
**THE BY-LAWS OF
CN ASIA CORPORATION BERHAD
SHARE ISSUANCE SCHEME**

1. NAME OF SCHEME

This Scheme shall be called the “CN Asia’s Share Issuance Scheme” (“**Scheme**”).

2. OBJECTIVES OF SCHEME

The objectives of the Scheme (as defined herein) are:

- (i) to drive and motivate the Eligible Persons (as defined herein) to work towards achieving the Group’s (as defined herein) goals and objectives;
- (ii) to reward the Eligible Persons in recognition of their contribution to the operations and continued growth of the Group;
- (iii) to retain the Eligible Persons by giving them a sense of ownership, loyalty and belonging to the Group by enabling them to participate directly in the equity of the Company (as defined herein);
- (iv) to align the interests of the Eligible Persons with the interests of the Shareholders (as defined herein) by providing an incentive for the Eligible Persons to participate in the future growth of the Group and motivating them towards achieving better performance; and
- (v) to attract and retain high-calibre Eligible Persons.

3. DEFINITIONS AND INTERPRETATION

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

- “**Act**” - The Companies Act, 2016 as may be amended from time to time and includes any re-enactment thereof or any new act enacted and gazetted to replace and supersede the Act
- “**Available Balance**” - The unissued shares of the Company which is available for the offer of further SIS Options subject to the limit set out in **By-Law 4.2** and after deducting all SIS Options which have been offered and accepted
- “**Board**” - The Board of Directors of the Company
- “**Bursa Securities**” - **BURSA MALAYSIA SECURITIES BHD** [Registration No. 200301033577 (635998-W)]
- “**By-Law(s)**” - The rules, terms and conditions of the Scheme (as may be amended, varied or supplemented from time to time in accordance with **By-Law 22**)
- “**CDS**” - A Central Depository System governed under the Security Industry (Central Depositories) Act 1991

“CDS Account”	-	An account established by BURSA MALAYSIA DEPOSITORY SDN BHD [Registration No. 198701006854 (165570-W)] for a depositor for the recording of deposits of securities and dealings in such securities by the depositor
“CN Asia” or “Company”	-	CN ASIA CORPORATION BHD [Registration No. 199601027090(399442-A)]
“CN Asia Group” or “Group”	-	Collectively, the Company and its subsidiaries (as defined under Section 4 of the Act which are not dormant. Subsidiaries shall include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the duration of the Scheme, but exclude any subsidiaries which have been divested in the manner provided under By-Law 17.2)
“CN Asia Share(s)” or “Share(s)”	-	Ordinary share(s) in the Company
“Constitution”	-	The Constitution of the Company, as amended from time to time
“Date of Acceptance”	-	The date whereupon the SIS Committee shall receive the written notice from an Eligible Person accepting an Offer
“Date of Expiry”	-	The last day of the duration of the Scheme as provided in By-Law 19.3
“Date of Offer”	-	The date on which an Offer (including any subsequent Offers) is made by the SIS Committee to an Eligible Person in the manner provided in By-Law 7
“Director(s)”	-	Directors (either an executive director or a non-executive director) of any company within the Group (excluding dormant subsidiaries) and ‘Director’ shall be construed accordingly
“Effective Date”	-	The effective date for the launching and/or implementation of the Scheme, as provided in By-Law 19.1
“Eligible Director(s)”	-	Director(s) who fulfils the conditions of eligibility stipulated in By-Law 5.1
“Eligible Employee(s)”	-	Employee(s) who fulfils the conditions of eligibility stipulated in By-Law 5.1
“Eligible Person(s)”	-	Eligible Employee(s) or Eligible Director(s), as the case may be
“Entitlement Date”	-	The date as at the close of business on which shareholders’ names must appear on the Record of Depositors of CN Asia in order to participate in any dividends, rights, allotments or other distributions
“Employee(s)”	-	A natural person which is employed by and on the payroll of any company in the Group

“Grantee”	- An Eligible Person who has accepted an Offer (or any part thereof) in the manner provided in By-Law 8
“Listing Requirements”	- The Main Market Listing Requirements of Bursa Securities, as may be amended from time to time
“Market Day(s)”	- A day in which Bursa Securities is open for the trading of securities
“Maximum Allowable Allocation”	- The maximum number of new Shares that may be offered and allotted to the Eligible Persons in accordance with the provisions of By-Law 6
“Offer(s)”	- Written offer(s) made by the SIS Committee to an Eligible Person in the manner provided in By-Law 7
“SIS” or “Scheme”	- The scheme for the granting of SIS Options to Eligible Persons to subscribe for new Shares upon the terms as herein set out, such scheme to be known as the “CN Asia’s Share Issuance Scheme”
“SIS Committee”	- A committee comprising of Director(s) and/or Senior Management (as defined in By-Law 6.1) or other persons appointed from time to time by the Board to administer the Scheme, in accordance with the provisions of By-Law 21
“SIS Option(s)”	- The right of a Grantee to subscribe for new Shares pursuant to the contract constituted by acceptance by the Grantee in the manner provided in By-Law 8 of an Offer made to such Grantee by the SIS Committee pursuant to By-Law 7
“SIS Option Period”	- The period commencing from the Date of Offer and expiring on the Date of Expiry of the Scheme as provided in By-Law 19.3 . In the event that the duration of the Scheme shall be extended, the Date of Expiry of the Scheme shall be the date of expiry as so extended
“Subscription Price”	- The price at which a Grantee shall be entitled to subscribe for each new Share as calculated in accordance with the provisions of By-Law 11

3.2 For the purposes of these By-Laws, all references made to “Bursa Securities” and “Listing Requirements” shall where the context so permits and requires, include or refer to such other relevant authority(ies) and such acts, enactments, rules, regulations and guidelines currently or from time to time hereafter in force affecting the valid implementation and continuation of the Scheme in accordance with the provisions of these By-Laws.

3.3 The headings in these By-Laws are for ease of reference only and shall not be taken into account in the interpretation of these By-Laws.

3.4 References to the provisions of statutes include such provisions as amended or re-enacted from time to time, and references to statutes or listing requirements include any consolidations, replacements or revisions of the same.

3.5 Words importing the masculine gender shall include the feminine and neuter genders and vice versa.

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- 3.6 Words importing the singular number shall include the plural number and vice versa.
- 3.7 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 (1st) Market Day after that day.
- 3.8 Any liberty or power which may be exercised or any determination which may be made hereunder by the SIS Committee shall be exercised in the SIS Committee's absolute and unfettered discretion and the SIS Committee shall not be under any obligation to give any reason there for except as may be required by the relevant authorities or under the law.

4. MAXIMUM NUMBER OF NEW SHARES AVAILABLE UNDER THE SCHEME

- 4.1 Each SIS Option shall be exercisable into one (1) new Share in accordance with the provisions of these By-Laws.
- 4.2 The maximum number of new Shares to be allotted and issued pursuant to the exercise of the SIS Options that may be granted under the Scheme shall not, in aggregate, exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares, if any) of the Company at any one time throughout the duration of the Scheme as provided in **By-Law 19.3**.

The aggregate number of new Shares available pursuant to the Scheme shall consist of:

- (i) the SIS Options exercised by all the Grantees;
- (ii) the remaining SIS Options exercisable by all the Grantees; and
- (iii) the unexpired Offers pending acceptance by all the Eligible Persons,

and shall not exceed an amount equivalent to fifteen percent (15%) of the prevailing total number of issued shares of the Company (excluding treasury shares, if any) at any point of time.

- 4.3 Notwithstanding **By-Law 4.2** above or any other provisions herein contained, in the event the maximum number of new Shares comprised in the SIS Options granted under the Scheme exceeds the aggregate of fifteen percent (15%) of the prevailing total number of issued shares (excluding treasury shares, if any), at any one time of the Company as a result of the Company:
- (i) purchasing its own Shares pursuant to Section 127 of the Act whereby the shares so purchased in treasury will not be taken into account in calculating the number of its issued shares; or
 - (ii) undertaking any other corporate proposal and thereby diminishing the total number of issued shares of the Company,

then the SIS Options granted prior to the adjustment of the total number of issued shares of the Company shall remain valid and exercisable in accordance with these By-Laws. However, in such a situation, the SIS Committee shall not make any further Offers, unless and until such time when the total number of Shares to be issued under the Scheme falls below fifteen percent (15%) of the Company's prevailing total number of issued shares (excluding treasury shares), at any one time throughout the duration of the Scheme as provided in **By-Law 19.3**.

5. ELIGIBILITY

- 5.1 To qualify as an Eligible Person for participation in the Scheme, a person must, as at the Date of Offer fulfil the following conditions:
- (a) in respect of an Employee, the Employee must fulfil the following criteria as at the Date of Offer:
 - (i) he/she is at least eighteen (18) years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;
 - (ii) he/she is employed on the Date of Offer –
 - (1) on a full-time basis and is on the payroll of any company in the Group and his/her employment has been confirmed by any company in the Group on the Date of Offer; or
 - (2) under an employment contract for a fixed duration and has been in the employment of any company in the Group for such period as may be determined by the SIS Committee; and
 - (iii) such Employee falls within any other eligibility criteria (including variations to the eligibility criteria under By-Law 5.1(a)(i) or (ii) above) that may be determined by the SIS Committee from time to time at its sole discretion, whose decision shall be final and binding.
 - (b) in respect of an Eligible Director, the Eligible Director must fulfil the following criteria as at the Date of Offer:
 - (i) he/she is at least eighteen (18) years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings;
 - (ii) he/she has been appointed as a Director of any company within the Group which is not dormant; and
 - (iii) such Director fulfils any other criteria as may be determined by the SIS Committee from time to time at its sole discretion, whose decision shall be final and binding.
 - (c) In respect of a Director, a chief executive officer of the Company or a person connected with a Director or chief executive officer, the specific allocation of SIS Options granted under the Scheme must have been approved by the shareholders of the Company at a general meeting.
 - (d) If the Eligible Person is employed by a company which is acquired by the Group during the duration of the Scheme and becomes a subsidiary whether directly or indirectly held by the Company upon such acquisition, the Eligible Person must fulfil the following as at the Date of Offer:

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- (i) he/she is at least eighteen (18) years of age and he/she is not an undischarged bankrupt or subject to any bankruptcy proceedings; and
 - (ii) he/she is employed full time basis and is on the payroll of the newly acquired company for a continuous period of at least one (1) year and his/her employment has been confirmed by the newly acquired company.

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

Notwithstanding that, the selection of any Eligible Person for participation in the Scheme as well as the allocation of SIS Options to any Eligible Person shall be at the sole and absolute discretion of the SIS Committee and that the decision of the SIS Committee shall be final and binding.

- 5.2 The Eligible Employees or Eligible Directors of the subsidiaries of the Company which are dormant shall not be eligible to participate in the Scheme.
- 5.3 Subject to **By-Law 6.1**, in the event that the SIS Committee has determined that certain Eligible Persons are entitled to be offered additional SIS Options and the Available Balance is insufficient to grant their full additional entitlements, the Available Balance may be distributed on such basis as the SIS Committee may determine and such decision shall be final and binding.
- 5.4 The SIS Committee has the sole and absolute discretion not to make further additional Offers regardless of the amount of the Available Balance.
- 5.5 Each Eligible Director can only participate in the Scheme in one (1) capacity irrespective of the number of directorships or positions he holds in the Group.
- 5.6 Eligibility under the Scheme does not confer a claim or right to participate in the Scheme unless the SIS Committee has made an Offer to the Eligible Person under **By-Law 7**, and an Eligible Person does not acquire or has any rights over or in connection with any SIS Options or the Shares comprised therein unless an Offer has been made by the SIS Committee and has been accepted by the Eligible Person in accordance with the terms of the Offer and the Scheme.
- 5.7 A set of criteria on eligibility and criteria for allocation as determined by the Board from time to time shall be made available to the Eligible Persons. The allocation of the SIS Options pursuant to the Scheme shall be verified by the audit committee of the Company at the end of each financial year and a statement made by the audit committee on the verification of such allocation shall be included in the annual report of the Company.
- 5.8 Where an Offer is made to an Eligible Person who is a member of the SIS Committee, such grant of SIS Option shall be decided and carried out by the SIS Committee PROVIDED ALWAYS that such Eligible Person and persons connected to him/her who are also members of the SIS Committee shall abstain from all deliberations and voting in respect of the Offer proposed to be granted to him/her at the relevant SIS Committee meetings.

6. BASIS OF ALLOCATMENT AND MAXIMUM ALLOWABLE ALLOTMENT

6.1 Subject to **By-law 4** and any adjustment which may be made under the By-Laws, the aggregate maximum number of new Shares comprised in the SIS Options to be offered to an Eligible Person shall be at the sole and absolute discretion of the SIS Committee after taking into consideration, the performance, targets, position, annual appraised performance, seniority and length of service, contribution, category or grade of employment of the Eligible Person and such other factors that the SIS Committee may deem relevant, subject to the following:

- (a) any Eligible Person shall not participate in the deliberation or discussion of their own allocation under the Scheme;
- (b) the allocation to an Eligible Person who, either singly or collectively through persons connected with him, holds twenty percent (20%) or more of the total number of issued shares (excluding treasury shares. If any) of CN Asia, does not exceed ten percent (10%) of the total number of new Shares to be issued under the Scheme; and
- (c) not more than eighty percent (80%) of the new Shares to be issued under the Scheme shall be allocated in aggregate to the Eligible Directors and Senior Management,

provided always that it is in accordance with any prevailing guidelines, rules or regulations issued by Bursa Securities, the Listing Requirements or any other requirements of the relevant authorities as may be amended from time to time.

The term “**Senior Management**” shall refer to an Employee of the Group holding the position of senior manager (including Director) and above or other senior position and shall be subject to criteria to be determined by the SIS Committee that may change from time to time and the term “**person(s) connected**” shall have the same meaning as defined in Paragraph 1.01 of the Listing Requirements.

- 6.2
- (a) An Offer by the SIS Committee to an Eligible Person shall be subject to a minimum of one hundred (100) Shares for each SIS Option and in multiples of one hundred (100) Shares for each SIS Option.
 - (b) For avoidance of doubt, the SIS Committee shall have the sole and absolute discretion in determining whether the Shares available for vesting under this Scheme are to be offered to the Eligible Person via:
 - (i) one single Offer (as the case may be) at a time to be determined by the SIS Committee; or
 - (ii) several Offers (as the case may be) where the vesting of Shares comprised in those Offers is staggered or made in several tranches at such times and on terms determined by the SIS Committee

provided always that the aggregate number of new Shares in respect of the Offers granted to any Eligible Person shall not exceed an amount equivalent to fifteen percent (15%) of the prevailing total number of issued shares of the Company (excluding treasury shares, if any) at any one (1) time. In deciding between (i) and (ii) above, the SIS Committee shall consider, amongst others, whether it wishes to provide a one-off reward for the relevant Grantee’s contribution to the Group to incentivise the Grantee’s continued employment with the Group, or to motivate the relevant Grantee to achieve certain milestones throughout the course of the Grantee’s career progression with the Group moving forward.

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- (c) The SIS Committee also has the discretion to determine, amongst others:-
- (i) whether or not to stagger the Offer over the duration of the SIS for which each Offer shall be separate and independent from the others, including the maximum allocation of the Offer for each financial year in the event the Offer is staggered over the duration of the SIS;
 - (ii) the number of SIS Options to be offered in each Offer;
 - (iii) whether or not the SIS Options are subject to any vesting period and if so, the vesting conditions and whether such vesting is subject to performance target; and
 - (iv) such other terms and conditions as it shall deem fit and appropriate to be imposed for the participation in the Scheme.
- (d) In the event that an Eligible Person is moved to a higher category of employment or entitlement within the Scheme, his/her Maximum Allowable Allocation shall be increased accordingly with the scale of such category upon his/her confirmation in the higher category. However, the SIS Committee has the sole and absolute discretion in deciding whether to grant SIS Options or further SIS Options, as the case may be, notwithstanding any such change in the Employee's Maximum Allowable Allocation.
- (e) In the event that an Eligible Person is moved to a lower category, the following provisions shall apply:
- (i) his/her Maximum Allowable Allocation shall be reduced accordingly with the scale of such category;
 - (ii) in the event that the total number of SIS Options which have been offered to him/her up to the date he/she is moved to the lower category is greater than his/her Maximum Allowable Allocation under such lower category, he/she shall be entitled to continue to hold and to exercise all unexercised SIS Options held by him/her on such date but he/she shall not be entitled to be offered any further SIS Options unless and until he/she is subsequently moved to a higher category or there is an increase to his/her Maximum Allowable Allocation under such lower category, so that his/her new Maximum Allowable Allocation is increased to an amount greater than the total number of SIS Options which have already been offered to him/her; and
 - (iii) in the event that the total number of SIS Options which have been offered to him/her as of the date he/she is moved to the lower category is less than his/her Maximum Allowable Allocation under such lower category, he/she shall be entitled to continue to hold and to exercise all unexercised SIS Options held by him/her on such date and, subject to **By-Law 6.1** to be offered further SIS Options up to his/her Maximum Allowable Allocation under such lower category.
- 6.3 The SIS Committee shall not be obliged in any way to offer to an Eligible Person all of the specified Maximum Allowable Allocation. The decision of the SIS Committee shall be final and binding.
- 6.4 The SIS Committee may at its sole and absolute discretion introduce additional categories of Eligible Persons which it shall deem necessary during the duration of the Scheme provided always that the Maximum Allowable Allocation in respect of these additional categories are in compliance with the relevant Listing Requirements and applicable laws.

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- 6.5 The SIS Committee may make more than one (1) Offer to an Eligible Person provided that the aggregate number of SIS Options offered to an Eligible Person throughout the entire duration of the Scheme does not exceed his Maximum Allowable Allocation.

7. OFFER

- 7.1 During the existence of the Scheme, the SIS Committee may at its sole and absolute discretion at any time and from time to time make Offers in writing to an Eligible Person, subject to the Eligible Person's Maximum Allowable Allocation.

- 7.2 The SIS Committee shall state the following particulars in the Offer:

- (a) date of the Offer;
- (b) the vesting conditions of the SIS Options (if any/if applicable);
- (c) the vesting date(s) of the SIS Options (if any/if applicable);
- (d) the number of SIS Options that are being offered to the Eligible Person;
- (e) the number of Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the SIS Options being offered;
- (f) the SIS Option Period;
- (g) the Subscription Price;
- (h) the Offer Period as defined in **By-Law 7.3**; and

may include such / any other conditions as may be stipulated by the SIS Committee.

- 7.3 An Offer shall be valid for a period of thirty (30) days from the Date of Offer or such period as may be determined by the SIS Committee on a case-to-case basis ("**Offer Period**").

- 7.4 No Offer shall be made to any Eligible Person who is a Director, chief executive officer of the Company or who is a person connected with a Director or chief executive officer of the Company, unless such Offer and the grant of SIS Options have previously been approved by the shareholders of the Company in a general meeting.

- 7.5 Without prejudice to **By-Law 21**, in the event of an error on the part of the Company in stating any of the particulars referred to in **By-Law 7.2**, the following provisions shall apply:

- (a) within one (1) month after the discovery of the error, the Company shall issue a supplemental Offer, stating the correct particulars referred to in **By-Law 7.2**;
- (b) in the event that the error relates to particulars other than the Subscription Price, the Subscription Price applicable in the supplemental Offer shall remain as the Subscription Price as set out in the original Offer; and

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- (c) in the event that the error relates to the Subscription Price, the Subscription Price applicable in the supplemental Offer shall be the correct Subscription Price applicable as at the date of the initial Offer (as determined in accordance with **By-Law 11**), but it shall not apply to any SIS Options which have already been exercised as at the date of issue of the supplemental Offer.

- 7.6 The Company shall keep and maintain at its expense a register of Grantees and shall enter in that register the names and addresses of the Grantees, the Maximum Allowable Allocation, the number of SIS Options offered and accepted, the number of SIS Options exercised, the Date of Offer and the Subscription Price.

8. ACCEPTANCE

- 8.1 An Offer must be accepted by an Eligible Person within the Offer Period by written notice to the SIS Committee accompanied by a payment of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) only for the grant of the SIS Options. The date of receipt by the SIS Committee of such written notice shall constitute the Date of Acceptance.
- 8.2 If an Offer is not accepted in the foregoing manner, the Offer shall automatically lapse upon the expiry of the Offer Period and shall be null and void and be of no further force and effect. The number of SIS Options offered in the lapsed Offer shall be deducted from the Maximum Allowable Allocation or the balance of the Maximum Allowable Allocation of that Eligible Person, and that Eligible Person shall not be entitled to be offered the number of SIS Options offered in the lapsed Offer, in any Offers made in the future unless otherwise decided by the SIS Committee. However, SIS Options not taken up resulting from the non-acceptance of Offers within the Offer Period shall thereafter form part of the balance of SIS Options available under the Scheme for future Offers.
- 8.3 The Offer shall automatically lapse and be null and void in the event of death of an Eligible Person or in the event an Eligible Person shall cease to be an Eligible Director or an Eligible Employee within the Group for any reason whatsoever, or become a bankrupt prior to the acceptance of the Offer by the Eligible Person in the manner set out in **By-Law 8**.

9. NON-TRANSFERABILITY

- 9.1 An SIS Option is personal to the Grantee and subject to the provisions of **By-Laws 14.1, 14.2 and 14.3**, is exercisable only by the Grantee personally during his lifetime.
- 9.2 An SIS Option shall not be transferred, assigned, disposed of or made subject to any encumbrances by the Grantee save and except in the event of the death of the Grantee as provided under **By-Law 14.3**. Any such transfer, assignment, disposal or encumbrance shall result in the automatic cancellation of the SIS Option.

10. EXERCISE OF OPTIONS

- 10.1 Subject to **By-Laws 14, 16 and 17**, an SIS Option granted to an Eligible Person under the Scheme is exercisable by the Eligible Person in full or in part as the Eligible Person may be entitled under the SIS Option at any time during the SIS Option Period. There will be no restriction to the Eligible Person on the percentage of SIS Options exercisable during the SIS Option Period. Any partial exercise of an SIS Option shall not preclude the Eligible Person from exercising the SIS Option in respect of the balance of the Shares comprised in the SIS Option.

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- 10.2 Any SIS Options which remain unexercised at the expiry of the SIS Option Period shall be automatically terminated without any claim against the Company.
- 10.3 A Grantee shall exercise his SIS Options by notice in writing to the Company in the prescribed form stating the number of SIS Options exercised, the number of new Shares relating thereto and the Grantee's individual/nominee CDS Account number ("**Exercise Notice**"). The procedure for the exercise of SIS Options to be complied with by a Grantee shall be determined by the SIS Committee from time to time. The SIS Options shall be exercised in multiples of and not less than one hundred (100) new Shares. The exercise by a Grantee of some but not all of the SIS Options which have been offered to and accepted by him/her shall not preclude the Grantee from subsequently exercising any other SIS Options which have been or will be offered to and accepted by him/her, during the SIS Option Period. In the event that the balance of the SIS Options exercisable by a Grantee in accordance with these By-Laws shall be less than one hundred (100) new Shares, the said balance shall, if exercised, must be exercised in a single tranche.
- 10.4 Every Exercise Notice shall be accompanied by a remittance in Ringgit Malaysia as may be determined by the SIS Committee in the form of a banker's draft or banker's cheque for the full amount of the subscription money in relation to the number of new Shares in respect of which the Exercise Notice is given.
- 10.5 Within eight (8) Market Days of the receipt by the Company of such Exercise Notice and payment, or such other period as may be prescribed by Bursa Securities, and subject to the Constitution, the Company shall allot the relevant number of new Shares to the Grantee. The said new Shares will be credited directly into the Grantee's individual/nominee CDS Account as stipulated by the Grantee in the Exercise Notice, and a notice of allotment stating the number of new Shares so credited will be issued to the Grantee. No physical certificates will be issued. An application will be made by the Company for the listing of and quotation for such new Shares to Bursa Securities.
- 10.6 The Company, the Board and the SIS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities howsoever arising in the event of any delay on the part of the Company in allotting and issuing the new Shares or in procuring Bursa Securities to list and quote the new Shares subscribed for by a Grantee or any delay in receipt or non-receipt by the Company of the Exercise Notice or for any errors in any Offers.
- 10.7 Any failure to comply with the procedures specified by the SIS Committee or to provide information as required by the Company in the Exercise Notice or inaccuracy in the CDS Account number provided shall result in the Exercise Notice being rejected at the discretion of the SIS Committee, and the SIS Committee shall inform the Grantee of the rejection of the Exercise Notice within fourteen (14) Market Days from the date of rejection and the Grantee shall be deemed to not have exercised his/her SIS Option.
- 10.8 Every SIS Options shall be subjected to the condition that no new Shares shall be issued pursuant to the SIS Options if such issue would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the duration of the Scheme or such period as may be extended.

10A. DISCIPLINARY PROCEEDING

10A.1 Notwithstanding anything to the contrary contained in these By-Laws, the SIS Committee shall have the discretion by giving notice in writing to any Grantee who is being subjected to any disciplinary proceeding (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service) to suspend his rights to exercise his SIS Option pending the outcome of such disciplinary proceeding. In addition to this rights of suspension, the SIS Committee may impose such terms and conditions as it shall deem appropriate in its discretion, on the rights of exercise of the SIS Option having regard to the nature of the charges made or brought against such Grantee, provided always that:

- (a) in the event such Grantee is found not guilty of the charges which gave rise to such disciplinary proceeding at the end of its proceedings, the SIS Committee shall reinstate the rights of such Grantee to exercise his SIS Option as if such disciplinary proceeding had not been instituted in the first place;
- (b) in the event the disciplinary proceeding resulted in a recommendation for the dismissal or termination of service of such Grantee, the SIS Option shall be immediately terminated and be null and void and be of no further force and effect upon the Grantee being served the notice of the dismissal or termination of service notwithstanding that such recommendation may be subsequently challenged (successfully or otherwise) by the Grantee in any other forum; and
- (c) in the event such Grantee is found guilty but is not dismissed or terminated, the SIS Committee shall have the rights to determine at its discretion whether or not the Grantee may continue to exercise his SIS Option and if so, to impose such limits, terms and conditions as it deems appropriate, on such exercise rights; and
- (d) in the event that no decision is made and/or the disciplinary proceedings are not concluded prior to the Date of Expiry, the SIS Options of such Grantee shall immediately lapse on the Date of Expiry without notice,

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

For the purpose of this By-Law, a Grantee shall be deemed to be subject to **"disciplinary proceedings"** if:

- (i) the Grantee is suspended from work pending investigation into his/her conduct;
- (ii) the Grantee is issued with a letter requiring him/her to attend an internal domestic inquiry; or
- (iii) such other instances as the Board may deem as being subject to disciplinary proceedings.

11. EXERCISE PRICE

The Exercise Price of each new Share comprised in any SIS Option shall be determined by the Board upon recommendation of the SIS Committee and fixed based on the five (5)-day weighted average market price of the Shares, at the Date of Offer, with a discount of not more than ten percent (10%), subject to such adjustments as stipulated under **By-Law 15** or as may be amended, varied or supplemented from time to time.

12. RANKING OF THE NEW SHARES TO BE ISSUED PURSUANT TO THE EXERCISE OF THE OPTIONS

The new Shares to be issued upon the exercise of any SIS Options shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Shares, save and except that the new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid, for which the entitlement date (namely the date as at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights, allotments and/or other distributions) is prior to the date of allotment of the new Shares to be issued upon the exercise of any SIS Options.

The new Shares will be subject to all the provisions of the Constitution including those relating to the transfer, transmission and otherwise of the Shares.

13. RETENTION/RESTRICTION OF SHARES

The new Shares to be allotted and issued to a Grantee (save for an Eligible Director who is a non-executive Director) pursuant to the exercise of SIS Options under the Scheme will not be subject to any retention period or restriction on transfer unless stated otherwise in the Offer as may be determined by the SIS Committee from time to time at its discretion. However, the Company encourages the Grantee to hold such Shares for as long as possible although a Grantee may sell such Shares at any time after such Shares have been credited to the Grantee's individual/nominee CDS Account. The Shares allocated under the Scheme are intended for the Grantee to hold as an investment rather than for realisation to yield quick profit.

A Grantee, who is a non-executive Director shall not sell, transfer or assign the new Shares obtained through the exercise of SIS Options offered to him pursuant to the Scheme within one (1) year from the Date of Offer, as per Listing Requirements or such period as may be prescribed by Bursa Securities.

14. TERMINATION OF OPTION

14.1 Any SIS Option which has not been exercised by a Grantee shall be automatically terminated in the following circumstances:

- (a) cessation of directorship or employment of the Grantee with the Group for any reason whatsoever, in which event the SIS Option shall be automatically terminated on the day which the SIS Committee shall at its absolute discretion determine on a case to case basis; or
- (b) upon the happening of any event which results in the Grantee being deprived of the beneficial ownership of the SIS Option; or
- (c) if the Grantee becomes a bankrupt in which event the SIS Option shall be automatically terminated on the day the Grantee is adjudicated bankrupt; or

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- (d) winding up or liquidation of the Company, in which event the SIS Options shall be automatically terminated and/or cease to be valid on the following date:
 - (i) in the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
 - (ii) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
 - (e) termination of the Scheme pursuant to By-Law 19.6, in which event the SIS Options shall be automatically terminated and cease or cease to be valid without any claim against the Group on the Termination Date (as defined in By-Law 19.6).

Upon the termination of SIS Options pursuant to **By-Law 14.1** above, the Grantee shall have no right to compensation or damages or any claim against the Company for any loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his ceasing to hold office or employment or from the suspension of his right to exercise his SIS Options or his SIS Options ceasing to be valid on having been terminated.

- 14.2 Notwithstanding **By-Law 14.1** above, the SIS Committee may at its sole and absolute discretion allow an SIS Option to remain exercisable during the SIS Option Period on such terms and conditions as it shall deem fit if the cessation occurs as a result of:
- (a) retirement in accordance with the applicable retirement policy of the Group, as may be amended from time to time, on attaining the Group's then prevailing retirement age;
 - (b) retirement before attaining the Group's then prevailing retirement age with the consent of his/her employer;
 - (c) ill-health, injury, physical or mental disability;
 - (d) redundancy, retrenchment or voluntary separation scheme;
 - (e) secondment or transfer to any company outside the Group at the direction of the Company; or
 - (f) any other circumstances which are acceptable to the SIS Committee in its sole and absolute discretion.
- 14.3 In the event that a Grantee dies before the expiry of the SIS Option Period and, at the date of death, holds any SIS Options which are unexercised, such SIS Options may be exercised by the personal or legal representative of the deceased Grantee within the SIS Option Period or within twelve (12) months after the Grantee's death, whichever expires first, subject to the approval of the SIS Committee and/or terms and conditions as set out by the SIS Committee.
- 14.4 Unless otherwise agreed in writing by the SIS Committee at its sole discretion, upon the resignation of the Grantee from his/her employment or directorship with the Group (as the case may be) or on the Grantees last day of employment, an SIS Option shall lapse forthwith on the date the Grantee tenders his/her resignation. Any SIS Option which lapses upon the resignation of the Grantee from his/her employment or directorship with Group (as the case may be), at the discretion of the SIS Committee, shall be offered to other Eligible Persons.

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- 14.5 In the event of the liquidation of the Company, all unexercised or partially exercised SIS Options shall lapse.

15. ALTERATION OF SHARE CAPITAL DURING THE SIS OPTION PERIOD

- 15.1 Subject to **By-Law 15.3**, in the event of any alteration in the capital structure of the Company during the SIS Option Period, whether by way of a rights issue, bonus issue or other manner of capitalisation, consolidation or subdivision of shares or reduction of capital or otherwise howsoever implemented, the Company shall cause such adjustment to be made to:

- (a) the number of SIS Options granted to each Grantee (excluding SIS Options already exercised); and/or
- (b) the Subscription Price,

for purposes of ensuring that the capital outlay to be incurred by the Grantee in subscribing for the same proportion of the total number of issued shares to which he was entitled prior to the event giving rise to such adjustment (i.e. not taking into account any SIS Options already exercised) shall remain unaffected. Notwithstanding the above, the SIS Committee may, at its discretion, determine whether the Subscription Price and/or the number of unexercised SIS Options shall be adjusted, and if so, the manner in which such adjustments should be made. Any such adjustment must be confirmed in writing by the external auditors or the adviser (acting as experts and not as arbitrators) of the Company to be in their opinion, fair and reasonable.

The computation for the adjustment to the number of SIS Options granted to each Grantee and/or the Subscription Price is set out in **Attachment 1** to these By-Laws.

- 15.2 **By-Law 15.1** shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:

- (a) an issue of new Shares pursuant to the exercise of SIS Options under the Scheme;
- (b) an issue of securities as consideration for an acquisition;
- (c) an issue of securities as a private placement;
- (d) an issue of securities as a special issue approved by the relevant governmental authorities;
- (e) a restricted issue of securities;
- (f) an issue of warrants, convertible loan stocks or other instruments by the Company which give a right of conversion into new Shares arising from the conversion of such securities;
- (g) an issue of new Shares arising from the exercise of any conversion rights in respect of securities convertible into new Shares including but not limited to warrants, convertible loan stocks and convertible preference shares;
- (h) an issue of further SIS Options to Eligible Persons under these By-Laws; or
- (i) a purchase by the Company of its own Shares pursuant to Section 127 of the Act. In such event, the following provisions shall apply:

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- (i) if the number of Shares in respect of SIS Options granted by the Company as at the date of designation of the Shares so purchased as treasury shares or cancellation of such purchased Shares is greater than fifteen percent (15%) of the prevailing total number of issued shares of the Company after such designation or cancellation, the SIS Committee shall not make any further Offers; and
- (ii) if the number of Shares in respect of SIS Options granted by the Company as at the date of designation of the Shares so purchased as treasury shares or cancellation of such purchased Shares is less than fifteen percent (15%) of the prevailing total number of issued shares of the Company after such designation or cancellation, the SIS Committee may make further Offers only until the total number of SIS Options granted by the Company but which remains unexercised is equivalent to fifteen percent (15%) of the prevailing total number of issued shares of the Company after such designation or cancellation.
- 15.3 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Division 7, Subdivision 2 of the Act, **By-Law 15.1** shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company provided always that **By-Law 15.1** shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which **By-Law 15.2** applies.
- 15.4 Upon any adjustment being made in accordance with **By-Law 15.1**, the SIS Committee shall give notice in writing within a period of thirty (30) days from the date of the adjustment, to the Grantee, or his legal or personal representative where the Grantee is deceased, to inform him of the adjustment and the event giving rise thereto. Any adjustments must be confirmed in writing by the Company's external auditors or an adviser. Nevertheless, for the avoidance of doubt, by virtue of **By-Law 26**, the decision of the Board shall be final and binding in all respects.
- 15.5 In the event of a dispute in respect of any adjustment, any Grantee may request the Company to seek the opinion of an approved company auditor or an adviser, acting as an expert and not as an arbitrator, as to its fairness and that this be confirmed in writing. In addition, the Company shall in such situations, at the request of any Grantee, furnish such Grantee with a certificate from an approved company auditor or an adviser stating the opinion of such auditor/adviser, acting as an expert and not as an arbitrator. For the purposes of this By-Law, an approved company auditor shall have the meaning given in Section 263 of the Act and an adviser shall be a person who is permitted to carry on regulated activities of advising corporate finance under the Capital Markets and Services Act, 2007 which includes an adviser under the Guidelines on Submission of Corporate and Capital Market Product Proposals issued by the Securities Commission Malaysia. Nevertheless, for the avoidance of doubt, by virtue of **By-Law 26**, the decision of the Board shall be final and binding in all respects.
- 16. TAKE-OVERS, SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.**
- 16.1 In the event of a take-over offer being made for the Shares under the Malaysian Code on Take-Overs and Mergers, 2016 and such offer being declared unconditional, or such other period as the Board/SIS Committee may determine, the following provisions shall apply:

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- (a) a Grantee shall be entitled to exercise all or any of the SIS Options held by him as at the date of such take-over offer being declared unconditional, after such date and in accordance with the provisions of **By-Law 10.3**. In the event that the Grantee elects not to so exercise some or all of the SIS Options held by him, the unexercised SIS Options shall be automatically terminated on the expiry of the said period of three (3) months; and/or
- (b) if during the said period of three (3) months, the offeror becomes entitled or bound to exercise any rights of compulsory acquisition in respect of the Shares under the provisions of the Capital Market and Services Act, 2007 or the then prevailing applicable laws, and gives notice to the Grantee that he intends to exercise such rights on a specific date ("**Specified Date**"), the Grantee shall be entitled to exercise all or any of the SIS Options held by him at any time prior to the expiry of the said period of three (3) months or the Market Day immediately preceding the Specified Date, whichever is the earlier, and in accordance with the provisions of **By-Law 10.3**. In the event that the Grantee elects not to so exercise some or all of the SIS Options held by him within this period, the unexercised SIS Options shall be automatically terminated on the expiry of the said period of three (3) months or on the Specified Date, whichever is the earlier.
- 16.2 In the event that the take-over offer is made on the basis that acceptance is unconditional, a Grantee shall within three (3) months of the date the take-over offer is made or before the first (1st) closing date of the take-over offer, whichever is earlier, be entitled to exercise all or any of the SIS Options held by him as at the date of such take-over offer was made, and in accordance with the provisions of **By-Law 10.3**. In the event that the Grantee elects not to so exercise some or all of the SIS Options held by him, the unexercised SIS Options shall be automatically terminated on the expiry of the said period of three (3) months or the first (1st) closing date of the take-over offer, whichever is the earlier.
- 16.3 In the event the court has sanctioned a compromise or arrangement between the Company and its members for the purpose of, or in connection with, a scheme for reconstruction of the Company or amalgamation with any other company or companies under the provisions of the Act, then the Grantee shall immediately become entitled at any time upon which compromise or arrangement is sanctioned by the court and ending on the date upon which it becomes effective to exercise in whole or in part his SIS Options. All unexercised SIS Options held by a Grantee shall be automatically terminated on the date such scheme of compromise or arrangement becomes effective.

17. **DIVESTMENT FROM AND TRANSFER TO/FROM THE GROUP**

- 17.1 In the event that a company within the Group shall be divested from the Group, a Grantee who is holding directorship in or employed by such company shall be entitled to continue to hold and to exercise all the SIS Options held by him on the date of completion of such divestment until the expiry of three (3) months from the date of completion of such divestment subject to such exercise being made within the SIS Option Period and in accordance with the provisions of **By-Law 10.3**. In the event that the Grantee does not so exercise some or all of such SIS Options, the unexercised SIS Options shall be automatically terminated upon the expiry of the said three (3) months period.
- 17.2 For the purposes of **By-Law 17.1**, a company shall be deemed to be divested from the Group in the event that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act.

17.3 In the event that the Grantee is transferred from the Group to any associated companies of the Group (which definition shall be that which is adopted by the Financial Reporting Standard issued by the Malaysian Accounting Standards Board) or to any related companies (as defined in Section 6 of the Act) of the Company which have an existing employees' share issuance scheme in which the Grantee will be entitled to participate, unless approved by the SIS Committee in writing, the SIS Options unexercised on the date of transfer shall be null and void and be of no effect.

17.4 In the event that:

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

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

For the avoidance of doubt, in the event of any acquisition or incorporation of any company into the Group pursuant to part (b) above as a subsidiary as defined in Section 5 of the Act or any other statutory regulation in place thereof during the tenure of the Scheme, the Scheme shall apply to the Eligible Person of such company on the date such company becomes a subsidiary of the Group (provided that such subsidiary is not dormant) falling within the meaning of the expression of **"Eligible Person"** under **By-Law 3** and the provisions of the By-Laws shall apply.

18. WINDING UP

All outstanding SIS Options shall be automatically terminated in the event that a resolution is passed or a court order is made for the winding up of the Company.

19. DURATION, TERMINATION AND EXTENSION OF THE SCHEME

19.1 The effective date for the implementation and launching of the Scheme shall be the date of full compliance with all the relevant requirements of the Listing Requirements including the following:

- (a) the submission of the final copy of the By-Laws to Bursa Securities pursuant to the Listing Requirements;
- (b) the receipt of approval-in-principle from Bursa Securities for the listing of and quotation for the new Shares to be issued from the exercise of the SIS Options under the Scheme;
- (c) the approval of the Company's shareholders in a general meeting for the Scheme;
- (d) the approval(s) of any other relevant authorities, if any; and
- (e) the fulfilment of all conditions attaching to the aforesaid approvals, if any.

19.2 The Adviser of the Company shall submit a confirmation letter to Bursa Securities of full compliance pursuant to the Listing Requirements stating the Effective Date of the Scheme together with a certified true copy of the relevant resolution passed by the shareholders of the Company in a general meeting. The confirmation letter must be submitted to Bursa Securities no later than five (5) Market Days after the Effective Date.

19.3 The Scheme shall be in force for a period of five (5) years from the Effective Date, provided always that on or before the expiry thereof, the Board shall have the absolute discretion, without the approval of the Company's shareholders in a general meeting, to extend the duration of the Scheme (as the Board may deem fit) for up to a further five (5) years provided that the Company shall serve appropriate notices on each Grantee and/or make the necessary announcements to Bursa Securities (if required). Any extended Scheme under this provision shall be implemented in accordance with the terms of the By-Laws, subject however to any revisions and/or changes to the relevant laws and/or regulations then in force.

For avoidance of doubt, the duration of the Scheme shall not in aggregate exceed ten (10) years from the Effective Date.

19.4 Offers can only be made during the existence of the Scheme and before the Date of Expiry.

19.5 Notwithstanding anything to the contrary, all unexercised SIS Options shall lapse on the Date of Expiry.

19.6 Notwithstanding the provisions of **By-Law 19.3**, and subject always to compliance with Bursa Securities and any other regulatory authorities' requirements, guidelines or directives, the Scheme may be terminated at any time during the duration of the Scheme by the SIS Committee upon approval of the Board without obtaining the consents from the Grantees or approvals from the shareholders of the Company provided that the Company makes an announcement which shall include the effective date of termination ("**Termination Date**"), number of SIS Options exercised or Shares vested and reasons for termination immediately to Bursa Securities pursuant to the Listing Requirements.

19.7 Upon termination of the Scheme, the following shall apply:

- (a) the SIS Committee shall make no further Offers;
- (b) all Offers which have yet to be accepted by the Eligible Persons shall automatically lapse on the Termination Date;
- (c) all Offers which have yet to be vested in the Eligible Persons shall automatically lapse on the Termination Date; and
- (d) all outstanding SIS Options which have yet to be exercised by the Grantees and/or vested (if applicable) shall be automatically terminated and be null and void on the Termination Date.

For the avoidance of doubt, SIS Options which have been exercised but where the new Shares have yet to be issued or registered in the name of the Eligible Person or his estate as at the date of the resolution to terminate the Scheme shall remain effective and the Company shall issue and register the new Shares accordingly.

20. SUBSEQUENT EMPLOYEE SHARES ISSUANCE SCHEME

Subject to the approval of the relevant authorities and compliance with the requirements of the relevant authorities, the Company may establish a new employees share issuance scheme after the Date of Expiry or after the termination of the Scheme pursuant to **By-Law 19.6**, provided that the aggregate number of shares available under all the Schemes does not breach the maximum limit prescribed in the prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

21. ADMINISTRATION

- 21.1 The Scheme shall be administered by the SIS Committee. The SIS Committee shall, subject to these By-Laws, administer the Scheme in such manner as it shall think fit.
- 21.2 Without limiting the generality of **By-Law 21.1**, the SIS Committee may, for the purpose of administering the Scheme, do all acts and things and enter into any transaction, agreement, deed, documents or arrangement, and make rules, regulations or impose terms and conditions, rectify any errors in Offers, execute all documents and delegate any of its powers and duties relating to the Scheme as it may in its discretion consider to be necessary or desirable for giving effect to the Scheme.
- 21.3 The Board shall have power at any time and from time to time to rescind the appointment of any person appointed to the SIS Committee as it shall deem fit.

22. MODIFICATION, VARIATION AND/OR AMENDMENT TO THE BY-LAWS

- 22.1 Subject to **By-Law 22.2**, the SIS Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of these By-Laws as it shall in its discretion think fit and the Board shall have the power by resolution to add to, amend or delete all or any of these By-Laws upon such recommendation subject to the Company submitting a confirmation letter to Bursa Securities for the amendment made, that the said amendment is in compliance with the provisions of the Listing Requirements pertaining to employees share issuance scheme and Rules of the Depository (as defined under the Listing Requirements) pursuant to the Listing Requirements.
- 22.2 The approval of the shareholders of the Company in general meeting shall not be required for any amendments to the By-Laws PROVIDED THAT no additions or amendments to or deletions of these By-Laws shall be made which will:
- (a) prejudice any rights then accrued to any Grantee without the prior consent or sanction of that Grantee;
 - (b) increase the number of Shares available under the Scheme beyond the maximum imposed by **By-Law 6.1**; or
 - (c) alter to the advantage to the Eligible Person and/or Grantee any provisions of the Scheme without the prior approval of the Company's shareholders in a general meeting.
- 22.3 For the purpose of complying with the provisions of Appendix 6E of the Listing Requirements, the provisions of **By-Laws 4, 5, 6, 8, 10, 11, 12, 13, 15, 18, 19, 22** and **Attachment 1** shall not be amended or altered in any whatsoever to the advantage of Eligible Persons or Grantees without the prior approval of the Company's shareholders in a general meeting.

23. RIGHTS OF GRANTEE

- 23.1 The SIS Options shall not carry any right to attend and vote at any general meeting of the Company. The Grantee shall not in any event be entitled to any dividends, distributions, rights or other entitlement on his unexercised SIS Options.
- 23.2 Subject to the Constitution, all Grantees are entitled to inspect the latest audited financial statements of the Company during the usual business hours on any working day at the Registered Office of the Company.

24. SCHEME NOT A TERM OF EMPLOYMENT

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

25. NO COMPENSATION FOR TERMINATION

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

- (a) this Scheme shall not form part of any contract of employment between the Company or any company within the Group and any Eligible Person. The rights of any Eligible Person under the terms of his/her employment with any company in the Group shall not be affected by his/her employment participation in the Scheme nor shall such participation or the SIS Options afford such Eligible Person any additional rights to compensation or damages due to the termination of such employment for any reason whatsoever;
- (b) this Scheme shall not confer on any legal or equitable right or other rights under any other laws (other than those constituting the SIS Options) against the Company or any company(ies) in the Group, or give rise to any course of legal action or in equity or under any other laws against the Company or company(ies) in the Group;
- (c) no Grantee or his/her personal or legal representative or any third party shall bring any claim action or proceeding against the Company, company in the Group, the SIS Committee or the Board for any compensation, loss or damage whatsoever arising from the termination, suspension or cancellation of his/her rights to exercise of his/her SIS Options or his/her SIS Options ceasing to be valid pursuant to the provision of these By-Laws; and
- (d) the Company, the Board or the SIS Committee or the company in the Group shall not in any event be liable to the Grantee and/or his/her personal or legal representative or any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage/loss arising from the termination, breach or non-performance of these By-Laws or any loss suffered by reason of any change/adjustment in the price of the Share any other cause or reason whatsoever.

26. DISPUTES

Any disputes arising hereunder shall be referred for decision by the Board, whose decision shall be final and binding in all respects, provided that any Directors of such Board meeting convened to determine the dispute who are also in the SIS Committee shall abstain from deliberations and voting, and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws.

27. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of new Shares pursuant to the exercise of SIS Options, shall be borne by the Company.

28. TAXES

Any income tax arising from the exercise of any SIS Option under the Scheme shall be borne by the Grantee.

29. CONSTITUTION

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

30. SEVERABILITY

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

31. DISCLOSURES IN ANNUAL REPORT

The Company will make such disclosures in its annual report for as long as the Scheme continues in operation as from time to time required by the Listing Requirements including (where applicable) a statement by the audit committee verifying that the allocation of SIS Options pursuant to the Scheme is in compliance with the criteria for allocation disclosed by the Company to the Eligible Persons.

32. GOVERNING LAW

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

33. NOTICE

33.1 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the Grantee pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given:-

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- (a) if it is sent by ordinary post by the Company to the Eligible Person or the Grantee at the last address known to the Company as being his address, such notice shall be deemed to have been received three (3) Market Days after posting;
 - (b) if it is given by hand to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received on the date of delivery; or
 - (c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received upon the date of delivery in the timestamp in such electronic media.

Any change of address of the Eligible Person or the Grantee shall be communicated in writing to the Company and the SIS Option Committee.

- 33.2 Any certificate, notification or other notice required to be given to the Company or the SIS Committee shall be properly given if sent by registered post or delivered by hand to the Company at its registered address or any other business address which may be notified in writing by the SIS Committee from time to time.

Attachment 1

The Subscription Price and/or the number of Shares to be comprised in the SIS Options in respect of the right to subscribe for new Shares so far as unexercised to which a Grantee may be entitled from time to time be adjusted, calculated or determined by the SIS Committee and certified by the external auditors or an adviser (acting as experts and not as arbitrators) in accordance with the following relevant provisions:

- (a) If and whenever a consolidation or subdivision or conversion of the Shares occurs, the Subscription Price and the Shares comprised in the SIS Options so far as unexercised ("**Revised Number of Shares Under SIS Option**") shall be adjusted, calculated or determined in the following manner:

$$\text{New Subscription Price} = \frac{S \times U}{V}$$

$$\text{Revised Number of Shares Under SIS Option} = \frac{T \times V}{U}$$

Where:-

S = Existing Subscription Price; and

T = Existing number of Shares comprised in the SIS Option in respect of the right to subscribe for new Shares so far as unexercised

U = Aggregate number of Shares (excluding Shares held as treasury shares, if any) in the share capital of the Company immediately preceding such consolidation, subdivision or conversion; and

V = Aggregate number of Shares in the share capital of the Company after such consolidation, subdivision or conversion.

Each such adjustment will be effective from the close of business of the Market Day next following the date on which the consolidation or subdivision or conversion becomes effective (being the date on which the Shares are traded on Bursa Securities after such consolidation or subdivision or conversion) or such other date as may be prescribed by Bursa Securities.

- (b) If and whenever the Company shall make an issue of new Shares credited as fully paid, by way of by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature), the Subscription Price shall be adjusted by multiplying it by the following fraction:

$$\text{New Subscription Price} = \frac{S \times A}{A + B}$$

Whilst the additional Shares comprised in the SIS Options so far as unexercised ("**Additional Shares Under SIS Option**") shall be calculated in the following manner:-

$$\text{Additional Shares Under SIS Option} = \frac{T \times (A + B)}{A} - T$$

Where:-

A = The aggregate number of issued Shares immediately before such capitalisation issue;

- B = The aggregate number of new Shares to be issued pursuant to any allotment credited as fully-paid by way of capitalisation of profits or reserves (whether of a capital or income nature);
- S = Existing Subscription Price; and
- T = Existing number of Shares comprised in the SIS Option in respect of the right to subscribe for new Shares so far as unexercised

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

- (c) If and whenever the Company shall make:
- (i) A Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
 - (ii) Any offer or invitation to ordinary shareholders where under they may acquire or subscribe for new Shares by way of rights; or
 - (iii) Any offer or invitation to ordinary shareholders by way of rights where under they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares;

then and in any such case, the Subscription Price shall be adjusted in the following manner:-

$$\text{New Subscription Price} = \frac{S \times (C - D)}{C}$$

Where:-

- S = Existing Subscription Price
- C = The Current Market Price (as defined in paragraph (h) below) of one (1) Share on the Market Day immediately preceding the date on which the Capital Distribution, or as the case may be, the offer or invitation is publicly announced or (failing any such announcement), immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and
- D = (A) In the case of an offer or invitation to acquire or subscribe for new Shares under paragraph (c)(ii) above or for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares under paragraph (c)(iii) above, the value of rights attributable to one (1) Share (as defined below); or
- (B) In the case of any other transaction falling within this paragraph (c), the fair market value, as determined (with the concurrence of the external auditors of the Company) by an adviser, of that portion of the Capital Distribution attributable to one (1) Share.

For the purpose of definition (A) of "D" above, the "value of rights attributable to one (1) Share" shall be calculated in accordance with the formula:

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

Where:-

- C = C in this paragraph (c);
- E = The subscription price of one (1) additional Share under the terms of such offer or invitation to acquire or one (1) additional security convertible into new Shares or one (1) additional security with rights to acquire or subscribe for new Shares;
- F = The number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) new Share or security convertible into new Shares or right to acquire or subscribe for new Shares; and
- 1 = One (1)

In the case of paragraphs (c)(ii) and (c)(iii) above, the Additional Shares Under SIS Option shall be calculated as follows:

$$\text{Additional Shares Under SIS Option} = T \times \frac{(C)}{(C - D^*)} - T$$

Where:-

- T = Existing number of Shares comprised in the SIS Option in respect of the right to subscribe for new Shares so far as unexercised;
- C = C in this paragraph (c); and
- D* = The "value of the rights attributable to one (1) Share" (as defined below)

For the purpose of D* above, the "value of the rights attributable to one (1) Share" shall be calculated in accordance with the formula:

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

Where:-

- C = C in this paragraph (c);
- E* = The subscription consideration of one (1) new Share under the terms of such offer or invitation to acquire or subscribe for one (1) new Share;
- F* = The number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) new Share; and
- 1 = One (1).

For the purpose of this paragraph (c), "**Capital Distribution**" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of Shares (other than an issue falling within paragraph (b) above) credited as fully or partly paid up by way of capitalisation of profits or reserves (whether of a capital or income nature). Any dividend charged or provided for in the accounts of any period or made shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated income statement of the Company.

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

- (d) If and whenever the Company makes any allotment to its ordinary shareholders as provided in paragraph (b) above and also makes any offer or invitation to its ordinary shareholders as provided in paragraph (c)(ii) or paragraph (c)(iii) above and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose for the offer or invitation, the Subscription Price shall be adjusted in the following manner:

$$\text{New Subscription Price} = \frac{S \times [(G \times C) + (H \times I)]}{(G + H + B) \times C}$$

and in respect of each case referred to in paragraph (b) and paragraph (c)(ii) above, the Additional Shares Under SIS Option shall be calculated in the following manner:-

$$\text{Additional Shares Under SIS Option} = \frac{T \times [(G + H^* + B) \times C]}{(G \times C) + (H^* \times I^*)} - T$$

Where:-

- G = The aggregate number of issued Shares on the entitlement date;
- C = C in paragraph (c) above;
- H = The aggregate number of new Shares under an offer or invitation to acquire or subscribe for new Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into new Shares or with rights to acquire or subscribe for new Shares as the case may be;
- H* = The aggregate number of Shares under an offer or invitation to acquire or subscribe for new Shares by way of rights;
- I = The subscription price of one (1) new Share under an offer or invitation to acquire or subscribe for new Shares or the exercise price on conversion of securities or exercise of such rights to acquire or subscribe for one (1) new Share as the case may be;
- I* = The subscription price of one (1) new Share under the offer or invitation to acquire or subscribe for new Shares;
- B = B in paragraph (b) above;
- S = Existing Subscription Price; and
- T = Existing number of Shares comprised in the SIS Option in respect of the right to subscribe for new Shares so far as unexercised.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for such issues.

- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for new Shares as provided in paragraph (c)(ii) above together with an offer or invitation to acquire or subscribe securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares as provided in paragraph (c)(iii) above, the Subscription Price shall be adjusted in the following manner:-

$$\text{New Subscription Price} = \frac{S \times (G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

and the Additional Shares Under SIS Option shall be calculated in the following manner:-

$$\text{Additional Shares Under SIS Option} = \frac{T \times (G + H^*) \times C}{(G \times C) + (H^* \times I^*)} - T$$

Where:-

- G = G as in paragraph (d) above;
- C = C as in paragraph (c) above;
- H = H as in paragraph (d) above;
- H* = H* as in paragraph (d) above;
- I = I as in paragraph (d) above;
- I* = I* as in paragraph (d) above;
- J = The aggregate number of new Shares to be issued to its ordinary shareholders upon conversion of such exercise of such rights to subscribe for new Shares by the ordinary shareholders;
- K = The exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) new Share;
- S = Existing Subscription Price; and
- T = Existing number of Shares comprised in the SIS Option in respect of the rights to subscribe for new Shares so far as unexercised.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for above transaction.

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in paragraph (b) above and also makes an offer or invitation to acquire or subscribe for new Shares to its ordinary shareholders as provided in paragraph (c)(ii) above together with rights to acquire or subscribe for securities convertible into or with rights to acquire or subscribe for new Shares as provided in paragraph (c)(iii) above and the entitlement date for the purpose of the allotment is also the entitlement date for the purpose of offer or invitation, the Subscription Price shall be adjusted in the following manner:

$$\text{New Subscription Price} = \frac{S \times [(G \times C) + (H \times I) + (J \times K)]}{(G + H + J + B) \times C}$$

and the Additional Shares Under SIS Option shall be calculated in the following manner:-

$$\text{Additional Shares Under SIS Option} = \frac{T \times [(G + H^* + B) \times C]}{(G \times C) + (H^* \times I^*)} - T$$

Where:-

G	=	G as in paragraph (d) above;
C	=	C as in paragraph (c) above;
H	=	H as in paragraph (d) above;
H*	=	H* as in paragraph (d) above;
I	=	I as in paragraph (d) above;
I*	=	I* as in paragraph (d) above;
J	=	J as in paragraph (e) above;
K	=	K as in paragraph (e) above;
B	=	B as in paragraph (b) above;
S	=	Existing Subscription Price; and
T	=	Existing number of Shares comprised in the SIS Option in respect of the right to subscribe for new Shares so far as unexercised.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the entitlement date for the above transaction.

- (g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders alike and requiring an adjustment under paragraphs (c)(ii), (c)(iii), (d), (e) or (f) above), the Company shall issue either any Shares or any securities convertible into new Shares or with rights to acquire or subscribe for new Shares, and in any such case the Total Effective Consideration per Share (as defined below) is less than ninety percent (90%) of the Average Price for one (1) Share (as defined below) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Subscription Price shall be adjusted in the following manner:

$$\text{New Subscription Price} = \frac{S \times (L + M)}{L + N}$$

Where:-

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

For the purposes of this paragraph (g) the “Total Effective Consideration” shall be determined by the Directors of the Company with the concurrence of the Company’s external auditors or an adviser and shall be:

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

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

For the purpose of this paragraph (g), the Average Price of a Share shall be the average price of one (1) Share as derived from the last dealt prices for one (1) or more board lots of the Shares as quoted on the Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

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

- (h) For the purpose of paragraphs (c), (d), (e) and (f), the “Current Market Price” in relation to one (1) Share for any relevant day shall be the average of the last dealt price for the five (5) consecutive Market Days before such date or other period as may be determined in accordance with any guidelines issued, from time to time, by Bursa Securities.

The foregoing provisions on adjustment of the Subscription Price shall be subject to the following:

- (a) On any such adjustment the resultant Subscription Price shall be rounded up to the nearest one (1) sen and in no event shall any adjustment (otherwise than upon the consolidation of Shares) involve an increase in the Subscription Price or reduce the number of Shares comprised in the SIS Option so far as unexercised to which the Grantee is already entitled to;
- (b) No adjustment shall be made to the Subscription Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions of “would be less than one (1) sen” or the number of Shares comprised in the SIS Option so far as unexercised is less than one (1) Share and any adjustment that would otherwise be required then to be made will not be carried forward;

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- (c) If an event giving rise to any such adjustment shall be capable of falling within any two (2) or more of paragraphs (a) to (g) of **By-Law 15.1** (both inclusive) or if such event is capable of giving rise to more than one adjustment, the adjustment shall be made in such manner as the Directors of the Company and the external auditors or an adviser may agree;
- (d) If for any reason an event giving rise to an adjustment to the Subscription Price and/or the number of Shares comprised in the SIS Option so far as unexercised to which a Grantee may be entitled to is cancelled, revoked or not completed, the adjustment shall not be required to be made or shall be reversed with effect from such date and in such manner as the Directors of the Company and the external auditors or an adviser may agree; and
- (e) In determining a Grantee's entitlements to subscribe for Shares, any fractional entitlements will be disregarded.

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