

14. BY-LAWS OF THE ESOS

Bursa Securities has, vide its letter dated on 23 August 2004, approved-in-principle the listing of and quotation for our new Shares to be issued pursuant to the exercise of options under our ESOS on the Second Board of Bursa Securities. On 14 June 2005, our shareholders have adopted the ESOS for the benefits of our eligible Directors and employees. The ESOS is effective from 15 June 2005. We intend to grant options for subscription of 16,875,000 new Shares pursuant to the ESOS prior to our listing on the Second Board of Bursa Securities to our eligible Directors and employees. The ESOS By-Laws are as follows:

1. DEFINITIONS

1.1 In these By-Laws, except where the context otherwise requires, the following expressions shall have the following meanings:

“Act”	:	Companies Act 1965, as amended from time to time and any re-enactment thereof
“Board”	:	Board of Directors of NHR
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“By-Laws”	:	The by-laws governing the Scheme
“CDS”	:	Central Depository System
“Central Depositories Act”	:	Securities Industry (Central Depositories) Act, 1991
“Eligible Director”	:	A director (who can either be an executive director or non-executive director) of the NHR Group, save for companies which are dormant, who meets the criteria of eligibility for participation in the Scheme as set out in By-Law 4
“Eligible Person”	:	An eligible employee and/ or Eligible Director of the NHR Group, save for companies which are dormant, who meets the criteria of eligibility for participation in the Scheme as set out in By-Law 4
“ESOS”	:	Employees’ share option scheme
“Grantee”	:	An Eligible Person who has accepted an Offer in accordance with the provisions of By-Law 8
“Listing Requirements”	:	Listing requirements of Bursa Securities, as amended from time to time
“Market Day”	:	A day on which Bursa Securities is open for trading in securities
“Maximum Allowable Allotment”	:	The maximum number of new NHR Shares in respect of which Offers may be made to the Eligible Person in accordance with the provisions of By-Law 6
“NHR” or “Company”	:	Ni Hsin Resources Berhad (653353-W)

14. BY-LAWS OF THE ESOS (Cont'd)

"NHR Group" or "Group"	:	NHR and its subsidiaries, collectively
"NHR Shares" or "Shares"	:	Ordinary shares of RM0.20 each in NHR
"Offer"	:	An offer of an Option made in writing by the Option Committee to an Eligible Person in the manner set out in By-Law 5
"Offer Date"	:	The date on which an Offer is made by the Option Committee to an Eligible Person to participate in the Scheme
"Option"	:	The rights of a Grantee to subscribe for new NHR Shares pursuant to the contract constituted by acceptance of an Offer in the manner as set out in By-Law 8
"Option Committee"	:	The committee comprising such persons as may be appointed by the Board to administer the Scheme
"Option Period"	:	A period commencing from the Offer Date until the expiry date and/or termination of the Scheme or such date as may be specifically stated in such Offer for an Eligible Person to exercise the Option PROVIDED THAT no option period shall extend beyond the duration of the Scheme as referred to By-Law 19 hereof
"Option Price"	:	The price at which a Grantee shall be entitled to subscribe for a new NHR Share upon the exercise of an Option as set out in By-Law 7
"RM"	:	Ringgit Malaysia
"Scheme"	:	The Scheme for the grant of Options to Eligible Persons to subscribe for new NHR Shares on the terms as set out herein
"Subsidiary(ies)"	:	The subsidiary(ies) of NHR as defined in Section 5 of the Act

1.2 In these By-Laws:

- (i) Any reference to a statutory provision shall include any subordinate legislation made from time to time under any listing requirements, policies and/or guidelines of Bursa Securities, Securities Commission ("SC") and/or other relevant authorities (in each case, whether or not having the force of law but, if not having the force of law, the compliance of 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, SC and/or other relevant authorities).
- (ii) Any reference to the provisions of any legislation shall include a reference to any statutory modification and re-enactment thereof made from time to time.
- (iii) References to gender shall include both genders and words importing the singular shall include the plural.
- (iv) The headings in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws.

14. BY-LAWS OF THE ESOS (Cont'd)

- (v) 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. NAME OF SCHEME

This Scheme will be known as the “Ni Hsin Resources Berhad Employees’ Share Option Scheme”.

3. MAXIMUM NUMBER OF SHARES ALLOWABLE UNDER THE SCHEME

- 3.1 The total number of new NHR Shares, which may be available under the Scheme, shall not exceed in aggregate fifteen percent (15%), or any such amount or percentage as may be permitted by the relevant authorities, of the total issued and paid-up share capital of the Company at any one time during the existence of the Scheme.

- 3.2 Notwithstanding the provision of By-Law 3.1 and any other provisions herein contained, in the event the aggregate number of new NHR Shares available under the Scheme exceeds the aggregate fifteen percent (15%) or any such amount or percentage as may be permitted by the relevant authorities of the issued and paid-up share capital of the Company as a result of the Company purchasing its own Shares or undertaking any other corporate proposals which diminishes its issued and paid-up share capital, then all such 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 further Offer shall be made until the total number of Shares to be issued under the Scheme falls below fifteen percent (15%) of the issued and paid-up share capital of the Company.

- 3.3 The Company will during the Option Period keep available sufficient authorised and unissued shares to satisfy all outstanding Options, which may be exercised, in whole or in part during the Option Period.

4. ELIGIBILITY

Subject to the eligibility criteria as may be set by the Option Committee, an Eligible Person shall be eligible to participate in the Scheme.

Eligibility under the Scheme does not confer on an Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the Options or the new Shares comprised herein unless an Offer has been made by the Option Committee to the Eligible Person and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the Scheme.

5. OFFER

- 5.1 The Option Committee may, at its discretion at any time and from time to time within the duration of the Scheme as defined in By-Law 19 hereof, make one or more Offers to any Eligible Person whom the Option Committee may in its discretion select in accordance with the terms of the Scheme, PROVIDED ALWAYS THAT an Offer shall not be less than one hundred (100) NHR Shares or the minimum board lot for shares as may be prescribed by Bursa Securities from time to time and shall always be in multiples of one hundred (100) NHR Shares or the minimum board lot for shares as may be prescribed by Bursa Securities from time to time.

14. BY-LAWS OF THE ESOS (Cont'd)

- 5.2 Unless otherwise stated, nothing herein shall prevent the Option Committee from making more than one Offer to any Eligible Person PROVIDED ALWAYS THAT the total aggregate number of new NHR Shares in respect of the Options granted shall not exceed the Maximum Allowable Allotment of such Eligible Person.
- 5.3 Each Offer shall be made in writing by the Option Committee and shall state the number of new NHR Shares which the Eligible Person shall be entitled to subscribe, the Option Price, the Option Period and the closing date for acceptance of the Offer.
- 5.4 No Option shall be granted to any Eligible Director of the Group unless specific grant of Options to that Eligible Director shall have previously been approved by the shareholders of the Company in a general meeting.
- 5.5 The Offer shall automatically lapse and be null and void in the event of death of the Eligible Person, or the Eligible Person ceasing to be employed, or ceasing to be appointed as a Director of the NHR Group for any reason whatsoever prior to the acceptance of the Offer by the Eligible Person in manner set out in By-Law 8 hereof.

6. MAXIMUM ALLOWABLE ALLOTMENT AND THE BASIS OF ALLOTMENT

- 6.1 Subject to any adjustments which may be made under By-Law 14, the maximum number of new NHR Shares that may be offered and allotted to an Eligible Person shall be determined at the discretion of the Option Committee after taking into consideration the performance, seniority and length of service of the Eligible Person and/or such other factors that the Option Committee may deem relevant, subject always to the following:
 - (i) the aggregate allocation to the Eligible Directors and senior management of the NHR Group, save for the companies which are dormant, shall not exceed fifty percent (50%) of the new NHR Shares available under the Scheme; and
 - (ii) the allocation to any Eligible Person who, either singly or collectively, through persons connected to him (as defined in paragraph 1.01 of the Listing Requirements), holds twenty percent (20%) or more of the issued and paid-up capital of the Company, shall not exceed ten percent (10%) of the new NHR Shares available under the Scheme.
- 6.2 The number of Options offered pursuant to the Scheme and new NHR Shares arising from the exercise of the Options shall be verified by the audit committee of the Company and a statement to that effect that the audit committee has conducted such verification shall be disclosed in the Company's annual report.
- 6.3 A set of criteria on employees' and directors' eligibility of options pursuant to the Scheme shall be clearly specified and all employees and directors shall be made aware of it through notification in writing or any other appropriate mediums.
- 6.4 In circumstances where the maximum share allocation as provided in the Listing Requirements is amended by Bursa Securities from time to time, the Option Committee shall have the discretion to make the necessary adjustments in the Options that may be offered to any one of the Eligible Person so as to comply with such amended Listing Requirements.

14. BY-LAWS OF THE ESOS (Cont'd)

7. OPTION PRICE

Subject to any adjustments in accordance with By-Law 14 hereof, the price at which a Grantee is entitled to subscribe for each new NHR Share shall be determined by the Option Committee based on the five (5)-day weighted average market price of NHR Shares immediately preceding the Offer Date of the Option, with a discount of not more than ten percent (10%), or at the par value of NHR Shares, whichever is higher.

For any Option granted as part of the listing proposal of the Company, the Option Price must not be less than the initial public offer price.

8. ACCEPTANCE OF THE OFFER

8.1 The Offer to participate in the Scheme shall be valid for acceptance for a period of fourteen (14) days from the Offer Date or such longer period as may be determined by the Option Committee on a case-to-case basis at its discretion. The acceptance of an Offer shall be made by way of a written notice from the Eligible Person to the Option Committee in the form prescribed by the Option Committee within the prescribed period. In the event that the Eligible Person fails to accept the Offer within the prescribed period, the Offer shall automatically lapse, and be null and void and of no further effect PROVIDED THAT the Option Committee shall not be precluded from making a new Offer to the Eligible Person subsequently.

8.2 Acceptance of the Offer by an Eligible Person shall be accompanied by the payment of Ringgit Malaysia One (RM1.00) as non-refundable consideration for the Option.

8.3 An Option shall be personal to the Grantee and cannot be assigned, transferred or otherwise disposed of in any manner whatsoever save and except as provided for in By-Law 10.3.

9. EXERCISE OF OPTIONS

9.1 Subject to By-Law 9.2, an Option may be exercised by the Grantee by notice in writing to the Company in the prescribed form during the Option Period in respect of all or any part of the new NHR Shares comprised in the Option, PROVIDED THAT where an Option is exercised in respect of a part of the new NHR Shares comprised therein, the number of new NHR Shares of which such Option may be exercised shall be in multiples of and not less than one hundred (100) new Shares or such board lot as may be prescribed by Bursa Securities from time to time.

9.2 Subject to any adjustments in accordance with By-Law 14, the Option Committee may, at any time and from time to time, before or after an Option is granted, limit the exercise of the Option to a maximum number of new NHR Shares and/or such percentage of the total new NHR Shares comprised in the Option during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the Option Committee in its discretion including amending or varying any terms and conditions imposed earlier.

The partial exercise of an Option shall not preclude the Grantee from exercising the Option for the remaining duration of the Option Period in respect of the balance of the new NHR Shares comprised in the Option.

Any new NHR Shares comprised in an Option not subscribed for in any year following the Offer Date, may be subscribed for in any subsequent year until and including the last year of the Option Period.

14. BY-LAWS OF THE ESOS (Cont'd)

- 9.3 A Grantee who exercises his Option shall provide the Option Committee with his CDS account number or the CDS account number of his authorised nominee, as the case may be, in the notice referred to in By-Law 9.1. Every such written notice must be accompanied by a remittance for the full amount of the subscription monies for the new NHR Shares in respect of which notice is given. Within ten (10) Market Days or such other period as may be prescribed by Bursa Securities, from the receipt by the Company of the aforesaid notice and remittance from the Grantee, the Company shall allot and issue such new NHR Shares, despatch the notice of allotment stating the number of shares to be credited into the CDS account of the Grantee or the Grantee's authorised nominee with a copy to the Grantee, as the case may be, and make an application for the quotation of the new NHR Shares, subject to and in accordance with the provisions of the Articles of Association of the Company. No physical share certificate(s) will be issued.
- 9.4 All Options to the extent unexercised on the expiry of the Option Period shall lapse.
- 9.5 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 Option Committee may, in its discretion, suspend the right of the Grantee to exercise his Option pending the outcome of such disciplinary proceedings. The Option Committee may impose such terms and conditions on the Grantee's right to exercise his Option after having regard to the nature of charges made or brought against the Grantee PROVIDED ALWAYS THAT in the event that such Grantee shall subsequently be found to be not guilty of the charges which gave rise to such disciplinary proceedings, the Option Committee shall reinstate the rights of such Grantee to exercise his Option.
- 9.6 The Board, the Option Committee, the Company and/or any officer of the Company shall not be held liable for any cost, loss, expense and/or damages whatsoever or howsoever arising in the event of any delay on the part of the Company in allotting and issuing the new NHR Shares or in procuring Bursa Securities to list and quote the NHR Shares subscribed for by a Grantee, or any delay in the receipt or non-receipt by the Company of the notice to exercise the Options or for any errors in any Offers.
- 9.7 Subject to the discretion of the Option Committee, failure by the Grantee to comply with the procedure for an exercise of an Option as stipulated in By-Laws 9.1 to 9.4 herein will invalidate the purported exercise of such Option by a Grantee.
- 9.8 Every Option shall be subject to the condition that no new NHR Shares shall be issued to a Grantee pursuant to the exercise of an Option if such issue would be contrary to any law, enactment, rules and/or regulations of any legislative or non-legislative body which may be in force during the Option Period or such period as may be extended.

10. TERMINATION OF THE OPTIONS

- 10.1 All remaining unexercised Options shall forthwith lapse and/or be deemed to be cancelled and cease to be exercisable in respect of which such Options have not been exercised upon the occurrence of one or more of the following events:
- (i) subject to By-Laws 10.2 and 10.3, the Grantee ceasing to be in employment, or ceasing to be a Director of the NHR Group; or
 - (ii) the liquidation of NHR; or
 - (iii) the bankruptcy of the Grantee.

14. BY-LAWS OF THE ESOS (Cont'd)

- 10.2 Notwithstanding the provisions of By-Law 10.1(i), the Option Committee may at its discretion allow a Grantee to exercise his unexercised Options within the relevant Option Period or such other shorter period as the Option Committee may at its discretion determine when the Grantee ceases his employment or appointment with the Group by reason of:
- (i) retirement on attaining the retirement age under the NHR Group's retirement policy;
 - (ii) retirement before attaining the normal retirement age but with the consent of the employer company within the Group;
 - (iii) redundancy or retrenchment under any voluntary separation scheme;
 - (iv) ill-health, injury, physical or mental disability;
 - (v) resignation under circumstances which are acceptable to the Option Committee; or
 - (vi) any other circumstances which are acceptable to the Option Committee.
- 10.3 In the event of the death of a Grantee before the expiry of the Option Period and on the date of his death, the Grantee held Options which are unexercised, the whole or any part of the unexercised Options shall lapse forthwith and be null and void and of no further force and effect provided however the Option Committee may at its discretion allow the next of kin or beneficiary or legal representatives of the deceased Grantee in question to exercise the deceased's unexercised Options, in whole or in part, within the relevant Option Period or such other shorter period as the Option Committee may at its discretion determine.

11. TAKEOVER

- 11.1 Notwithstanding By-Law 9 and subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities, in the event of:
- (i) a takeover offer being made for the NHR Shares under the Malaysian Code on Take-Overs and Mergers, 1998 to acquire the whole of the issued share capital of the Company (or such part thereof not at the time owned by the person making the take-over offer ("Offeror") or any persons acting in concert with the Offeror), a Grantee will be entitled, within such period to be determined by the Option Committee, to exercise all or any part of his Options as yet unexercised; and
 - (ii) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of NHR Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the Company that it intends to exercise such right on a specific date, a Grantee will be entitled to exercise all or any part of his Option as yet unexercised from the date of service of the said notice to the Company until and inclusive of the date on which the right of compulsory acquisition is exercised.

PROVIDED ALWAYS THAT any Option to the extent unexercised after the expiry of the periods stipulated in the aforesaid circumstances shall automatically lapse and shall become null and void and of no further effect.

14. BY-LAWS OF THE ESOS (Cont'd)

- 11.2 There is no obligation on the part of the Company or the Directors or the Option Committee to ensure that such an offer be extended to any new NHR Shares that may be issued pursuant to the exercise of the Option under the Scheme or any unsubscribed new NHR Shares comprised in the Option.

12. SCHEME OF ARRANGEMENT, AMALGAMATION AND RECONSTRUCTION

Notwithstanding By-Law 9 and subject to the discretion of the Option Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes 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 any part of an Option which remains unexercised after the expiry of the period stipulated above shall be automatically terminated thereafter.

13. RETENTION PERIOD

The new NHR Shares to be issued and allotted to a Grantee pursuant to the exercise of any Options will not be subject to any retention period, unless the Grantee is a non-executive director, in which case, he must not sell, transfer or assign the new NHR Shares obtained through the exercise of the Options offered to him pursuant to the Scheme within one (1) year from the Offer Date.

14. ALTERATION OF SHARE CAPITAL DURING THE OPTION PERIOD

- 14.1 In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of capitalisation of profits or reserves, rights issues, subdivisions or consolidation of shares or capital reduction or any other variation of capital:

- (i) the Option Price; and/or
- (ii) the number of new NHR Shares comprised in the Options (excluding Options already exercised),

shall 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 Option Committee, confirm in writing to be in their opinion, fair and reasonable, PROVIDED ALWAYS THAT:

- (i) no adjustment to the Option Price shall be made which would result in the new NHR Shares to be issued on the exercise of the Option being issued at a discount to par value, and if such an adjustment would but for this provision have so resulted, the Option Price payable shall be the par value of the new NHR Shares PROVIDED FURTHER THAT no adjustment shall be made to the Option Price in respect of any fraction of a sen;
- (ii) upon any adjustment being made pursuant to this By-Law, the Option Committee shall within thirty (30) days of the effective date of the alteration in the capital structure of the Company notify the Grantee (or his legal or personal representatives where applicable) in writing informing him of the adjusted Option Price thereafter in effect and/or the revised number of new NHR Shares thereafter to be issued on the exercise of the Option;

14. BY-LAWS OF THE ESOS (Cont'd)

- (iii) in the event that a fraction of a new NHR Share arising from the adjustments referred to in this By-Law 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.

Any adjustments to the Option Price and/or the number of new NHR Shares comprised in the Options (excluding Options already exercised), other than bonus issue, must be confirmed in writing by the external auditors of the Company.

Should there be other circumstances which give rise to a consideration for adjustments to the Option Price or the number of new NHR Shares in favour of all Grantees, but it is decided that no adjustments will be made, such decision must be made known to all the Grantees via a timely notice subject to compliance with the Listing Requirements.

- 14.2 In addition to By-Law 14.1 and not in derogation thereof, the Option Price and the number of Options which a Grantee is entitled to (excluding Options already exercised) shall from time to time be adjusted in accordance with the following relevant provisions in consultation with the merchant bank and/or the auditors:

- (a) If and whenever a NHR Share by reason of any consolidation or subdivision or conversion shall have a different par value, the Option Price shall be adjusted by multiplying it by the revised par value and dividing the result by the former par value and the additional number of Options which a Grantee may be entitled to be issued with shall be calculated in accordance with the following formula:

$$\text{Additional number of Options} = T \times \left[\frac{\text{Former Par Value}}{\text{Revised Par Value}} \right] - T$$

Where T = existing number of Options held

Each such adjustment will be effective from the close of business on the next Market Day following the date on which the consolidation or subdivision or conversion becomes effective (being the date when NHR Shares are traded on Bursa Securities at the new par value), or such period as may be prescribed by Bursa Securities.

- (b) If and whenever the Company shall make any issue of NHR Shares to ordinary shareholders credited as fully paid-up, by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Option Price shall be adjusted multiplying it by the following fraction:

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

and the additional number of Options which a Grantee may be entitled to be issued with shall be calculated as follows:

$$\text{Additional number of Options} = \left[T \times \left[\frac{A + B}{A} \right] \right] - T$$

14. BY-LAWS OF THE ESOS (Cont'd)

Where

A = The aggregate number of issued and paid-up NHR Shares immediately before such capitalisation issue

B = The aggregate number NHR Shares to be issued pursuant to any allotment to ordinary shareholders credited as fully paid-up by way of capitalisation of profit or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund)

T = Existing number of Options held

The adjustment pursuant to this By-Law shall be made on the day immediately following the books closure 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);
- (ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for NHR Shares by way of rights; or
- (iii) any offer or invitation to ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into NHR Shares or securities with rights to acquire or subscribe for NHR Shares,

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

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

and in respect of each such case referred to in By-Law 14.2(c)(ii) hereof, the number of additional Options which a Grantee may be entitled to be issued with, shall be calculated as follows:

$$\text{Additional number of Options} = \left[T \times \left[\frac{C}{C - D} \right] \right] - T$$

Where

T = Existing number of Options held

C = The current market price of each NHR Shares on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation

14. BY-LAWS OF THE ESOS (Cont'd)

- D = (i) In the case of an offer or invitation to acquire or subscribe for NHR Share under By-Law 14.2(c)(ii) above or for securities convertible into or with rights to acquire or subscribe for NHR Shares under By-Law 14.2(c)(iii) above, the value of rights attributable to one (1) NHR Share (as defined below); or
- (ii) In the case of any other transaction falling within By-Law 14.2(c) hereof, the fair market value as determined (with the concurrence of the auditor) by the merchant bank of that portion of the capital distribution attributable to one (1) NHR Shares.

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

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

Where

- C = As C above
- E = The subscription price for one (1) additional NHR Share under the terms of offer or invitation or one (1) additional security convertible into NHR Shares or one (1) additional security with rights to acquire or subscribe for NHR Shares
- F = The number of NHR Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional NHR Share or security convertible into NHR Shares or rights to acquire or subscribe for NHR Shares

For the purpose of By-Law 14.2(c) hereof, "Capital Distribution" shall (without prejudice to the generality of that expression) include distribution in cash or specie or by way of issue of NHR Shares (not falling under By-Law 14.2(b) hereof) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account or capital redemption reserve fund).

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

The adjustment pursuant to this By-Law shall be made on the day immediately following the books closure date for the above transactions.

- (d) If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 14.2(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Laws 14.2(c)(ii) or (iii) above and the record date for the purpose of the allotment is also the book closure date for the purpose of the offer of invitation, the Option Price shall be adjusted by multiplying it by the following fraction:

14. BY-LAWS OF THE ESOS (Cont'd)

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

and where the Company makes any allotment to its ordinary shareholders as provided in By-Law 14.2(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 14.2(c)(ii) above and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the number of additional Options which a Grantee may be entitled to be issued with shall be calculated as follows:

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

Where

- G = The aggregate number of issued and fully paid-up NHR Shares on the book closure date
- C = As C above
- H = The aggregate number of new NHR Shares under an offer or invitation to acquire or subscribe for NHR Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into NHR Shares as the case may be
- H* = The aggregate number of new NHR Shares under an offer or invitation to acquire or subscribe for NHR Shares by way of rights
- I = The subscription price of one (1) additional NHR Share under the offer or invitation to acquire or subscribe for NHR Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional NHR Share, as the case may be
- I* = The Option Price of one (1) additional NHR Share under the offer or invitation to acquire or subscribe for NHR Shares
- B = As B above
- T = As T above

The adjustment pursuant to this By-Law shall be made on the day immediately following the books closure date for such issue.

- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for NHR Shares as provided in By-Law 14.2(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into or rights to acquire or subscribe for ordinary shareholders as provided in By-Law 14.2(c)(iii) above, the Option Price shall be adjusted by multiplying it by the following fraction:

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

14. BY-LAWS OF THE ESOS (Cont'd)

and the number of additional Options which a Grantee may be entitled to be issued with shall be calculated as follows:

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

Where

G = As G above

C = As C above

H = As H above

H* = As H* above

I = As I above

I* = As I* above

J = The aggregate number of NHR Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for NHR 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) additional NHR Share

T = As T above

The adjustment pursuant to this By-Law shall be made on the day immediately following the books closure date for the above transactions.

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 14.2(b) above and also makes an offer or invitation to acquire or subscribe for NHR Shares to its ordinary shareholders as provided in By-Law 14.2(c)(ii) above, together with rights to acquire or subscribe for securities convertible into or with rights to acquire or subscribe for NHR Shares as provided in By-Law 14.2(c)(iii) above, and the book closure date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the Option Price shall be adjusted by multiplying it by the following fraction:

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

and the number of additional Options which a Grantee shall be entitled to be issued with shall be calculated as follows:

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

14. BY-LAWS OF THE ESOS (Cont'd)

Where

G	=	As G above
C	=	As C above
H	=	As H above
H*	=	As H* above
I	=	As I above
I*	=	As I* above
J	=	As J above
T	=	As T above
K	=	As K above
B	=	As B above

The adjustment pursuant to this By-Law shall be made on the day immediately following the books closure date for the above transactions.

- (g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under By-Law 14.2(c)(ii), (c)(iii), (d), (e) or (f) above), the Company shall issue either any NHR Shares or any securities convertible into NHR Shares or any rights to acquire or subscribe for NHR Shares, and in any such case, the total effective consideration per NHR Share (as defined below) is less than 90% of the average price for one (1) NHR Share (as defined below) or, as the case may be, the price at which the NHR Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Option Price shall be adjusted by multiplying it by the following fraction:

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

Where

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

14. BY-LAWS OF THE ESOS (Cont'd)

For the purpose of By-Law 14.2(g), the "Total Effective Consideration" shall be determined by the Board of NHR with the concurrence of the merchant bank and shall be:

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

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

14.3 The provisions of this By-Law shall not apply where the alteration in the capital structure of the Company arises from:

- (a) the issue of securities as consideration for an acquisition;
- (b) a special issue of new NHR Shares to Bumiputera parties approved by the Ministry of International Trade and Industry, Malaysia and/or other Government authorities to comply with the Government policy on Bumiputera capital participation;
- (c) a private placement or restricted issue of new NHR Shares by the Company;
- (d) a share buy-back arrangement by the Company pursuant to the Section 67A of the Act;
- (e) an issue of new NHR Shares arising from the exercise of any conversion rights attached to securities convertible to new NHR Shares or upon exercise of any other rights including warrants (if any) issued by the Company; and
- (f) an issue of new NHR Shares upon the exercise of Options pursuant to the Scheme.

14.4 An adjustment pursuant to this By-Law shall be made according to the following terms:

- (i) In the case of a rights issue, bonus issue or other capitalisation issue, on the Market Day immediately following the entitlement date in respect of such issue; or
- (ii) In the case of a consolidation or subdivision of shares or reduction of capital, on the Market Day immediately following the date of allotment of new NHR Shares in respect of such consolidation, subdivision or reduction.

14. BY-LAWS OF THE ESOS (Cont'd)

15. QUOTATION OF SHARES

The new NHR Shares to be allotted and issued to the Grantee will not be listed or quoted on Bursa Securities until the Option is exercised in accordance with By-Law 9 whereupon the Company shall make the necessary application to Bursa Securities for its permission to deal in and for the listing of and quotation for such new NHR Shares.

16. RANKING OF NEW NHR SHARES

The new NHR Shares to be allotted and issued upon any exercise of any Options granted shall upon allotment and issuance, rank *pari passu* in all respects with the existing NHR Shares PROVIDED ALWAYS THAT the new NHR Shares so allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, the entitlement date of which is prior to the date of allotment and issuance of the new NHR Shares. The new NHR Shares will be subject to the provisions of the Articles of Association of the Company.

17. ADMINISTRATION

The Scheme shall be administered by the Option Committee on behalf of the Board. The Option Committee shall consist of such persons appointed by the Board. The Option Committee shall administer the Scheme in such manner as it shall in its discretion deem fit. For the purpose of administering the Scheme, the Option Committee may do all such 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 administration of the Scheme, as the Option Committee may in its discretion deem fit necessary and/or expedient for the implementation of the Scheme. The Board shall have power from time to time to rescind the appointment of any person to the Option Committee as it deems fit.

The Board shall have power at any time and from time to time to assume and/or exercise or execute any of the powers and authorities conferred upon the Option Committee pursuant to this By-Law.

18. AMENDMENT AND/OR MODIFICATION TO THE SCHEME

The Board shall have the power at any time and from time to time by resolution to amend and/or modify, at the recommendation of the Option Committee, all or any of the provisions of these By-Laws PROVIDED THAT no such amendment and/or modification of these By-Laws shall be made which will:

- (i) prejudice the rights then accrued to any Grantee without his prior consent or sanction; or
- (ii) alter to the benefit of the Grantee, any matter which is required by the Listing Requirements to be contained in the By-Law, including matters in By-Laws 3.1, 4, 6.1, 7, 8, 13, 14, 16 and 19 without the prior approval of the Company's shareholders in a general meeting.

Upon amending and/or modifying all or any of the provisions of the Scheme, the Company shall submit to the Bursa Securities a letter confirming that the said amendment and/or modification does not contravene any of the provisions of the Listing Requirements on ESOS.

14. BY-LAWS OF THE ESOS (Cont'd)

19. DURATION OF THE SCHEME

19.1 The Scheme shall be in force for a period of five (5) years commencing from the effective date for the implementation of the Scheme, which shall be the date of full compliance with all relevant requirements including the following:

- (i) submission of the final copy of the By-Laws to Bursa Securities;
- (ii) receipt of approval-in-principle for the listing of the NHR Shares to be issued under the Scheme from Bursa Securities;
- (iii) procurement of shareholders' approval for the Scheme;
- (iv) receipt of approval of any other relevant authorities, where applicable; and
- (v) fulfilment of all conditions attached to the above approvals, if any.

19.2 Upon the expiry of the Scheme, the Board shall have the discretion, without approval of the Company's shareholders, to extend the duration of the Scheme PROVIDED THAT any extension of the Scheme shall be for a maximum duration of up to five (5) years. In the event the Scheme is extended in accordance with this provision, the Option Committee shall furnish a written notification to all relevant parties prior to the proposed extension of the Scheme.

20. TERMINATION OF THE SCHEME

Notwithstanding the provisions of By-Law 19, the Company has the right to terminate the Scheme at any time during the duration of the Scheme provided the following approvals/consents are obtained:

- (i) consent of the shareholders of the Company at a general meeting wherein at least a majority of the shareholders present voted in favour of the termination; and
- (ii) written consent of all Grantees who have yet to exercise their Options, either in part or in whole.

21. SUBSEQUENT EMPLOYEES' SHARE OPTION SCHEME

The Company may establish a new ESOS after the expiry of the Scheme or upon termination of the Scheme pursuant to the provisions of By-Law 20, subject to the approval of Bursa Securities, shareholders of the Company at a general meeting and any other relevant authorities/parties.

14. BY-LAWS OF THE ESOS (Cont'd)

22. DISPUTES / DIFFERENCES

In the event of any dispute or differences between the Option Committee and an Eligible Person and/or Grantee, as to any matter or thing of any nature arising hereunder, the Option Committee shall determine such dispute or difference by a written decision given to the Eligible Person and/or Grantee, as the case may be. The said decision shall be final and binding on the parties unless the Eligible Person and/or Grantee, as the case may be, shall dispute the same by written notice to the Option Committee within fourteen (14) days of the receipt of the written decision, in which case such dispute shall be referred to the decision of the external auditors of the Company for the time being, acting as experts and not as arbitrators, whose decision shall be final and binding in all respects.

23. COMPENSATION

- 23.1 An Eligible Person or Grantee who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office.
- 23.2 No Eligible Person or Grantee or legal or personal representatives shall bring any claim, action or proceeding against the Company or the Option Committee or any other 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 By-Laws, or as the same may be amended from time to time in accordance with By-Law 18.

24. SUBSIDIARIES OF NHR

In the event there is any new member to the NHR Group as a result of any acquisition or incorporation of any Subsidiaries during the tenure of this Scheme, the Scheme shall apply to such eligible employees and directors of the new Subsidiaries falling within the expression of "Eligible Person" under By-Law 1 and the provisions of these By-Laws shall apply.

25. DIVESTMENT FROM THE GROUP

If a Grantee who was in the employment of a company in the Group which was subsequently divested wholly, or in part, from the Group which resulted in a subsequent holding of 50% or less by the Group, then such Grantee:

- (i) may be entitled to continue to exercise all such unexercised Options which were granted to him under the Scheme within a particular time frame determined within the Option Period at the discretion of the Option Committee, 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; and
- (ii) shall not be eligible to participate for further Options under the Scheme.

14. BY-LAWS OF THE ESOS (Cont'd)

26. COSTS AND EXPENSES

The Company will bear all costs of and incidental to the setting-up and administration of the Scheme. Any expenses incurred by the Company in any issuance of new NHR Shares in the name of the Grantee shall be payable by the Company.

27. NOT A TERM OF EMPLOYMENT

This Scheme does not form part nor shall it in any way be construed as part of the terms and conditions of employment or appointment of any Eligible Person.

28. ARTICLES OF ASSOCIATION

Notwithstanding the terms and conditions contained in these By-Laws, if a situation of conflict should arise between this Scheme and the Articles of Association of the Company, the provisions of the Articles of Association of the Company shall at all times prevail.

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15. ADDITIONAL INFORMATION

15.1 Share Capital

- (i) We will not allot or issue any Shares on the basis of this Prospectus after twelve (12) months from the date of this Prospectus.
- (ii) There are no founder, management or deferred shares in our Company. As at the date of this Prospectus, we only have one (1) class of shares, namely ordinary shares of RM0.20 each, all of which rank pari passu with one another.
- (iii) Save for the Public Issue Shares, our new Shares to be issued pursuant to the exercise of options under the ESOS and as disclosed in Sections 4.2, 4.3 and 4.5 of this Prospectus, we have not issued or proposed to issue any ordinary shares or debentures as fully or partly paid-up, in cash or otherwise than in cash, within the two (2) preceding years from the date of this Prospectus.
- (iv) Other than the 7,515,000 Public Issue Shares offered to our Directors, eligible employees and business associates as disclosed in Section 4.3 of this Prospectus and our new Shares to be issued pursuant to the exercise of options under our ESOS as disclosed in Section 14 of this Prospectus:
 - (a) no person or employee of our Group has been or is entitled to be given an option to subscribe for any shares or debentures of our Company or subsidiaries; and
 - (b) there is no other scheme involving our employees in the shares of our Company or subsidiaries.
- (v) We have not issued any convertible debt securities.

15.2 Articles of Association

The following provisions are extracted from our Company's Articles of Association. Terms defined in our Company's Articles of Association shall have the same meanings when used here unless the context otherwise requires.

15.2.1 Transfer of Securities

The provisions of the Articles of Association of our Company in respect of the arrangements for transfer of securities and restrictions on their free transferability are as follows:

Article 39

The transfer of any Listed Security or class of Listed Security in the Company shall be by way of book entry by the Central Depository in accordance with the Rules and notwithstanding Section 103 and Section 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 Listed Security.

Article 40

The instrument of transfer of a share shall be signed by or on behalf of the transferor and transferee provided that subject to compliance with the Central Depositories Act and the Rules, an instrument of transfer in respect of which the transferee is Central Depository shall be effective although not signed by or on behalf of the Central Depository if it has been certified by an authorised depository agent pursuant to Section 18 of the Central Depositories Act.

15. ADDITIONAL INFORMATION *(Cont'd)*

Article 41

No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

Article 42

(1) Where:

- (a) the securities of the Company are listed on an Approved Market Place; and
- (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules in respect of such securities,

the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the Approved Market Place (hereinafter referred to as "the Foreign Register"), to the register of holders maintained by the registrar of the Company in Malaysia (hereinafter referred to as "the Malaysian Register") provided that there shall be no change in the ownership of such securities.

- (2) For the avoidance of doubt, the Company which fulfils the requirements of paragraphs (a) and (b) of the Article 42(1) shall allow any transmission of securities from the Malaysian Register into the Foreign Register.

Article 43

Any person becoming entitled to a share which is a Deposited Security in consequence of the death or bankruptcy of a member may apply to the Central Depository to transfer the shares into his Securities Account supported by the relevant documents and in accordance with the Central Depositories Act and/or the Rules. The said person shall deliver or send to the Company and the Central Depository a written notice signed by him expressing his aforesaid intention provided that notice in writing thereof has been given to the Company. Subject to the Act, the Central Depositories Act and the Rules a person becoming entitled to a Security by reason of the death or bankruptcy of the holder thereof shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Security, except that he shall not before being registered as a Member in respect of the share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided further always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Security and if the notice is not complied with within thirty (30) days the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Security until the requirements of the notice have been complied with.

15.2.2 Remuneration of Directors

The provisions of the Articles of Association of our Company dealing with the remuneration of our Directors are as follows:

15. ADDITIONAL INFORMATION (Cont'd)

Article 98

The fees of the Directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office Provided Always that:-

- 98.1 fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- 98.2 salaries payable to executive Directors may not include a commission on or percentage of turnover;
- 98.3 fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and
- 98.4 any fee paid to an Alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 99

- 99.1 The Directors shall be entitled to be reimbursed for all travelling or such other reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.
- 99.2 If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing 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 Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.

Article 131

The remuneration of the Managing Director or Managing Directors shall subject to the terms of any agreement entered into in any particular case may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement.

15.2.3 Voting and Borrowing Powers of Directors

The provisions of the Articles of Association of our Company in respect of the powers of our Directors, in particular the voting powers of Directors in proposals, arrangements or contracts in which they are interested and the borrowing powers exercisable by them and how such borrowing powers can be varied are as follows:

15. ADDITIONAL INFORMATION (Cont'd)

Article 103

103.1 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, 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 of any related third party Provided Always that nothing contained in these Articles shall authorise the Directors to borrow any money or mortgage or charge any of the Company's 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.

Article 107

A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company with regard to his tenure of any such office or place of profit in any other respect nor shall any such contract, or any contract or arrangement entered into by or on behalf of any company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established provided always that Sections 131 and 132E and all other relevant provisions of the Act and these Articles are complied with.

Article 113

A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretion by or under these Articles vested in or exercisable by the Directors generally. Subject to these Articles, questions arising at any meeting of the Directors shall be decided by a majority of votes.

Article 114

In case of equality of votes the Chairman shall have a second/casting vote except where only 2 Directors are competent to vote on the question at issue, or at the quorum present at the meeting.

Article 119

A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest. Without prejudice to the generality of the foregoing, a Director shall also not vote in regard to any contract or proposed contract or arrangement with any other company in which he is interested either as an officer of that other company or as a holder of shares or other securities in that other company.

Article 121

Subject to Article 119, a Director may vote in respect of:

121.1 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

15. ADDITIONAL INFORMATION *(Cont'd)*

- 121.2 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.

By ordinary resolution of the Company the provisions of this Article may at any time be suspended or relaxed to any extent and either generally or in respect of any particular contract, arrangement or transaction, and any particular contract, arrangement or transaction carried out in contravention of this Article may be ratified.

15.2.4 Changes in Capital and Variations of Class Rights

The provisions of the Articles of Association of our Company in respect of the changes in capital or variation of class rights which are no less stringent than those required by law are as follows:

Article 3

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the Act and to the conditions, restrictions and limitations expressed in these Articles, the Directors may allot, grant options over or otherwise dispose of the unissued share capital of the Company to such persons, at such time and on such terms and conditions, with such preferred or deferred or other special rights as they think proper, PROVIDED ALWAYS THAT:

- 3.1 no shares shall be issued at a discount except in compliance with the provisions of Section 59 of the Act;
- 3.2 no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the members in general meeting;
- 3.3 in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles;
- 3.4 no director shall participate in an issue of shares or options to employees unless the members in general meeting have approved the specific allotment to be made to such Director;
- 3.5 in the case of shares offered to the public for subscription, the amount payable on application on each share shall not be less than 5% of the nominal amount of the share;
- 3.6 the Company must ensure that all new issues of Securities for which listing is sought are made by way of crediting the Securities Accounts of the allottees with such Securities save and except where it is specifically exempted from compliance with Section 38 of the Central Depositories Act, in which event it shall so similarly be exempted from compliance with this requirement. For this purpose, the Company must notify the Central Depository of the names of the allottees and all such particulars required by the Central Depository, to enable the Central Depository to make the appropriate entries in the Securities Accounts of such allottees;
- 3.7 the Company must allot and issue Securities, despatch notices of allotment to the allottees and make an application for the quotation of such securities within the periods as may be prescribed by the Exchange.

15. ADDITIONAL INFORMATION (Cont'd)

Article 4

Subject to the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed provided that:

- 4.1 the total nominal value of preference shares issued shall not exceed the total nominal value of the issued ordinary shares at any time;
- 4.2 the holders of preference shares shall have the same rights as the holders of ordinary shares in relation to receiving notices, reports and audited financial statements and attending general meetings of the Company but shall only have the right to vote at any meeting convened for the purpose of reducing the Company's share capital, or on a proposal to wind up the Company, or sanctioning the disposal of the whole of the Company's property, business and undertaking or where the proposition to be submitted to the meeting directly affects the rights and privileges attached to the share, or when the dividend or part of the dividend on such shares is in arrears for more than 6 months and during the winding up of the Company;
- 4.3 the holder of a preference share shall be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up; and
- 4.4 the Company shall not, without the consent of the existing preference shareholders at a class meeting or pursuant to Article 15 hereof, issue further preference capital ranking in priority above preference shares already issued but may issue preference shares ranking equally therewith.

Article 9

The Company shall duly observe and comply with the provisions of the Act, the Rules and Central Depositories Act and the Listing Requirements from time to time prescribed by the Exchange applicable to any allotment of its shares.

Article 11

Subject to the Listing Requirements, the Act, the Central Depositories Act and/or the Rules and notwithstanding the existence of a resolution pursuant to Section 132D of the Act, the Company must ensure that it shall not issue any shares or convertible Securities if the nominal value of those shares or convertible Securities, when aggregated with the nominal value of any such shares or convertible Securities issued during the preceding 12 months, exceeds 10% of the nominal value of the issued and paid-up capital of the Company, except where the shares or convertible Securities are issued with the prior approval of the shareholders in general meeting of the precise terms and conditions of the issue. In working out the number of shares or convertible Securities that may be issued by the Company, if the Security is a convertible Security, each such Security is counted as the maximum number of shares into which it can be converted or exercised.

Article 15

Notwithstanding Article 16 hereof, the repayment of capital of preference shares other than redeemable preference shares, or any other alteration of preference shareholder rights, shall only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the preference shares concerned within 2 months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

15. ADDITIONAL INFORMATION (Cont'd)

Article 16

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 shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be 2 persons at least holding or represented by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. On a poll, the holders of the shares shall have one vote for every share of the class held by them respectively. To every such special resolution, the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply.

Article 17

The rights conferred upon the 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 to participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

Article 48

The Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount 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 may direct in the resolution authorising such increase.

Article 49

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible Securities for the time being unissued and not allotted and any new shares from time to time to be created shall, before they are issued, 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 the 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 also 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 50

Except so far as otherwise provided by the conditions of issue, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company. All new shares shall be subject to the provisions herein contained with reference to allotments, the payment of calls and instalments, transfer, transaction, transmission, forfeiture, lien or otherwise and shall also be subject to the Rules.

15. ADDITIONAL INFORMATION (Cont'd)

Article 51

51.1 The Company may from time to time by ordinary resolution:-

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject nevertheless to the provisions of the Act) and so that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived. Any resolution whereby any share is sub-divided may determine that, as between the holders of shares resulting from such subdivision, one or more of such shares may have such preferred or other special rights over, or may be given any preference or advantage as regards dividends, return of capital, voting or otherwise over the others or any other of such shares; or
- (c) cancel any 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.

51.2 The Company may by special resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner authorised by the Act and subject to any consent required by law.

15.3 Promoters, Directors and Substantial Shareholders

- (i) The names, addresses and occupations of our Directors are set out in the Corporate Directory Section of this Prospectus.
- (ii) A Director is not required to hold any qualification share in our Company unless otherwise so fixed by our Company in general meeting.
- (iii) Save as disclosed in Sections 5.2.4 and 7.2.1 of this Prospectus, none of our Promoters, Directors and substantial shareholders has received any amounts or benefits paid or given by our Company and/or our subsidiaries other than by virtue of their directorships and/or by virtue of their employment within the two (2) years preceding the date of this Prospectus.
- (iv) Based on the Register of Directors' Shareholdings as at 31 May 2005, our Directors' beneficial interests, direct and indirect, in the shares of our Company before and after the IPO, are as follows:

	< ----- Before the IPO ----- >				< ----- After the IPO ----- >			
	Direct		Indirect		^Direct		Indirect	
Directors	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Hsiao Chih Jen	38,247,171	18.90	-	-	24,747,171	11.00	-	-
Hsiao Chih Chien	38,147,171	18.90	-	-	24,747,171	11.00	-	-
Hsiao Chih Che	38,147,166	18.90	-	-	24,747,166	11.00	-	-
Ng Shwu Ching	-	-	-	-	800,000	0.36	-	-
Dato' Wong Pui Lam	-	-	-	-	100,000	0.04	-	-
Chong Yew Kiang	-	-	-	-	100,000	0.04	-	-

15. ADDITIONAL INFORMATION (Cont'd)

Note:

^a Assuming full subscription of the Public Issue Shares reserved for our Directors, eligible employees and business associates pursuant to the Public Issue.

- (v) Based on the Register of Substantial Shareholdings as at 31 May 2005, our Promoters/substantial shareholders and their respective direct and indirect interests in the shares of our Company before and after the IPO are tabulated below:

Promoters/Substantial Shareholders	< ----- Before IPO ----- >				< ----- After IPO ----- >			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Hsiao Chih Jen	38,247,171	18.90	-	-	24,747,171	11.00	-	-
Hsiao Tsai Sheng	38,147,166	18.90	-	-	24,747,166	11.00	-	-
Hsiao Liu Lee	38,247,166	18.90	-	-	24,747,166	11.00	-	-
Hsiao Chih Chien	38,147,171	18.90	-	-	24,747,171	11.00	-	-
Hsiao Chih Che	38,147,166	18.90	-	-	24,747,166	11.00	-	-

- (vi) Save as disclosed in Section 7.1 of this Prospectus, none of our Directors or substantial shareholders has any interest, direct or indirect, in any businesses or companies carrying on a similar trade as our Company and subsidiaries.
- (vii) Save as disclosed in Sections 4.3 and 7.2.3 of this Prospectus, none of our Directors or substantial shareholders has any interest, direct or indirect, in the promotion of or in any material assets which have been acquired or proposed to be acquired or material assets disposed of or proposed to be disposed of or leased to or proposed to be leased to our Company or any of our subsidiaries, within the two (2) years preceding the date of this Prospectus.
- (viii) Save as disclosed in Section 7.2 of this Prospectus, none of our Directors or substantial shareholders has any interest in any contract or arrangement subsisting as at 31 May 2005 which is significant in relation to the business of our Company and subsidiaries, taken as a whole.

15.4 Material Litigation

As at 31 May 2005, neither our Company nor our subsidiaries are engaged in any litigation, either as plaintiff or defendant, which has a material effect on the financial position of our Company or subsidiaries and our Directors have no knowledge of any proceedings pending or threatened against our Company and subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of our Company or subsidiaries.

15. ADDITIONAL INFORMATION *(Cont'd)*

15.5 Material Contracts

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

- (i) Share Sale and Purchase Agreement dated 9 July 2004 between our Company and Hsiao Tsai Sheng, Hsiao Liu Lee, Hsiao Chih Jen, Hsiao Chih Chien, Hsiao Chih Che, Te Tiam Sing @ Tay Kiam Seng, Teh Hock Chuan and Kek Pei Chin to purchase the entire issued and paid-up share capital comprising 13,764,706 ordinary shares of RM1.00 each in NHC for a purchase consideration of RM40,497,356 to be satisfied by the issuance of 202,486,780 new NHR Shares at par.
- (ii) Share Sale and Purchase Agreement dated 9 July 2004 between our Company and NHC to purchase the entire 51% issued and paid-up share capital comprising 2,550,000 ordinary shares of RM1.00 each in EGAM for a cash consideration of RM2,550,000.
- (iii) By a Form of Transfer of Securities dated 29 June 2004, NHC disposed of its entire 150,000 ordinary shares of RM1.00 each representing 30% of the issued and paid-up share capital of Growth Factor Sdn Bhd for a total cash consideration of RM101,000 to Lin Shu-Mei.
- (iv) By a Deed of Assignment dated 21 August 2003, NHC ("Assignor") agreed to assign the trade marks registered in Malaysia (as set forth in the Deed of Assignment) to Standardworld ("Assignee") for a consideration sum of USD210.
- (v) Supplemental Agreement dated 14 December 2004 (to the Share Sale and Purchase Agreement dated 9 July 2004) between our Company and Hsiao Tsai Sheng, Hsiao Liu Lee, Hsiao Chih Jen, Hsiao Chih Chien, Hsiao Chih Che, Te Tiam Sing @ Tay Kiam Seng, Teh Hock Chuan and Kek Pei Chin to purchase the entire issued and paid-up share capital comprising 13,764,706 ordinary shares of RM1.00 each in NHC for a purchase consideration of RM40,497,356 to be satisfied by the issuance of 202,485,000 new NHR Shares at approximately RM0.20 each.
- (vi) Supplemental Agreement dated 14 December 2004 (to the Share Sale and Purchase Agreement dated 9 July 2004) between our Company and NHC to purchase the entire 51% issued and paid-up share capital comprising 2,550,000 ordinary shares of RM1.00 each in EGAM for a cash consideration of RM2,550,000.
- (vii) Underwriting Agreement dated 2 June 2005 between our Company and Hwang-DBS for the underwriting of up to 22,515,000 Public Issue Shares at an underwriting commission of 2% on the value of the underwritten shares.

15.6 Material Agreements

Save as disclosed below, there are no agreements subsisting as at 31 May 2005 which are material and have been entered into by our Company and subsidiaries in our ordinary course of business:

- (i) Fire consequential loss policy with Hong Leong Assurance Berhad by NHC for the period from 1 April 2005 to 31 March 2006 to cover gross profit of NHC for its business operation at No. 45, Taman Taming Jaya, Off Jalan Balakong, 43000 Seri Kembangan, Selangor. The total amount insured under this policy is RM3,000,000;

15. ADDITIONAL INFORMATION (Cont'd)

- (ii) Fire material damage policy with Hong Leong Assurance Berhad by NHC for the period from 1 April 2005 to 31 March 2006 to cover the building and renovation, plant and machinery, furniture, fittings and fixtures, office contents of every description, stock in trade consisting of stainless steel cookware and other items which are related to NHC's business, removal of debris, auto rack system, professional fees and electrical installation at the factory building situated at No. 45, Taman Taming Jaya, Off Jalan Balakong, 43000 Seri Kembangan, Selangor, and stock in trade and the renovation, furniture, fixtures and fittings and office equipment at Lot E/OG/03, Block E, Ground Floor, Plaza Mont' Kiara, 50480 Kuala Lumpur. The total amount insured under this policy is RM26,540,000;
- (iii) Machinery and equipment policy with Hong Leong Assurance Berhad by NHC for the period from 1 April 2005 to 31 March 2006 to insure the machinery and equipment inclusive of the auto racking system. The total amount insured under this policy is RM6,000,000;
- (iv) Product liability policy with Hong Leong Assurance Berhad by NHC for the period from 1 April 2005 to 31 March 2006 to insure pressure cooker, commercial cooker and cookware. The total amount insured under this policy is RM2,500,000;
- (v) Public liability policy with Hong Leong Assurance Berhad by NHC for the period from 1 April 2005 to 31 March 2006 to insure bodily injury to or illness of any person and loss of or damage to property. The total amount insured under this policy is RM1,000,000;
- (vi) Fire material damage policy with Hong Leong Assurance Berhad by EGAM for the period from 1 April 2005 to 31 March 2006 to cover the stock in trade consisting of stainless steel, aluminum coils, cut sheet aluminum, circular plate which are related to EGAM's business at the factory building and warehouses situated at No. 47, Taman Taming Jaya, Off Jalan Balakong, 43000 Seri Kembangan, Selangor and Lot 3801, Batu 6 1/4, Jalan Klinik Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor. The total amount insured under this policy is RM4,000,000;
- (vii) Goods in transit damage policy with Hong Leong Assurance Berhad by EGAM for the period from 1 April 2005 to 31 March 2006 to cover the stock in trade consisting of stainless steel, aluminum coils, cut sheet aluminum, circular plate which are related to EGAM's business. The total amount insured under this policy is RM2,000,000;
- (viii) Machinery and equipment policy with Hong Leong Assurance Berhad by EGAM for the period from 1 April 2005 to 31 March 2006 to insure the plants and machinery as per list lodged by EGAM. The total amount insured under this policy is RM5,200,000;
- (ix) Public liability policy with Hong Leong Assurance Berhad by EGAM for the period from 1 April 2005 to 31 March 2006 to insure bodily injury to or illness of any person and loss of or damage to property. The total amount insured under this policy is RM1,000,000;
- (x) Trademark License Agreement dated 21 August 2003 between NHC ("Licensee") and Standardworld ("Licensor") whereby, in consideration for payment of an annual royalty of one point five percent (1.5%) of the Net Sale Price marks (as defined in Section 4.4.3 of this Prospectus) within thirty (30) days after receiving the signed NHC's audited financial statements of the preceding financial year, the Licensor grants to the Licensee, on the terms and during the period of the agreement, the exclusive license to use the trade marks (as set out in Section 4.4.3 of this Prospectus) upon or in relation to the goods in compliance with specifications laid down by the Licensor. The Trademark License Agreement shall continue for a term of ten (10) years until terminated by either of the parties by giving six (6) months' notice of termination in writing to the other party. At the expiry of the term, the license is renewable for an additional five (5)-year term at the option and terms of the Licensor.

15. ADDITIONAL INFORMATION (Cont'd)

- (xi) Distributor agreement entered into between NHC and Sun New on 28 June 2004, whereby Sun New is granted the right to distribute "Buffalo" brand of stainless steel kitchenware and cookware (including but not limited to such other "Buffalo" brand of products which the parties may agree in writing in future) as manufactured or supplied by NHC solely in Taiwan. In addition, Sun New undertakes not to venture into any new businesses in future which will compete directly or indirectly with the business of the NHR Group;
- (xii) Distributor agreement entered into between NHC and Everpro on 28 June 2004, whereby Everpro is granted the right to distribute "Buffalo" brand of stainless steel kitchenware and cookware (including but not limited to such other "Buffalo" brand of products which the parties may agree in writing in future) as manufactured or supplied by NHC solely in Malaysia and Singapore. In addition, Everpro undertakes not to venture into any new businesses in future which will compete directly or indirectly with the business of the NHR Group;
- (xiii) Distributor agreement entered into between NHC and NHI on 28 June 2004, whereby NHI is granted the right to distribute "Buffalo" brand of stainless steel kitchenware and cookware (including but not limited to such other "Buffalo" brand of products which the parties may agree in writing in future) as manufactured or supplied by NHC solely in the People's Republic of China. In addition, NHI undertakes not to venture into any new businesses in future which will compete directly or indirectly with the business of the NHR Group;
- (xiv) Sale and Purchase Agreement entered into between NHC and EGAM on 28 June 2004, whereby NHC would purchase clad metals from EGAM at an agreed price based on the prices then in effect on the EGAM's price list, as may be revised from time to time, or as otherwise agreed between the parties in writing;
- (xv) Sale and Purchase Agreement entered into between NHC and NHI on 28 June 2004, whereby NHC would purchase cookware and kitchenware accessories and parts from NHI at an agreed price based on the prices then in effect on the NHI's price list, as may be revised from time to time, or as otherwise agreed between the parties in writing;
- (xvi) Sale and Purchase Agreement entered into between NHC and Rigel on 28 June 2004, whereby NHC would purchase casting handles from Rigel and Rigel would purchase scrap metals from NHC at an agreed price, then in effect based on both parties' price list, as may be revised from time to time, or as otherwise agreed between the parties in writing;
- (xvii) Manufacturing/Confidentiality Agreement entered into between NHC and a cookware manufacturer in Japan dated 28 June 2004, whereby NHC would manufacture and supply cookware to this Japanese cookware manufacturer on a contractual basis;
- (xviii) Gentleman's Agreement for Supplies entered into between NHC and Alessi s.p.a ("Alessi") dated 23 May 2003, whereby NHC would manufacture and supply cookware products to Alessi as per the technical supply specification by Alessi; and
- (xix) Basic Agreement of Sales entered into between NHC and Zojirushi Corporation ("Zojirushi") dated 1 December 2002, whereby NHC would manufacture and supply to Zojirushi home appliances as per the specification and quality standards as approved by Zojirushi based on the price in the quotation confirmed and agreed by both parties. The initial term of the agreement shall be for twelve (12) months and shall be automatically renewed for twelve (12)-month period continuously unless terminated/revised by notice in writing two (2) months prior to the expiration.

15. ADDITIONAL INFORMATION *(Cont'd)*

15.7 Directors' Service Agreement

As at 31 May 2005, none of our Directors has entered into any service agreement with our Group.

15.8 Public Take-Overs

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

- (i) Public take-over offers by third parties in respect of our Company's shares; and
- (ii) Public take-over offers by our Company in respect of other companies' shares.

15.9 General

- (i) The time of opening of the Application is set out in Section 16 of this Prospectus.
- (ii) We do not have any convertible debt securities as at the date of this Prospectus.
- (iii) Save as disclosed in Sections 4.2, 4.3 and 4.5 of this Prospectus, we have not issued or proposed to issue ordinary shares or debentures as partly or fully paid-up, for cash or otherwise than in cash, within the two (2) preceding years from the date of this Prospectus.
- (iv) Save as disclosed in Section 3(xii) of this Prospectus, our Directors are not aware of any persons who are able to, directly or indirectly, jointly or severally, exercise control over our Company and subsidiaries.
- (v) Save as disclosed in Section 15.1(iv) of this Prospectus, there is no scheme involving the employees in the capital of our Company and our subsidiaries.

15.10 Consents

- (i) The written consents of our Adviser/Underwriter, Principal Bankers, Issuing House, Company Secretaries, Registrar and Solicitors to the inclusion in this Prospectus of their names in the form and context in which their names appear have been given before the issue of this Prospectus, and have not subsequently been withdrawn.
- (ii) The written consent of our Auditors and Reporting Accountants to the inclusion in this Prospectus of its name, Accountants' Report and its letters relating to the consolidated profit forecast for the financial year ending 31 December 2005 and the Proforma Consolidated Balance Sheets as at 31 December 2004 in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn.
- (iii) The written consent of the Valuer to the inclusion in this Prospectus of its name and the valuation certificate in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn.
- (iv) The written consent of the Independent Market Researcher to the inclusion in this Prospectus of its name and Executive Summary of Independent Market Research Report in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn.

15. ADDITIONAL INFORMATION *(Cont'd)*

15.11 Documents for Inspection

Copies of the following documents are available for inspection at our registered office at Level 7, Setia 1, 15 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur during normal business hours for a period of twelve (12) months from the date of this Prospectus:

- (i) Our Memorandum and Articles of Association;
- (ii) The Reporting Accountants' letter relating to the consolidated profit forecast for the financial year ending 31 December 2005 as included in Section 9.6 of this Prospectus;
- (iii) The Reporting Accountants' letter relating to the Proforma Consolidated Balance Sheets as at 31 December 2004 as included in Section 9.11 of this Prospectus;
- (iv) The Accountants' Report as included in Section 10 of this Prospectus;
- (v) The Valuation Certificate as included in Section 11 of this Prospectus;
- (vi) The Independent Market Research Report together with the executive summary of the Independent Market Research Report as included in Section 12 of this Prospectus;
- (vii) Our Directors' Report as included in Section 13 of this Prospectus;
- (viii) The By-Laws of the ESOS as included in Section 14 of this Prospectus;
- (ix) The material contracts referred to in Sections 15.5 of this Prospectus;
- (x) The material agreements referred to in Section 15.6 of this Prospectus;
- (xi) The letters of consent referred to in Section 15.10 of this Prospectus; and
- (xii) The audited financial statements of our Company and subsidiaries for the five (5) financial years ended 31 December 2000 to 31 December 2004.

15.12 Responsibility Statements

- (i) Our Directors, Promoters and Offerors have seen and approved this Prospectus and they collectively and individually accept full responsibility for the accuracy of the information in this Prospectus. They confirm, after making all reasonable enquiries that, to the best of their knowledge and belief, there are no false or misleading statements which, if omitted, would make any statement herein false or misleading. Our Directors accept full responsibility for the consolidated profit forecast in this Prospectus and confirm that it has been prepared based on the assumptions made.
- (ii) Hwang-DBS, 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 initial public offering, and is satisfied that the consolidated profit forecast (for which our Directors are fully responsible) has been included in this Prospectus after due and careful enquiry by our Directors and has been duly reviewed by our Reporting Accountants.