of or the voting rights in the relevant company;
 - (e) a contract, arrangement, transaction or proposal for the benefit of the employees of the Company or any of its subsidiary undertakings (including any pension fund or retirement, death or disability scheme) which does not award him a privilege or benefit not generally awarded to the employees to whom it relates; and
 - (f) a contract, arrangement, transaction or proposal concerning the purchase or maintenance of any insurance policy under which he may benefit.

21. ENGLISH LAW AND THE COMPANY'S ARTICLES OF ASSOCIATION (Cont'd)

(D) A director may not vote on or be counted in the quorum in relation to a resolution of the board or committee of the board concerning his own appointment (including, without limitation, fixing or varying the terms of his appointment or its termination) as the holder of an office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment (including, without limitation, fixing or varying the terms of appointment or its termination) of two or more directors to offices or places of profit with the Company or a company in which the Company is interested, such proposals shall be divided and a separate resolution considered in relation to each director. In that case each of the directors concerned (if not otherwise debarred from voting under this Article) is entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

(E) If a question arises at a meeting as to the materiality of the interest of the chairman of the meeting or as to the entitlement of the chairman to vote or be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be decided by resolution of the directors or committee members present at the meeting (excluding the chairman) whose majority vote is conclusive and binding on all concerned.

(I) Directors' Borrowing Powers

The directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or part of its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as security for any debt, liability or obligations of the Company or its wholly owned subsidiaries, but not for an unrelated third party.

(J) Unclaimed Dividends

Any unclaimed dividend, interest or other amount payable by the Company in respect of a share may be invested or otherwise made use of by the board for the benefit of the Company until claimed. Subject to the U.K. Act and the Malaysian Unclaimed Moneys Act 1965, any dividend unclaimed after 12 years from the date it was declared or became due for payment shall be forfeited and shall revert to the Company. The payment of an unclaimed dividend, interest or other amount payable by the Company in respect of a share into a separate account does not constitute the Company a trustee in respect of it.

21. ENGLISH LAW AND THE COMPANY'S ARTICLES OF ASSOCIATION (Cont'd)

c. Taxation

The Company urges investors to consult their own tax advisers regarding the U.K. tax consequences of purchasing, holding and disposing of shares.

The following statements summarise certain limited aspects of the U.K. tax treatment of those purchasing, holding or disposing of Shares. The statements are based on U.K. law and practice of the U.K. Inland Revenue, at the date hereof both of which are subject to change, possibly with retrospective effect. They relate to persons who are resident or (if individuals) ordinarily resident in the U.K. for U.K. tax purposes (except where stated otherwise) and who are the absolute beneficial owners of Shares. The comments below may not apply to certain classes of persons such as dealers in securities, pension funds, insurance companies and collective investment schemes or to persons who, not being resident in the U.K., carry on business in the U.K. through a branch, agency or permanent entitlement. The following statements assume the Company is resident for tax purposes in, and only in, Malaysia and not in the U.K..

Taxation of Dividends

Under current U.K. legislation there is no obligation on the Company to deduct or withhold for or on account of U.K. tax on payments of dividends or other distributions.

Individual holders of shares who are resident or ordinarily resident in the U.K. and who receive a dividend from the Company will generally be liable to income tax in respect of it.

Companies resident in the U.K., which receive a dividend from the Company will generally be liable to corporation tax in respect of it.

Taxation of Capital Gains

A disposal of shares by an individual resident or ordinarily resident in the U.K. or a company resident in the U.K. may, depending on that person's circumstances and subject to any available exemption or relief, give rise to a chargeable gain or an allowable loss for the purposes of U.K. capital gains tax or corporation tax.

d. Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

Issue

No stamp duty or stamp duty reserve tax ("SDRT") will normally be payable in respect of the issue of shares unless they are issued in certain special circumstances, for example to a clearance system (or its nominee) or a depository receipt issuer (or its nominee). Any stamp duty or SDRT on issue of the Issue Shares will not be a liability for the subscribers of the Issue Shares.

21. ENGLISH LAW AND THE COMPANY'S ARTICLES OF ASSOCIATION (Cont'd)

Transfer - Shares Registered on Malaysian Branch Share Register

A transfer or a conveyance on sale of Shares or (on the basis of Inland Revenue practice) an agreement to transfer Shares will not be subject to stamp duty or SDRT, as long as the Shares:

- (i) are registered on an overseas branch register in Malaysia in accordance with U.K. law;
- (ii) are not registered on a share register kept in the U.K.; and
- (iii) any instrument of transfer in respect of such Shares is executed outside the U.K..

A share may only be registered on a Malaysian overseas branch register if the shareholder is a resident of Malaysia. The transfer of a Share registered on a Malaysian branch register to a clearance system or its nominee or a depository receipt issuer or its nominee will be liable to SDRT as if it was a transfer of Shares registered only on a share register in the U.K..

Transfer - Shares Registered on U.K. Share Register

In the case of a transfer of Shares registered on the Company's share register in the U.K. (which will generally be the case with shares held by persons resident or (if individuals) ordinarily resident in the U.K.), a conveyance or transfer on the sale of Shares will usually be subject to stamp duty on the instrument of transfer, generally at the rate of 0.5 per cent. of the amount or value of the consideration rounded up to the nearest multiple of £5.

A charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration will arise in relation to an unconditional agreement to transfer shares. However, where within 6 years of the date of such agreement, an instrument of transfer is executed pursuant to the agreement and stamp duty is paid on that instrument, any liability to SDRT will be cancelled or repaid. A transfer of a Share to a clearance system or its nominee or a depository receipt issuer or its nominee will be liable to stamp duty or SDRT generally at the rate of 1.5 per cent. of the value of the Share.

If you are in any doubt as to your tax position or if you are subject to tax in a jurisdiction other than the U.K., you should consult your own professional advisers.

e. Exchange Control

There is no exchange control regime under English law.

f. Purchase by the Company of its own shares

The Company may purchase its own shares (including any redeemable shares). Such purchases may only be effected out of distributable profits of the Company or out of the proceeds of a fresh issue of shares made for the purposes of the purchase.

The U.K. Act provides that no purchase by the Company of its own shares may be made if, as a result of the purchase, there would no longer be any member of the Company holding shares other than redeemable shares.

The shares purchased by the Company pursuant to the U.K. Act shall be cancelled and the amount of the Company's issued capital shall be diminished by the nominal value of those shares. The purchase of shares by the Company does not reduce the amount of the Company's authorised share capital.

21. ENGLISH LAW AND THE COMPANY'S ARTICLES OF ASSOCIATION (Cont'd)

A body corporate cannot be a member of a company which is its holding company and any allotment or transfer of shares in a company to its subsidiary is void.

The Company may only make off-market purchases of its own shares in pursuance of a contract which is approved in advance by a special resolution of the Company before the contract is entered into. The authority conferred by such resolution must specify a date on which the authority is to expire which must not be later than eighteen months after that on which the resolution is passed.

g. Distributions and Dividends

The Company cannot make a distribution except out of profits available for the purpose, which are its accumulated realised profits (so far as not distributed or capitalised) less its accumulated realised losses (so far as not previously written off).

The Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interests, but no dividend may exceed the amount recommended by the Board of Directors. In addition, the directors may resolve to declare an interim dividend.

h. Charges on the Assets of the Company

In accordance with the U.K. Act, the Registrar of Companies keeps a register of all charges of the Company requiring registration, which is open to inspection by any person. The U.K. Act also makes provision for the registration of a series of debentures.

i. Takeover Offers

An offer to acquire all the shares, or all the shares of any class or classes, in the Company (other than the shares which at the date of the offer are already held by the offeror), being an offer on terms which are the same in relation to all the shares to which the offer relates or, where those shares include shares of different classes, in relation to all the shares of each class is a "takeover offer" for the purposes of, and regulated by, the U.K. Act.

The U.K. Act permits an offeror who has, by virtue of acceptances of the offer, acquired or contracted to acquire not less than nine-tenths in value of the shares or class of shares to which the offer relates, to give notice to the holder of any shares or class of shares to which the offer relates which the offeror has not acquired or contracted to acquire on the terms of the offer.

The U.K. Panel on Takeovers and Mergers has confirmed that based on the fact that the Company's place of central management is based outside of the U.K., the U.K. City Code on Takeovers and Mergers ("the Code") does not apply to any takeover which is made for the Company's shares, merger transactions involving the Company as offeree or potential offeree or certain other transactions where control of the Company is obtained or consolidated and as such the Code does not apply to the Company in its application for listing on the KLSE.

j. Offer of Securities in the United Kingdom

The offer of the Company's shares in the U.K. solely to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which do not and will not constitute an offer to the public in the U.K. within the meaning of the Public Offers of Securities Regulations 1995 will not require the publication of a prospectus in the U.K.

21. ENGLISH LAW AND THE COMPANY'S ARTICLES OF ASSOCIATION (Cont'd)

k. Duties of Directors

A director generally owes duties to the company, some of which are fiduciary in nature. Generally, the company alone has the right to sue the directors for breach of duties unless, in exceptional circumstances, the directors' actions have seriously prejudiced the company's shareholders interests. Minority shareholders may also take steps to prevent directors from taking actions beyond the powers given to them by the Articles of Association.

A director should also have regard to the interests of the company's creditors at all times; if a company is nearing insolvency, the duty is to act in the interests of the company's creditors as a general body.

The U.K. Act also provides that a director has regard to the interests of the company's employees but that the duty is owed to the company and not the employees (who do not have any direct remedy against defaulting directors).

l. Loans to Directors

The U.K. Act prohibits the making of loans by the Company to any of its directors or its holding company or entering into any guarantee or providing any security in connection with a loan made by any person to such a director. These prohibitions do not apply to anything done to provide a director with funds to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him properly to perform his duties as an officer of the Company, provided that the Company gives its prior approval at a general meeting or, if not, the loan is made on condition that it shall be repaid within 6 months from the conclusion of that meeting. If the approval of the Company is not given for such a loan, the transaction or arrangement may be voidable at the instance of the Company.

m. Conduct of Meetings and Proceedings of the Company

The Company shall hold an annual general meeting once every year. All general meetings of the Company other than annual general meetings are called extraordinary general meetings. The board of directors may convene an extraordinary general meeting whenever it thinks fit except that the Board of Directors must convene an extraordinary general meeting immediately on receipt of a requisition from members of the company holding not less than one-tenth of the paid-up capital of the company. If the directors fail to call such a meeting within 21 days, such members may proceed to duly convene a meeting but that meeting shall not be held after the expiration of 3 months from that date. No business may be transacted at a general meeting unless a quorum is present.

Subject to the U.K. Act, the Memorandum and Articles of Association of the Company and to directions given by special resolution of the Company, the business and affairs of the Company shall be managed by the Board of Directors which may exercise all the powers of the Company whether relating to the management of the business or not. If the Articles of Association permit, the Board of Directors may, in addition, delegate any of its powers, authorities and discretions to a committee consisting of one or more persons as it thinks fit.

n. Protection of Minorities

A member of the Company may apply to the English court by petition for an order on the grounds that the company's affairs are being or have been conducted in a manner which is unfairly prejudicial to the interests of its members generally or of some part of its members (including at least himself) or that any actual or proposed act or omission of the company (including an act or omission on its behalf) is or would be so prejudicial.

21. ENGLISH LAW AND THE COMPANY'S ARTICLES OF ASSOCIATION (Cont'd)

o. Inspection of Corporate Records

Members of the general public have the right to inspect the public documents of the Company available at the Registrar of Companies which will include the Company's Certificate of Incorporation, its Memorandum and Articles of Association and documents relating to an increase or reduction of authorised capital. The members have the additional right to inspect the minutes of general (i.e. members') meetings and audited financial statements of the Company, which must be presented to the Annual General Meeting of members.

The Company is required to maintain its register of members at its registered office in England and Wales, which is open to inspection by members without charge, and to members of the public on payment of such fee as may be prescribed. The U.K. Act stipulates that where a member of the Company or other person requires a copy of the register of members or any part of it, upon payment of such fee as may be prescribed, this must be provided within 10 days of the request. The U.K. Act also permits the Company to keep an overseas branch register in Malaysia in respect of its members who are resident there.

The Company is required to keep at its registered office a register of Directors and Secretaries, which is open for inspection by members of the Company without charge, and to members of the public for such fee as may be prescribed.

p. Accounting Records

The board of directors shall ensure that accounting records are kept in accordance with the U.K. Act.

The accounting records shall be kept at the Company's registered office or such other place as the board of directors think fit, and shall at all times be open to inspection by the Company's officers.

No member (other than a director or other officer) has the right to inspect an accounting record or other document except if that right is conferred by the U.K. Act or he is authorised by the board or by an ordinary resolution of the Company.

q. Auditing Requirements

Subject to the following paragraph, the U.K. Act requires that in respect of each financial year, a copy of the Company's annual accounts, directors' report and auditors' report on those accounts (the "**Documents**") shall be sent by post or delivered to:

- (i) every member;
- (ii) every holder of debentures; and
- (iii) every person who is entitled to receive notices of general meetings,

not less than 21 clear days before the date of the meeting at which copies of those documents are to be laid in accordance with the U.K. Act.

21. ENGLISH LAW AND THE COMPANY'S ARTICLES OF ASSOCIATION (*Cont'd*)

A copy of the Documents need not be sent:

- (i) to a person not entitled to receive notices of general meetings and of whose address the company is unaware;
- (ii) to more than one of the joint holders of shares or debentures none of whom are entitled to receive such notices; or
- (iii) in the case of joint holders of shares or debentures some of whom are, and some not, entitled to receive such notices, to those who are not so entitled.

Where permitted by the U.K. Act, a summary financial statement derived from the Company's annual accounts and the directors' report and auditors' report in the form and containing the information prescribed by the U.K. Act may be sent or delivered to a person so electing in place of the documents set out above.

The U.K. Act contains specific requirements in relation to the appointment and termination of appointment of an auditor.

r. **Winding-Up Procedures under English Law**

- (i) Introduction:

The winding-up of English companies is governed by the provisions of the U.K. Act and by the Insolvency Act 1986 (the "**Insolvency Act**") and may be divided into the following two types:

- (a) voluntary winding-up which itself can be sub-divided into a members' voluntary winding-up and a creditors' voluntary winding-up; and
- (b) winding-up by the Court.

There is another insolvency procedure called administration which may precede a formal winding-up of the company. Administration is also governed by the provisions of the Insolvency Act. On 15 September 2003 the law relating to the liquidation and administration of companies will change when the relevant provisions of the Enterprise Act 2002 (the "**Enterprise Act**") came into force.

- (ii) Voluntary Winding-Up:

- (a) **Members' Voluntary Winding-up** - A members' voluntary winding-up is only possible if a company is solvent. A company may be wound up if its members pass a special resolution to that effect. A statutory declaration of solvency to the effect that a company will be able to pay its debts in full together with interest at the official rate within 12 months from the date of the commencement of its winding-up is sworn by the company's directors within 5 weeks immediately preceding the date on which the special resolution is passed and filed with the Registrar of Companies.

The company in general meeting will appoint one or more liquidators for the purpose of winding up the company's affairs and distributing its assets.

21. **ENGLISH LAW AND THE COMPANY'S ARTICLES OF ASSOCIATION (Cont'd)**

Once the affairs of the company are fully wound-up, the liquidator will draw up an account of winding up, showing how it has been conducted and how the company's property has been disposed of and will call a general meeting for the purpose of laying before it the account and giving an explanation of it.

- (b) **Creditors' Voluntary Winding-up** - A creditors' voluntary winding-up may occur where a company is insolvent and a declaration of solvency cannot be sworn.

The company will call a meeting of its creditors for a day not later than the 14th day after the day on which there is to be held the company meeting at which the resolution for voluntary winding up is to be proposed. Notice of the creditors' meeting must be advertised in the London Gazette and in at least two newspapers. The creditors and the company at their respective meetings may nominate a person to be the liquidator for the purpose of winding up the company's affairs and distributing its assets. In addition, the creditors may appoint a liquidation committee to exercise the functions conferred on it under the Insolvency Act.

As soon as the company's affairs are fully wound up, the liquidator will draw up an account of the winding up, showing how it has been conducted and how the company's property has been disposed of, and shall call a general meeting and a meeting of the creditors for the purpose of laying the accounts before the meetings and giving an explanation of it.

Within one week after the date of the meetings, the liquidator shall send to the Registrar of Companies a copy of the account.

(iii) **Winding up by the Court:**

A company may be wound up by the court if, generally:

- (a) the company has by special resolution resolved that the company be wound up by the court;
- (b) being a public company which was registered as such on its original incorporation, the company has not been issued pursuant to the U.K. Act with a public company trading certificate (allowing it to do business and borrow money) and more than a year has expired since it was so registered;
- (c) the company does not commence its business within a year from its incorporation or suspends its business for a whole year;
- (d) except in the case of a private company limited by shares or by guarantee, the number of members is reduced below two;
- (e) the company is unable to pay its debts;
- (f) at the time at which a moratorium for the company comes to an end, no voluntary arrangement approved under the relevant Part of the Insolvency Act has effect in relation to the company;
- (g) the court is of the opinion that it is just and equitable that the company should be wound up; and

21. **ENGLISH LAW AND THE COMPANY'S ARTICLES OF ASSOCIATION** (*Cont'd*)

- (h) the court decides to treat a petition for the administration of the company as a winding up petition and makes an order that the company be wound up (this became effective on 15 September 2003 pursuant to the Enterprise Act).

On the making of a winding-up order, a copy must be sent by the company to the Registrar of Companies. When a winding-up order has been made or a provisional liquidator has been appointed, no action or proceeding shall be proceeded with or commenced against the company or its property, except by leave of the court and subject to such terms as the court may impose. A liquidator's powers are prescribed by the Insolvency Act.

(iv) **Administration**

The placing of English companies into administration is also governed by the provisions of the Insolvency Act. Administration is a court procedure, which is designed to facilitate the survival and rehabilitation of the company if it is potentially or actually insolvent, or to enable a better realisation of the company's assets than could be achieved in a winding-up. When an administration order is made, the powers of the company's directors pass to a court-appointed administrator who takes over the day-to-day management of the company for the duration of the administration order.

A petition for the administration of a company can be presented by a creditor, by the company or its directors and, in certain circumstances, by a magistrates' court. An administration order will be made if the court is satisfied that one or more of four statutory purposes will be met:

- (a) the survival of the company and the whole or any part of its undertaking as a going concern;
- (b) the approval of a voluntary arrangement with creditors;
- (c) the sanctioning under section 425 of the U.K. Act of a compromise or arrangement between the company and its creditors; and
- (d) a more advantageous realisation of the company's assets than would be effected on a winding-up.

For the period for which the administration order is in force no steps may be taken to enforce any security over the company's property and no legal proceedings may be commenced or continued against the company except with the consent of the administrator or with leave of the court. The administrator will decide how best to meet the statutory purposes for which the administration order was made. If those purposes cannot be met, the administrators will usually apply to the court for an order permitting the winding-up of the company.

Under the provisions of the Enterprise Act, an administrator may also be appointed by the company or its directors, or by the holder of a certain type of floating charge without an order of court. The statutory objectives for an administrator have consequently changed to the following:

- (a) rescuing the company as a going concern;
- (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up; or

21. **ENGLISH LAW AND THE COMPANY'S ARTICLES OF ASSOCIATION** (*Cont'd*)

- (c) realising property in order to make a distribution to one or more secured or preferential creditors.

s. **Enforceability of Judgements**

The Company is incorporated in England and Wales with limited liability. Therefore, it may not have assets in Malaysia against which a judgment of the Malaysian courts could be enforced. Accordingly, it could be necessary to take steps outside Malaysia, particularly in England and Wales, to enforce a judgment of the Malaysian courts or to bring an action directly against the Company in England and Wales.

In this regard:

- (a) In principle, a money judgment from a court in Malaysia would be enforceable in England and Wales subject to and in accordance with the requirements of the Administration of Justice Act 1920 and applicable procedural rules. Whether any particular judgment would be enforced by the English courts would depend on the nature of the judgment and the circumstances of the case.
- (b) In a direct action before an English court, whether the court would apply Malaysian law to determine the company's liability would also depend on the circumstances and the nature of the case (including the nature of the laws relied on).

t. **Extradition**

The Extradition (Designated Commonwealth Countries) Order 1991, SI 1991/1700 (as amended), designates Malaysia as a Designated Commonwealth Country for the purposes of section 1(2)(a) of the Extradition Act 1989 (the "Extradition Act"). Therefore, subject to the detailed provisions of the Extradition Act, a person in the U.K. who is accused in Malaysia of the commission of an extradition crime (as defined but, in summary, one which if carried out in the U.K. would carry a potential sentence of imprisonment of 12 months or greater and does carry such a sentence in Malaysia); or is alleged to be unlawfully at large after conviction of an extradition crime by a court in Malaysia, may be arrested and returned to Malaysia.