

14. VALUATION CERTIFICATE

(Prepared for inclusion in the Prospectus)



Chartered Surveyors
International Property Consultants • Valuers
Estate Agents • Property & Project Managers

Our Ref : SRG/03/A1512

20th December 2004

The Board of Directors
Cheetah Holdings Berhad
Level 14, Uptown 1
No. 1, Jalan SS 21/58
Damansara Uptown
47400 Petaling Jaya
Selangor

Dear Sirs,

**CHEETAH HOLDINGS BERHAD ("CHB")
VALUATION OF PROPERTY BELONGING TO CHB**

This letter is prepared for inclusion in the Prospectus to be dated 31st December 2004 in relation to the proposed public issue of 3,000,000 new ordinary shares of RM0.50 each and offer for sale of 28,500,000 ordinary shares of RM0.50 each in CHB at an issue/offer price of RM0.75 per share in conjunction with the listing of CHB on the Second Board of Bursa Malaysia Securities Berhad (*formerly known as the Malaysia Securities Exchange Berhad*).

We were instructed by CHB to value the subject property. We confirmed we have valued the Property by the Comparison and Income Capitalization Methods of Valuation. The Valuation had been carried out in accordance with the Guidelines on Asset Valuations for Submission to the Securities Commission ("SC") issued by the SC, in compliance with the Valuation Standards issued by The Board of Valuers, Appraisers and Estate Agents, Malaysia and with the necessary professional responsibility and due diligence.

We certified that in our opinion, the Market Value of the above Property bearing reference number SRG/03/A1512 belonging to Cheetah Realty Sendirian Berhad, a wholly owned subsidiary of CHB, on existing use basis in their existing condition using the methods stated above amount to RM3,500,000.00 (Ringgit Malaysia Three Million And Five Hundred Thousand Only) as set out in the attached schedule.

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

Information and data for the above mentioned valuation were obtained from various sources and they include the Land Office, the Valuation & Property Services Department, enquiries made on the field and information from the client.

Brief details of the Property are shown in the attached Schedule. Further details of the valuation of the Property are set out in our Valuation Report.

Yours faithfully
For and on behalf of
STOCKER ROBERTS & GUPTA

D.B. DAS GUPTA
FRICS FISM
Chartered Surveyor
And Registered Valuer (V-127)

Block D-9-8, Megan Phileo Promenade,
Jalan Tun Razak,
50400 Kuala Lumpur, Malaysia.

Tel: (03) 2164 3522
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D.B. Das Gupta FRICS FISM

JOHOR BAHRU
Mahayuddin Makmin MISM

14. VALUATION CERTIFICATE (Cont'd)



Our opinion of the Market Value of the Property, subject to the property being free from all encumbrances is as follows:-

Property Identification	General Description of Property	Market Value
<p>Title Particulars PN 31340, Lot 11931, Mukim of Ampang, District of Kuala Lumpur, Federal Territory</p> <p>Postal Address 26, Jalan 6/91, Taman Shamelin Perkasa, 56100 Kuala Lumpur</p> <p>Tenure 80-year leasehold expiring on 11th September 2082 (having an unexpired term of about 78 years)</p> <p>Category of Land Use Perusahaan</p> <p>Registered Proprietor Cheetah Realty Sendirian Berhad</p> <p>Restriction In Interest This land cannot be transferred or leased except with the permission of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur</p> <p>Encumbrances Charged to United Overseas Bank (M) Berhad</p>	<p>The subject property is an extended double storey semi-detached factory</p> <p>The Site Has a land area of 1,457 sq. metres (15,683 sq.ft.), is near squarish in shape and flat in terrain</p> <p>The Building a) A double storey officer Annexed (522.8 sq. metres (5,628 sq.ft.) b) An extended double storey factory 975.5 sq. metres (10,500 sq.ft.)</p> <p>Existing Use The subject property is currently use as and office cum warehouse</p> <p>Planning Details Designated for industrial use</p> <p>Approval date for the extension 4th November 1996</p> <p>Date of Issuance of Certificate of Fitness 7th August 2001</p>	<p>Date of Valuation 2nd January 2004</p> <p>Methods of Valuation Comparison and Income Capitalization Methods</p> <p>Market Value RM3,500,000.00 (Ringgit Malaysia Three Million and Five Hundred Thousand Only)</p>

15. DIRECTORS' REPORT

CHEETAH HOLDINGS BERHAD (430404-H)

26, Jalan 6/91, Taman Shamelin Perkasa, Cheras, 56100 Kuala Lumpur, Malaysia.

Tel: 603-9776 4088 E-mail: cheetah@cheetah.com.my

Fax: 603-9776 4099 Website: www.cheetah.com.my



Registered Office

Level 14, Uptown 1
No. 1, Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor

20 December 2004

The Shareholders
Cheetah Holdings Berhad

Dear Sir/Madam,

On behalf of the Board of Directors of Cheetah Holdings Berhad ("CHB"), I report after due and careful enquiry that during the period from 30 June 2004 (being the date to which the last audited financial statements of CHB and its subsidiaries ("Group") have been made) to 20 December 2004 (being a date not earlier than 14 days before the issuance of this Prospectus):

- (i) the business of the Group has, in the opinion of the Board of Directors, been satisfactorily maintained;
- (ii) in the opinion of the Board of Directors, no circumstances have arisen subsequent to the last audited financial statements of CHB and its subsidiaries which have adversely affected the trading or the value of the assets of the Group;
- (iii) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (iv) there are no contingent liabilities by reason of any guarantees or indemnities given by the Company or any of its subsidiaries;
- (v) the Board of Directors are not aware of any default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings of the Group since the last audited financial statements of CHB and its subsidiaries; and
- (vi) save as disclosed in Sections 11.3 and 12 of this Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the profits of the Group since the last audited financial statements of CHB and its subsidiaries.

Yours faithfully,
For and on behalf of the Board of Directors
Cheetah Holdings Berhad

A handwritten signature in black ink, appearing to read "Chia Kee Foo".

Chia Kee Foo
Chairman / Managing Director

16. ESOS BY-LAWS

1. DEFINITIONS**1.1 DEFINITIONS AND INTERPRETATIONS**

In these By-Laws for the Employees' Share Option Scheme, the following terms shall bear the following meanings, namely:

“Act”	:	Companies Act 1965, as amended from time to time and including any re-enactment hereof
“Board”	:	The Board of Directors of CHB
“Books Closing Date”	:	The specified time and date set by the Company for the lodgement of transfers for the purpose of determining persons entitled to dividends, interests, or new securities, or rights to a priority of application for issues of securities
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“By-Laws”	:	By-laws governing the Scheme
“CDS”	:	The Central Depository System
“CHB ESOS Group” or “ESOS Group”	:	CHB and its subsidiaries as defined in Section 5 of the Act, excluding subsidiaries that are dormant
“CHB Shares”	:	Ordinary shares of RM0.50 each in the Company
“CHB” or “Company”	:	Cheetah Holdings Berhad (Company No.: 430404-H)
“Date of Approval”	:	The date of receipt of written approval
“Date of Offer”	:	The date of the written Offer (including any subsequent Offers) from the ESOS Committee to an Eligible Employee to participate in the Scheme in accordance with the terms of the ESOS
“Eligible Director(s)”	:	A Director of CHB ESOS Group who meets the criteria of eligibility for participation in the Scheme as set out in Clause 3 hereof
“Eligible Employee(s)”	:	An employee (including Eligible Director) of the ESOS Group who meets the criteria of eligibility for participation in the Scheme as set out in Clause 3 hereof
“ESOS Committee” or “Committee”	:	A committee duly authorised and appointed by the Board to administer the Scheme
“Exercise Price”	:	The price at which the Grantee shall be entitled to subscribe for new CHB Shares as set out in Clause 9 hereof
“Grantee”	:	Any Eligible Employee of the CHB ESOS Group who has accepted the Offer of an Option in accordance with the terms of the Scheme

16. ESOS BY-LAWS (Cont'd)

“Market Day”	:	Any day between Monday and Friday (inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities
“Maximum Allowable Allotment”	:	The maximum aggregate number of new CHB Shares in respect of which Offers may be made to Eligible Employees as provided in Clause 4
“Offer”	:	A written offer made by the ESOS Committee to an Eligible Employee for an Option to subscribe for new CHB Shares in accordance with the terms of the Scheme
“Option Period”	:	The period commencing from the Date of Offer to a date not exceeding five (5) years or the expiry (including any extension or renewal thereof as provided in Clause 19.1 hereof) or termination of the Scheme as provided in Clause 19.2 hereof, whichever is earlier
“Option”	:	The right of a Grantee to subscribe for a certain number of new CHB Shares granted or to be granted and the contract constituted by an acceptance in the manner indicated in Clause 6 hereof pursuant to the Scheme
“RM”	:	Ringgit Malaysia
“Scheme” or “ESOS”	:	The Scheme for the grant of Options to Eligible Employees to subscribe for new CHB Shares on the terms as herein set out and such scheme to be known as the “Cheetah Holdings Berhad Employees’ Share Option Scheme”

1.2 In these By-Laws:

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

16. ESOS BY-LAWS (Cont'd)

- (g) If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day.

2. QUANTUM

- 2.1 The maximum number of new CHB Shares which may be made available under the Scheme shall not be more than fifteen per cent (15%) (or such other higher percentage as may be permitted by the relevant regulatory authorities from time to time) of the total issued and paid-up share capital of the Company at the point of time when an Offer is made. The Company will during the Option Period keep available sufficient unissued CHB Shares to satisfy all outstanding Options.
- 2.2 Notwithstanding the above provision and any other provisions herein contained, in the event the maximum number of new CHB Shares to be issued pursuant to the exercise of Options exceeds the aggregate of fifteen per cent (15%) of the total issued and paid-up share capital of the Company as a result of the Company purchasing its own Shares in accordance with the provision of Section 67A of the Act or any other corporate proposal and thereby reducing its issued and paid-up share capital, then all Options granted prior to the adjustment of the issued and paid-up share capital of the Company shall remain valid and exercisable in accordance with the provisions of this Scheme. However, no additional Options will be granted unless the number of Options that have been granted under the Scheme falls below fifteen per cent (15%) of the total issued and paid-up share capital of the Company.

3. ELIGIBILITY OF PARTICIPANTS TO THE SCHEME

- 3.1 Any employee of the ESOS Group shall be eligible to participate in the Scheme if, as at the Date of Offer, the employee:
- (a) has attained the age of eighteen (18) years;
 - (b) is confirmed and on the payroll of a company within the CHB ESOS Group; and
 - (c) has been employed by the CHB ESOS Group for at least six (6) months.
- 3.2 Any Eligible Director of the ESOS Group shall also be eligible to participate in the Scheme if at the Date of Offer, such Eligible Director:
- (a) has attained the age of eighteen (18) years; and
 - (b) has been appointed as a Director of a company within the CHB ESOS Group for at least six (6) months.
- 3.3 The ESOS Committee may, at its discretion, nominate any employee (including Executive and Non-Executive Directors) of the ESOS Group to be an Eligible Employee despite the eligibility criteria under Clause 3.1 and Clause 3.2 hereof are not met, at any time and from time to time.
- 3.4 Eligibility, however, does not confer on an Eligible Employee a claim or right to participate in the Scheme unless an offer in writing has been made by the Committee to the Eligible Employee.

16. ESOS BY-LAWS (Cont'd)

4. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOTMENT

The number of new Shares that may be offered and allotted to any one of the Eligible Employees of the CHB ESOS Group who are entitled to participate in the Scheme shall be at the discretion of the ESOS Committee after taking into consideration the performance, seniority, number of years in service, employee grading and/or the potential contribution of the Eligible Employees and/or such other factors as the ESOS Committee deem fit, subject always to the following:

- (a) the number of CHB Shares allocated, in aggregate, to Eligible Directors and Senior Management shall not exceed fifty percent (50%) of the total CHB Shares available under the Scheme;
- (b) the number of CHB Shares allocated to any individual Eligible Employee who, either singly or collectively through persons connected with the Eligible Employee, holds twenty percent (20%) or more in the total issued and paid-up capital of the Company shall not exceed ten percent (10%) of the total CHB Shares available under the Scheme.

In this By Law:

“Senior Management” shall be subject to criteria to be determined by the ESOS Committee that may change from time to time and which criterion and any changes thereto shall be made known to the Eligible Employees; and

“persons connected” has the same meaning as that in paragraph 1.01 of the Bursa Securities Listing Requirements.

5. OFFER

- 5.1 Subject to Clauses 2 and 4 hereof, the Committee may at its discretion at any time and from time to time within the duration of the Scheme as it shall deem fit make an Offer in writing to any Eligible Employee of an Option to subscribe for new CHB Shares during the Option Period in accordance with the terms of the Scheme.
- 5.2 The actual number of new CHB Shares which may be offered to an Eligible Employee shall be at the discretion of the Committee, and subject to any adjustments that maybe made under Clause 13 hereof shall not be less than one hundred (100) CHB Shares and shall always be in multiples of one hundred (100) CHB Shares.
- 5.3 Nothing herein will prevent the Committee from making more than one Offer during the duration of the Scheme to an Eligible Employee after the first Offer was made subject to Clauses 2 and 4 hereof.
- 5.4 No Options will be offered to an Eligible Director of the Company unless the specific allotment of Options to that Eligible Director to participate in the Scheme shall have previously been approved by the Company in a general meeting.
- 5.5 Each Offer shall be made in writing and is personal to the Eligible Employee.

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16. ESOS BY-LAWS (Cont'd)

6. ACCEPTANCE OF THE OFFER

An Offer made by the Committee to an Eligible Employee shall be accepted within thirty (30) days from the Date of Offer by the person to whom the same is made by the issue from such person of a written notice to the Committee of such acceptance accompanied by a non-refundable payment to the Company of the sum of Ringgit Malaysia One (RM1.00). The date of receipt by the Committee of such written notice shall constitute the date of acceptance. If the Offer is not accepted in the manner aforesaid, such Offer shall, upon the expiry of the aforesaid thirty (30) days, be deemed rejected by the Eligible Employee and shall be null and void and of no effect and the CHB Shares in respect of such Offer deemed rejected may be re-offered to other Eligible Employee at the discretion of the Committee.

7. NON-TRANSFERABILITY OF THE OPTION

Neither the Offer nor the Option can be assigned, encumbered, transferred or otherwise disposed of in any manner whatsoever except where Clause 18 of the By-Laws may apply. Any such transfer, assignment, disposal or encumbrance shall result in the automatic cancellation of the Option.

8. RESTRICTION ON DEALINGS

An Eligible Director who is a Non-Executive Director in the CHB ESOS Group shall not sell, transfer or assign CHB Shares obtained through the exercise of the Options offered to him within one (1) year from the Date of Offer.

9. EXERCISE PRICE

The Exercise Price shall be determined in accordance with the Bursa Securities Listing Requirements (including any amendments and modification made thereof from time to time), subject to the minimum price of RM0.50 being the par value of the CHB Shares and subject to adjustments in accordance with Clause 13 hereof.

10. EXERCISE OF OPTION

- 10.1 The Option granted to the Eligible Employee is exercisable only by the Eligible Employee during his/her tenure of service whilst he/she is employed/appointed/retained for services by the CHB ESOS Group except for the provisions of Clauses 16 and 18 hereof. Provided always and subject to any extensions or renewals to the ESOS pursuant to Clause 19 hereof, no Option shall be exercised after the expiry of the Option Period.
- 10.2 The Committee may, at any time and from time to time before or after an Option is granted pursuant to Clause 6, limit the exercise of the Option to a maximum number of new CHB Shares and/or such percentage of the total new CHB Shares relevant to the Option during such periods (as determined by the Board or the Committee) within the Option Period and impose any other terms and/or conditions deemed appropriate by the Board or the Committee at its sole discretion including amending/varying any terms and conditions imposed earlier.
- 10.3 An Option granted under the Scheme shall be capable of being exercised by notice in writing to the Company on such day or within such time period as may be determined by the ESOS Committee. The Option may be exercised in respect of all or part of the new CHB Shares which are the subject of the Option, such part being in multiples of 100 CHB Shares and not less than 100 CHB Shares. Such partial exercise of an Option shall not preclude the Grantee from exercising the Option as to the balance CHB Shares.

16. ESOS BY-LAWS (Cont'd)

- 10.4 Every such notice must be in the form prescribed by the Company from time to time and shall be accompanied by a remittance for the full amount of the subscription monies in relation to the number of new CHB Shares being subscribed for. The Company shall, within ten (10) Market Days of receiving such notice, allot and issue the relevant number of new CHB Shares and despatch notices of allotments to the Grantee subject to the provisions of the Articles of Association of the Company. The new CHB Shares will be credited directly into the CDS account of the Grantees and no physical share certificate will be issued.
- 10.5 All Options to the extent that they have not been exercised upon the expiry of the Option Period shall lapse and have no further effect.
- 10.6 In the event of a takeover offer being made for the Company through a take-over offer or otherwise and such offer becoming or being declared unconditional, the Grantee shall be entitled within three (3) months of the date on which such offer becomes or is declared unconditional to exercise in full or in part any Option as yet unexercised provided that if during such period of three (3) months from the date on which such offer becomes or is declared unconditional, the company making the offer becomes entitled or bound to exercise rights of compulsory acquisition of the CHB Shares under the provisions of the Securities Commission Act, 1993 or the Act, and gives notice to the Grantee that it intends to exercise such rights on a specific date, the Option shall remain exercisable by the Grantee until the expiry of such specified date. In the foregoing circumstances if the Grantee elects to exercise the Option only in respect of a portion of such CHB Shares, then the Option in relation to the balance thereof shall automatically lapse and shall thereafter be null and void.
- 10.7 In the event that a Grantee is subject to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service) the Committee shall have the right, at its discretion, to suspend the Option pending the outcome of such disciplinary proceedings. The Committee may impose such terms and conditions as the Committee shall deem appropriate having regard to the nature of the charges made or brought against the Grantee PROVIDED ALWAYS THAT:
- (a) in the event that such Grantee shall subsequently be found to be not guilty of the charges which give rise to such disciplinary proceedings, the Committee shall reinstate the rights of such Grantee to exercise his Option as if such disciplinary proceedings had not been instituted in the first place;
 - (b) in the event the disciplinary proceeding results in a recommendation for the dismissal or termination of service of such Grantee, the Option shall immediately lapse and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such recommendation may be subsequently challenged by the Grantee in any other forum; and
 - (c) in the event such Grantee is found guilty but no dismissal or termination of service is recommended, the Committee shall have the right to determine at its discretion whether or not the Grantee may continue to exercise his Option and if so, to impose such limits, terms and conditions as it deems appropriate, on such exercise.

11. RIGHTS ATTACHING TO SHARES

The new CHB Shares to be allotted upon any exercise of Options shall, upon allotment and issue, rank pari passu in all respects with the then existing issued and paid-up CHB Shares including voting rights and rights to all dividends and distributions, if the date of allotment is on or before the Entitlement Date and subject to all the provisions of the Articles of Association of the Company. "Entitlement Date" means the date as at the close of business on which shareholders must be registered in the Record of Depositors with the Bursa Malaysia Depository Sdn Bhd (formerly known as Malaysian Central Depository Sdn Bhd) in order to participate in any dividends or other distributions.

16. ESOS BY-LAWS (Cont'd)

12. QUOTATION OF SHARES

The new CHB Shares referred to in Clause 2 hereof shall not be allotted to the Grantee until the Option is exercised in accordance with Clause 10 hereof and upon the exercise of the Options the Company shall apply to Bursa Securities within the stipulated time frame as prescribed under the Bursa Securities Listing Requirements for the listing of and quotation for such new CHB Shares and shall use its best endeavour to obtain such approval.

13. ALTERATION OF SHARE CAPITAL DURING THE OPTION PERIOD

13.1 In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of capitalisation of profit or reserves, rights issues, reduction, subdivisions or consolidations of capital or otherwise howsoever taking place:

- (a) the Exercise Price; and/or
- (b) the number of CHB Shares comprised in the Option or any portion thereof that is unexercised;

may be adjusted in such manner as the external auditors of the Company for the time being (acting as experts and not as arbitrators), upon reference to them by the ESOS Committee, confirm in writing (save for adjustments due to alteration in share capital of the Company arising from bonus issue) to be, in their opinion, fair and reasonable and such determination shall be final and binding on the Grantees, PROVIDED ALWAYS THAT:

- (i) Any adjustment to the Exercise Price shall be rounded down to the nearest one (1) sen and no adjustment to the Exercise Price shall be made which would result in the CHB Shares to be issued on the exercise of the Option being issued at a discount to the par value, and if such an adjustment would but for this provision have so resulted, the Exercise Price payable shall be the par value of the CHB Shares;
- (ii) In the event that a fraction of a CHB Share arising from the adjustments referred to in this Clause would otherwise be required to be issued upon the exercise of an Option by the Grantee, the Grantee's entitlement shall be rounded down to the nearest whole number; and
- (iii) Where it is decided that an adjustment will be made, the Grantee shall be given the same proportion of the capital as that to which he was previously entitled to, by ensuring that the capital outlay to be incurred by the Grantee in exercise of his option remains unaffected.

13.2 The adjustment pursuant to this Clause shall be effective on the day immediately following the Books Closing Date for the event giving rise to the adjustment.

13.3 The provisions of this Clause shall not apply where the alterations in the capital structure of the Company arises from:

- (a) an issue of new CHB Shares in consideration or part consideration for an acquisition of any other securities, assets or business;
- (b) a special issue of new CHB Shares to Bumiputera investors nominated and approved by the Ministry of International Trade and Industry, Malaysia and/or any other government authority to comply with Government policy on Bumiputera capital participation;
- (c) a private placement or restricted issue of new CHB Shares by the Company;
- (d) implementation of a share buy-back arrangement by the Company under Section 67A of the Act;

16. ESOS BY-LAWS (Cont'd)

- (e) any issue of warrants, convertible loan stocks or other instruments by the Company that gives a right of conversion into CHB Shares, and any issue of new CHB Shares arising from the exercise of any conversion rights attached to such convertible securities; or
- (f) an issue of new CHB Shares upon the exercise of Options granted under the Scheme.

14. ADMINISTRATION

The Scheme shall be administered by the ESOS Committee appointed by the Board at its discretion with such powers and duties as are conferred upon it. The Board shall have the power from time to time to rescind the appointment of any person to the ESOS Committee as it deems fit. The ESOS Committee shall be vested with such powers and duties as are conferred upon it by the Board to administer the Scheme in such manner it shall in its discretion deem fit. The ESOS Committee may, for the purpose of administering the Scheme, do all acts and things and enter into any transactions, agreements, deeds, documents or arrangements and make rules, regulations or impose terms and conditions or delegate part of its power relating to the Scheme which the ESOS Committee may in its discretion consider to be necessary or desirable for giving full effect to the Scheme.

15. AMENDMENTS AND/OR MODIFICATION TO THE SCHEME

Subject to compliance with the requirements of Bursa Securities and any other relevant authorities, the Board shall have the power at any time and from time to time by resolution to amend, at the recommendation of the Committee, all or any of the provisions of the Scheme. However, no such amendment shall be made which would alter the advantage of any Grantee in respect of matters prescribed under Appendix 6F of the Bursa Securities Listing Requirements, without the prior approval of the Company in general meeting where such approval is required by applicable laws.

16. DIVESTMENT FROM THE ESOS GROUP

If a company in the ESOS Group is subsequently divested and ceases to be a subsidiary of the Company, then an Eligible Employee who is in the employment of the company so divested:

- (a) will notwithstanding such divestment and subject to the provisions of Clause 10 hereof and subject also to the approval of the Committee, be entitled to exercise the Options which he is entitled to exercise for that year in which the divestment takes place within a period of three (3) months from the date of such divestment failing which such Options together with all other Options, the exercise of which is not due, shall automatically lapse and be null and void and of no further effect except that any CHB Shares in respect of unexercised Options hereunder may be offered to other Eligible Employees at the discretion of the Committee; and
- (b) shall not be eligible to participate in further Options under the Scheme.

17. ADDITION TO THE ESOS GROUP

- (a) In the case of:
 - (i) an employee who is employed in a company which is acquired or formed by the ESOS Group as defined in Section 6 of the Act (a company which does not fall within the definition of "CHB ESOS Group" as defined in Clause 1 hereof) (hereinafter referred to as "NewCo"); or

16. ESOS BY-LAWS (Cont'd)

- (ii) an employee who is in the employment of a NewCo which subsequently becomes a member of the ESOS Group as a result of a restructuring or acquisition exercise or other exercise involving CHB and/or any company within the ESOS Group;

that employee (hereinafter referred to as the "New Employee") when his employment is confirmed and provided that all conditions of these By-Laws are satisfied, will at the discretion of the Committee be eligible to participate in the Scheme.

(b) Notwithstanding anything herein contained:

- (i) The ESOS Committee shall have the discretion at any time and from time to time to extend the benefit of the Scheme to any New Employee who is not Eligible Employee and deem such New Employee to be Eligible Employee for the purposes of the Scheme;
- (ii) where the New Employee has participated in an employees' share option scheme in the NewCo (the "NewCo ESOS"), the ESOS Committee has the discretion to offer Options under the Scheme.

(c) Where a Grantee is transferred from CHB to a company related to the Group as defined in Section 6 of the Act (a company which does not fall within the definition of "CHB ESOS Group" as defined in Clause 1 hereof) or an associated company (hereinafter referred to as "Subsequent Company"), the following shall be applicable:-

- (i) notwithstanding such transfer and subject to the provisions of Clause 10 hereof and subject also to the approval of the Committee, be entitled to exercise the Options which he is entitled to exercise for that year in which the transfer takes place within a period of three (3) months from the date of such transfer failing which such Options together with all other Options, the exercise of which is not due, shall automatically lapse and be null and void and of no further effect except that any CHB Shares in respect of unexercised Options hereunder may be offered to other Eligible Employees at the discretion of the Committee; and
- (ii) shall not be eligible to participate in further Options under the Scheme.

18. TERMINATION OF THE OPTION

18.1 In the event of the death or termination of employment of a Grantee with the CHB ESOS Group for whatever reason prior to the exercise of the Option, such Option shall forthwith cease without any claim against the Company. The CHB Shares in respect of such Option may be re-offered to other Eligible Employees at the discretion of the Committee, provided always that subject to the written approval of the ESOS Committee in its discretion:

- (a) where the Grantee dies before the expiry of the Option Period and at the date of his/her death held an Option unexercised, such Option may be exercised by the personal representative(s) of the Grantee within the Option Period; or
- (b) where the employment of the Grantee with the CHB ESOS Group is terminated by reason of:
 - (i) his/her retirement at or after attaining normal retirement age; or
 - (ii) retirement before that age with the consent of the Committee; or
 - (iii) ill-health or accident; or
 - (iv) other circumstances which are acceptable to the ESOS Committee;

16. ESOS BY-LAWS (Cont'd)

he/she may exercise his/her unexercised Option within the Option Period.

- 18.2 The Option shall immediately become void and of no effect on the bankruptcy of the Grantee or if disciplinary action is taken on the Grantee pursuant to Clause 10.7.
- 18.3 In the event of the liquidation of the Company, all Options to the extent that they are then unexercised shall cease.
- 18.4 Any Options which have been offered by the Committee but have not been accepted in the manner prescribed in Clause 6 due to the Grantee's death or cessation or termination of employment with the ESOS Group, as the case may be, shall become void and of no effect.

19. DURATION OF THE SCHEME

- 19.1 The Scheme shall continue to be in force for a period of five (5) years from the Effective Date. For the purposes of this By-Law, "Effective Date" means the date of full compliance with all relevant requirements prescribed under the Bursa Securities Listing Requirements for the implementation of the Scheme.

An extension to the Scheme may be effected by the Company upon the recommendation of the ESOS Committee, subject to an aggregate duration of ten (10) years from the Effective Date (or any other duration that is allowed by the relevant authorities). In the event the Scheme is extended and implemented in accordance with the terms of these By-Laws, the ESOS Committee shall inform the relevant parties of such extension, prior to the proposed extension of the Scheme.

- 19.2 Subject to compliance with the requirements of the relevant authorities and the written consent of the Option holders, who have yet to exercise their Options, either in part or in whole, the Company in general meeting may, by ordinary resolution passed by the shareholders of the Company, terminate the continuation of this Scheme at any time and in such an event no further Offers shall be made by the ESOS Committee from the date of such resolution and all Offers outstanding but not accepted by the Eligible Employee at the date of the said resolution and the Options as yet unexercised or partially exercised shall be deemed to be terminated at the date of such resolution.
- 19.3 Subject to compliance with the requirements of the relevant authorities, the Company may establish a new employee share option scheme upon expiry or termination of the Scheme.

20. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.

Notwithstanding Clause 10 hereof and subject to the discretion of the Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed 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, a Grantee may be entitled to exercise all or any part of his Option at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending with the date upon which it becomes effective PROVIDED ALWAYS THAT no Option shall be exercised after the expiry of the Option Period.

21. DISPUTES

Any dispute or differences of any nature arising hereunder shall be referred to the decision of the external auditors of the Company, acting as experts and not as arbitrators and whose decision shall be final and binding in all respects. In the event that the auditors are unable to reach a decision in respect of a dispute or difference, it shall be referred to a court of law of competent jurisdiction in Malaysia.

16. ESOS BY-LAWS (Cont'd)

22. COMPENSATION

The Scheme shall afford a Grantee no additional right to compensation or damages in consequence of the termination of his/her employment or appointment for any reason whatsoever. No Eligible Employee or Grantee or legal/personal representatives shall bring any claim, action or proceeding against the Company or the ESOS Committee or any party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his Option or his Option ceasing to be valid pursuant to the provisions of these Clauses, as may be amended from time to time in accordance with Clause 15 hereof.

23. TAXES

All taxes (including income tax), if any, arising from the exercise of any Option under the Scheme shall be borne by the Grantee.

24. COSTS AND EXPENSES

Subject to Clause 23, all costs and expenses incurred in relation to the ESOS including but not limited to fees, costs and expenses relating to the allotment and issue of new CHB Shares pursuant to the exercise of any Option shall be borne by the Company.

25. RETENTION PERIOD

Subject to Clause 8, a Grantee may deal with the new CHB Shares allotted and issued to him in any way he pleases. Grantees should note that the new CHB Shares are intended for them to hold as an investment rather than for realisation to yield immediate profit and will not be subjected to any retention period.

26. SCHEME NOT A TERM OF EMPLOYMENT OR APPOINTMENT

This Scheme does not form part of or constitute or shall in any way be construed as a term or condition of employment or appointment of any Eligible Employee. This Scheme shall not confer or be construed to confer on an Eligible Employee any special rights or privileges over the Eligible Employee's terms and conditions of employment or appointment in the ESOS Group under which the Eligible Employee is employed or appointed or retained for services nor any rights additional to compensation or damages that the Eligible Employee may be normally entitled to from the cessation of such employment or appointment.

27. ARTICLES

Notwithstanding the terms and conditions contained herein, if a situation of conflict should arise between the Scheme and the Articles of Association of the Company, the provisions of the Articles of Association of the Company shall at all times prevail.

28. DISCLAIMER OF LIABILITY

Notwithstanding any provisions contained herein and subject to the Act, the Committee and the Company shall not under any circumstances be held liable for any cost, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in allotting, crediting to the CDS accounts of the Grantees and issuing the CHB Shares or in applying for or procuring the listing of the CHB Shares on Bursa Securities.

16. ESOS BY-LAWS (Cont'd)

29. GENERAL

Unless otherwise determined by the ESOS Committee, an Eligible Employee can only participate in one employee share option scheme implemented by any company in the ESOS Group at any one time.

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17. FURTHER INFORMATION

17.1 SHARE CAPITAL

- (i) Save for the Shares to be allotted pursuant to the ESOS, no Shares will be allotted or issued on the basis of this Prospectus later than 12 months after the date of this Prospectus.
- (ii) There are no founder, management or deferred shares in the Company. There is only one class of shares in the Company, namely ordinary shares of RM0.50 each, all of which rank *pari passu* with one another.
- (iii) Save for the 1,500,000 Offer Shares reserved for subscription by the eligible employees and business associates of CHB and its subsidiaries as part of the pink forms allocation (as disclosed in Section 3.5(ii) of this Prospectus) and the Options to be granted by CHB pursuant to the ESOS (as disclosed in Section 6.4 of this Prospectus), no person has been or is entitled to be given any option to subscribe for any Shares, stocks or debentures of the Company or its subsidiaries as at the date of this Prospectus.
- (iv) Save as disclosed in Sections 6.2 and 6.6 of this Prospectus and the Issue/Offer Shares and the Shares to be issued pursuant to the ESOS, no shares, debentures, outstanding warrants, options, convertible securities or uncalled capital of the Company or its subsidiaries have been issued or are proposed to be issued as partly or fully paid-up in cash or otherwise than in cash within the two (2) years preceding the date of this Prospectus.
- (v) As at the date of this Prospectus, the Company and its subsidiaries do not have any outstanding convertible debt securities.
- (vi) Save for the Options to be granted under the ESOS, none of the capital of the Company or any of its subsidiaries has been put under any option or has been agreed conditionally or unconditionally to be put under any option. Please refer to Section 6.4 of this Prospectus for the details of the ESOS.

17.2 ARTICLES OF ASSOCIATION

The following provisions are reproduced from the Company's Articles of Association:

(i) Transfer of Securities

The provisions in the Company's Articles of Association in respect of the transfer of shares in the Company are as follows:

Article 30 - Transfer

The transfer of any listed securities or class of listed securities of the Company which have been deposited with the Central Depository shall be by way of book entry by the Central Depository in accordance with the Rules and notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities.

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17. FURTHER INFORMATION (Cont'd)

Article 34 - Books closing date

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

Article 37 - Death of member

In case of the death of a member, the legal personal representative of the estate of the deceased, shall be the only person recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of deceased holder from any liability in respect of any share which had been held by him.

Article 38 - Share of deceased or bankrupt member

Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provide, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy. PROVIDED ALWAYS that where the share is a deposited security, subject to the Rules, a transfer or withdrawal of the share may be carried out by the person becoming so entitled.

(ii) Remuneration of Directors

The provisions in the Company's Articles of Association in respect of the remuneration of Directors are as follows:

Article 93 - Directors' remuneration

The Directors shall be paid by way of remuneration for their services such fixed sum (if any) as shall from time to time be determined by the Company in general meeting, and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine, PROVIDED ALWAYS that:-

- (a) the fees payable to the Directors shall from time to time be determined by a resolution of the Company in general meeting, PROVIDED ALWAYS that such fees 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;
- (b) save as provided in Article 93(a) hereof, an executive Director shall, subject to the terms of any agreement (if any) entered into in any particular case, receive such remuneration as the Directors may determine. All remuneration, other than the fees provided for in Article 93(a) hereof, payable to the non-executive Directors shall be determined by a resolution of the Company in general meeting;
- (c) fees payable to non-executive Directors shall be a fixed sum, and not by a commission on or percentage of profits or turnover;

17. FURTHER INFORMATION (Cont'd)

- (d) salaries payable to executive Directors may not include a commission on or percentage of turnover; and
- (e) any fee paid to an Alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 94 (1) – Expenses to be reimbursed

The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board Meetings of the Company.

Article 94 (2) – Fixed sum payable for extra services

If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Company in general meeting and such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors. Extra remuneration payable to non-executive Director(s) shall not include a commission or percentage of turnover or profits.

Article 120 – Remuneration of Executive Director and Managing Director

The remuneration of Executive Director and/or Managing Director shall from time to time be fixed by the Directors, and may be by way of fixed salary, or commission or participation in profits of the Company or by any or all of these mode or otherwise as may be expedient but shall always be subject to the provisions of any contract between him or them and the Company.

(iii) Voting and borrowing powers of Directors

The provisions in the Company's Articles of Association dealing with the voting powers of the Directors in proposals, arrangements or contracts in which they are interested in and their borrowing powers are as follows:

Article 98 – Directors' borrowing powers

- (1) Subject to the provisions in the Act and the Listing Requirements, the Directors may exercise all the powers of the Company to borrow and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company, or its subsidiaries or of an unrelated third party.
- (2) The Directors shall not borrow any money or mortgage or charge any of the Company's or its subsidiaries' undertaking, property, or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

17. FURTHER INFORMATION (Cont'd)

Article 114 – Disclosure of interest by Directors

Every Director shall comply with the provisions of Sections 131 and 135 of the Act in connection with the disclosure of his shareholding and interests in the Company and his interest in any contract or proposed contract with the Company and in connection with the disclosure, every director shall state the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interests might be created in conflict with his duty or interest as a Director of the Company.

Article 115 – Directors' interest in contracts

A Director shall not deliberate and vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly personal interest (and if he shall do so his vote shall not be counted), nor shall he be counted for the purpose of any resolution regarding the same, in the quorum present at the meeting.

Article 116 – Power to vote

A Director may vote in respect of:-

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

(iv) Changes in the share capital and variation of class rights

The provisions in the Company's Article of Association in respect of the changes in the share capital and variations of class rights are as follows:

Article 8 – Modifications of class rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall apply after due consideration of the respective differences, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any other holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary apply.

Article 9 – Ranking of class rights

The rights conferred upon holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects shall rank equal therewith.

17. FURTHER INFORMATION (Cont'd)

Article 53 – Power to increase capital

The Company may from time to time, whether all the shares for the time being authorised shall have been issued, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase directs.

Article 54 – Issue of new shares to members

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

Article 57 – Power to alter capital

The Company may by ordinary resolution:-

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) divide its share capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act and so that as between the resulting shares, one or more of such shares may, by the resolution by which such sub-division is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares; and
- (c) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

Article 58 – Power to reduce capital

The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any authorisation, and consent required by law.

17.3 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- (i) The names, addresses and occupations of the Directors are set out under the “Corporate Directory” section of this Prospectus.
- (ii) A Director is not required to hold any qualification shares in the Company unless otherwise so fixed by the Directors of the Company.

17. FURTHER INFORMATION (Cont'd)

- (iii) None of the Directors of the Company have any existing or proposed service agreements with the CHB Group, which is not terminable by notice without payments or compensation other than by statutory compensation.
- (iv) Other than remuneration in the normal course of employment, no amount or benefit has been paid or given by the Company within the two (2) years preceding the date of this Prospectus, nor is it intended to be so paid or given, to any Promoters, Directors or substantial shareholders of the Company.
- (v) Save as disclosed in Section 4.3 of this Prospectus, there are no persons who directly or indirectly, jointly or severally, exercise control over the Company and its subsidiaries.
- (vi) The direct and indirect interests of the Directors of CHB in the Shares before and after the IPO are as follows:

Directors	←-----Before IPO-----→				←-----After IPO-----→			
	←-----Direct-----→		←-----Indirect-----→		←-----Direct-----→		←-----Indirect-----→	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chia Kee Foo	6,301,756	8.18	57,643,810 ⁽¹⁾	74.86	3,969,300	4.96	36,308,113 ⁽¹⁾	45.39
Chia Kee Kwei	3,103,572	4.03	57,643,810 ⁽¹⁾	74.86	1,954,900	2.44	36,308,113 ⁽¹⁾	45.39
Chia Kee Yew	1,643,631	2.13	-	-	1,035,279	1.29	-	-
Hor Ah Kuan	2,640,075	3.43	-	-	1,662,904	2.08	-	-
Gong Wooi Teik	-	-	-	-	-	-	-	-
Chong Jock Peng	-	-	-	-	-	-	-	-

Note:

(1) Deemed interested by virtue of his shareholdings in CYY pursuant to Section 6A of the Act.

- (vii) The direct and indirect interests of the substantial shareholders of CHB in the Shares before and after the IPO are as follows:

Substantial shareholders	←-----Before IPO-----→				←-----After IPO-----→			
	←-----Direct-----→		←-----Indirect-----→		←-----Direct-----→		←-----Indirect-----→	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
CYY	57,643,810	74.86	-	-	36,308,113	45.39	-	-
Chia Kee Foo	6,301,756	8.18	57,643,810 ⁽¹⁾	74.86	3,969,300	4.96	36,308,113 ⁽¹⁾	45.39
Chia Kee Kwei	3,103,572	4.03	57,643,810 ⁽¹⁾	74.86	1,954,900	2.44	36,308,113 ⁽¹⁾	45.39

Note:

(1) Deemed interested by virtue of his shareholdings in CYY pursuant to Section 6A of the Act.

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17. FURTHER INFORMATION (Cont'd)

17.4 GENERAL

- (a) The nature of the Company's business is set out in Section 6.1 of this Prospectus.
- (b) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 18 of this Prospectus.
- (c) The time of the opening of the Application List for the IPO Shares is set out in Section 18 of this Prospectus.
- (d) The amount payable in full upon application is RM0.75 per IPO Share.
- (e) Particulars relating to the outstanding borrowings and contingent liabilities of the Group are disclosed in Section 11.1.4 of this Prospectus.
- (f) The name and address of the Auditors and Reporting Accountants of the Company are set out in the "Corporate Directory" section of this Prospectus.

17.5 EXPENSES AND COMMISSIONS

The estimated expenses in respect of the Public Issue relating to the professional fees, underwriting commission, brokerage, registration, share transfer fees and other expenses and fees incidental to the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company on the Second Board of Bursa Securities amounting to approximately RM1.2 million will be fully borne by the Company.

Brokerage is payable by the Company in respect of the Issue Shares and by the Offerors in respect of the Offer Shares at the rate of 1.0% of the IPO Price of RM0.75 per Share in respect of successful applications which bear the stamps of the parties disclosed in Section 3.9 (i) of this Prospectus.

Underwriting commission is payable by the Company and Offerors to the Underwriter at the rate of 2.5% of the IPO Price of RM0.75 per Share as disclosed in Section 3.9 (ii) of this Prospectus.

Save as disclosed above, no commissions, discounts, brokerages or other special terms have, within the two (2) years preceding the date of this Prospectus, been paid or granted or is payable to any Director, Promoter or expert or proposed Director for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions for any shares in or debentures of the Company in connection with the issue or sale of any capital of the Company.

17.6 PUBLIC TAKE-OVER

During the last financial year and current financial year up to the date of this Prospectus:

- (i) there were no public take-over offers by third parties in respect of the Shares; and
- (ii) there were no public take-over offers by the Company in respect of other company's ordinary shares.

17.7 MATERIAL LITIGATION

Neither CHB nor its subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of CHB or its subsidiaries and the Directors of CHB have no knowledge of any proceedings pending or threatened against CHB or its subsidiaries or of any facts likely to give rise to any proceedings, which may materially and adversely affect the position and business of CHB or its subsidiaries.

17. FURTHER INFORMATION (Cont'd)

17.8 MATERIAL CONTRACTS

Save as disclosed below, neither CHB nor any of its subsidiaries has entered into any contracts (not being contracts entered into in the ordinary course of business), which is or may be material within the two (2) years preceding the date of this Prospectus:

- (i) Sale and Purchase Agreement dated 25 September 2003 between CCM as the purchaser and Chi Kuei Yung & Sons Realty Sdn Bhd as the vendor for the purchase of a piece of land held under HS(D) 80748 PT 56 Mukim Batu Daerah Kuala Lumpur for a total cash consideration of RM1,320,000.
- (ii) Sale and Purchase Agreement dated 11 March 2004 between CHB and CYY, Chia Kee Foo, Chia Kee Kwei, Chia Kce Yew, Hor Ah Kuan and Tham Kien Wei for the acquisition of the entire equity interests in CCM by CHB for a total consideration of RM37,052,895 to be satisfied via the issuance of 68,999,996 new CHB Shares at approximately RM0.537 per Share.
- (iii) Sale and Purchase Agreement dated 18 March 2004 between CCM as the purchaser and Goodtex Marketing Sdn Bhd as the vendor for the purchase of a piece of land held under HS(D) 93103 PT 57 Mukim Batu Daerah Kuala Lumpur for a total cash consideration of RM1,425,000.
- (iv) Supplemental sale and purchase agreement dated 25 May 2004 between CHB and CYY, Chia Kee Foo, Chia Kee Kwei, Chia Kee Yew, Hor Ah Kuan and Tham Kien Wei for the acquisition of the entire equity interests in CCM by CHB for a total consideration of RM41,848,378 to be satisfied via the issuance of 76,999,996 new CHB Shares at approximately RM0.543 per Share.
- (v) Sale and Purchase Agreement dated 31 May 2004 between CCM as the vendor and Kotaya Corporation Sdn Bhd as the purchaser for the disposal of a piece of land held under HS(D) 75550 PT 210 Mukim Ampang District of Kuala Lumpur for a total cash consideration of RM2,000,000.
- (vi) Sale and Purchase Agreement dated 5 August 2004 between CCM as the purchaser and Choo Fook as a vendor for the purchase of a piece of land held under HS(M) 3347 PT No. 6615 Mukim Ceras Daerah Hulu Langat Negeri Selangor for a total cash consideration of RM2,649,711.
- (vii) Underwriting Agreement dated 15 December 2004 between the Company, the Offerors and RHB Sakura, for RHB Sakura to underwrite 7,500,000 IPO Shares to be issued to the Malaysian public and eligible employees and business associates of CHB and its subsidiaries for an underwriting commission of 2.5% of the IPO Price of RM0.75 per IPO Share.

17.9 MATERIAL AGREEMENTS

Save as disclosed below, there are no material agreements (including but not limited to shareholders' agreements, agreements underlying the basis of the Company's or Group's business, supplier agreements, customer agreements, insurance policies and Directors' service agreements), which have been entered into by CHB and its subsidiaries:

- (i) CRSB has purchased a Fire Material Damage insurance policy under Policy No. A103AA012988 from Hong Leong Assurance Berhad to insure CRSB against fire risk on a property located at No. C4, Taman Shamelin Perkasa (Phase III), Cheras, 55100 Kuala Lumpur for a total insured sum of RM1,200,000 from 1 April 2004 to 31 March 2005.

17. FURTHER INFORMATION (Cont'd)

- (ii) CRSB has purchased a Fire Material Damage insurance policy under Policy No. A103AA012926 from Hong Leong Assurance Berhad to insure CRSB against fire risk on a property located at Lot No. T89, Taman Perindustrian Tago, Sri Damansara, Kuala Lumpur, HS(D) 24195 PT 31087 Mukim Batu, District Gombak, 50480 Kuala Lumpur, Wilayah Persekutuan for a total insured sum of RM560,000 from 1 April 2004 to 31 March 2005.
- (iii) CRSB has purchased a Fire Material Damage insurance policy under Policy No. A103AA012957 from Hong Leong Assurance Berhad to insure CRSB against fire risk on a property located at Lot No. T90, Taman Perindustrian Tago, Sri Damansara, Kuala Lumpur, HS(D) 24194 PT 31086 Mukim Batu, District Gombak, 50480 Kuala Lumpur, Wilayah Persekutuan for a total insured sum of RM560,000 from 1 April 2004 to 31 March 2005.
- (iv) CCM has purchased a Fire Commercial insurance policy under Policy No. KL-05165786-FC1 from Aviva Insurance Berhad to insure CCM against fire risk on stock in trade in departmental stores, emporiums, mini-markets, supermarkets and shopping complex for a total insured sum of RM22,000,000 from 2 July 2004 to 1 July 2005.

17.10 LETTERS OF CONSENT

- (i) The written consents of the Adviser and Underwriter, Principal Bankers, Issuing House, Solicitors, Registrar and Company Secretary to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consent of the Auditors and Reporting Accountants to the inclusion of its name, Accountants' Report and letters relating to the consolidated profit forecast and proforma consolidated balance sheets in the manner, 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.
- (iii) The written consent of the Independent Market Research Consultant to the inclusion of its name and Executive Summary of the Independent Market Research Report in the manner, form and context in which it is contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.
- (iv) The written consent of the Valuers to the inclusion of its name and valuation certificate in the manner, form and context in which it is contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

17.11 RESPONSIBILITY STATEMENTS

RHB Sakura, being the Adviser and Underwriter, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the IPO and is satisfied that the consolidated profit forecast of CHB for the financial year ending 30 June 2005 (for which the Directors of CHB are fully responsible) prepared for inclusion in this Prospectus has been stated by the Directors of CHB after due and careful enquiry and has been duly reviewed by the Reporting Accountants.

This Prospectus has been seen and approved by the Directors and Promoters of CHB and the Offerors, and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading. The Directors of CHB hereby accept full responsibility for the profit forecast included in this Prospectus and confirm that the profit forecast has been prepared based on the assumptions made.

17. FURTHER INFORMATION (Cont'd)

17.12 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the Registered Office of the Company or such other places as the SC may determine, during normal business hours for a period of 12 months from the date of this Prospectus:

- (i) Memorandum and Articles of Association of the Company and its subsidiaries;
- (ii) Material contracts referred to in Section 17.8 of this Prospectus;
- (iii) Material agreements referred to in Section 17.9 of this Prospectus;
- (iv) Reporting Accountants' letters on the consolidated profit forecast and proforma consolidated balance sheets as included in Sections 11.2.4 and 11.3 of this Prospectus;
- (v) Executive Summary of the Independent Market Research Report as included in Section 13 of this Prospectus;
- (vi) Valuation certificate as included in Section 14 of this Prospectus;
- (vii) Accountants' Report as included in Section 12 of this Prospectus;
- (viii) Directors' Report as included in Section 15 of this Prospectus;
- (ix) Audited financial statements of CHB, CCM and CRSB for the last five (5) financial years ended 30 June 2004; and
- (x) Letters of consent referred to in Section 17.10 of this Prospectus.

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