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**16. THE ESOS BY-LAWS**


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**ETI TECH CORPORATION BERHAD  
EMPLOYEES' SHARE OPTION SCHEME**

**1. DEFINITIONS**

1.1 Except where the context otherwise requires, the following expressions in these By-Laws have the following meanings:-

“Act”	:	Companies Act, 1965
“Adviser”	:	Alliance Merchant Bank Berhad (21605-D)
“Board”	:	The Board of Directors of ETICB
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
“By-Laws”	:	The By-Laws governing this ESOS
“CDS”	:	Central Depository System
“Central Depositories Act”	:	The Securities Industry (Central Depositories) Act, 1991
“Deposited Security(ies)”	:	A security standing to the credit of a Securities Account and includes a security in a Securities Account that is in suspense
“Depositor”	:	A holder of a Securities Account
“Director”	:	Any Director as defined in Section 4 of the Act and includes an Executive Director as defined herein
“Duration of the ESOS”	:	The duration of the ESOS shall be for a period of five (5) years from the commencement of the ESOS as defined in By-Law 19.1 unless extended by the Option Committee under By-Law 19.2 or earlier terminated under By-Law 20
“Eligible Participant”	:	Employee or Director who meets the criteria of eligibility for participation in the ESOS as set-out in By-Law 4
“Employee”	:	An employee of the ETICB Group (excluding any dormant company) who meets the criteria of eligibility for participation in the ESOS as set out in By-Law 4
“ESOS”	:	ETICB Employees' Share Option Scheme 2006
“ETICB” or “Company”	:	ETI Tech Corporation Berhad (667845-M)
“ETICB Group” or “Group”	:	ETICB and its subsidiary companies (excluding associated companies) as defined in Section 5 of the Act, provided that the subsidiary company is not dormant
“ETICB Share(s)” or “Share(s)”	:	Ordinary share(s) of RM0.10 each in the capital of the Company

## 16. THE ESOS BY-LAWS (Cont'd)

“Executive Director”	:	An individual who holds the post of director in an executive capacity and is involved in the day to day management in any company in the Group and is on the payroll of such company
“Grantee”	:	An Eligible Participant who has accepted an Offer in the manner indicated in By-Law 8
“Initial Grant”	:	The initial grant of 11,346,000 Options in conjunction with the listing of ETICB on the MESDAQ Market of the Securities Exchange
“MMLR”	:	Listing Requirements of the Securities Exchange for the MESDAQ Market
“Market Day”	:	Any day between Mondays and Fridays, both days inclusive, which is not a market holiday or public holiday
“Maximum Allowable Allotment”	:	The maximum number of new ETICB Shares in respect of which Offers may be made to Eligible Participants, as provided in By-Law 6
“MESDAQ Market”	:	The MESDAQ Market of the Securities Exchange
“Offer Date”	:	The date on which an Offer is made by the Option Committee to an Eligible Participant to participate in the ESOS
“Offer”	:	An offer made in writing by the Option Committee to an Eligible Participant in the manner indicated in By-Law 5
“Option Committee”	:	The committee to be appointed by the Board to implement and administer the ESOS
“Option Period”	:	The period commencing on the Offer Date and expiring at the end of five (5) years from the Offer Date or such other period as may be specifically stated in the Offer provided no Option Period shall extend beyond the period provided for in By-Law 19.2 hereof or in event of a termination of the ESOS, the date of termination of the ESOS
“Option Price”	:	The price per share at which a Grantee shall be entitled to subscribe for new ETICB Shares as set out in By-Law 7
“Option”	:	The rights of a Grantee to subscribe for new ETICB Shares pursuant to the contract constituted by acceptance by an Eligible Participant, in the manner as set out in By-Law 8, of an Offer made to such Eligible Participant pursuant to By-Law 5
“Record of Depositors”	:	A record of Depositors established by the Bursa Depository under the Rules of the Bursa Depository
“RM” and “Sen”	:	Ringgit Malaysia and Sen, respectively
“Securities Account”	:	An account established by Bursa Depository for a Depositor for the recording of Deposited Securities and for dealings in such securities by the Depositor
“Securities Exchange”	:	Bursa Malaysia Securities Berhad (635998-W)

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**16. THE ESOS BY-LAWS (Cont'd)**

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**1.2 In these By-Laws:-**

- 1.2.1 Reference to person(s) connected with an Eligible Participant shall have the same meaning given in Section 122A of the Act.
- 1.2.2 Any reference to a statutory provision shall include any subordinate legislation made from time to time under the provision and any listing requirements, policies and/or guidelines of the Securities Exchange and/or any other relevant authorities (in each case, whether or not having the force of Law but, if not having the force of Law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by the Securities Exchange and/or the other relevant authorities);
- 1.2.3 Any reference to a statutory provision shall include that provision as from time to time modified or re-enacted after the date of these By-Laws so far as such modification or re-enactment applies or is capable of applying to any Options offered and accepted prior to the expiry of the ESOS;
- 1.2.4 Words denoting the singular shall include the plural and references to gender shall include both genders and the neuter;
- 1.2.5 Any liberty or power which may be exercised or any determination which may be made under by this ESOS by the Option Committee may be exercised at the Option Committee's discretion;
- 1.2.6 The heading in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws; and
- 1.2.7 If an event occurs 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 ESOS**

This ESOS will be named the "ETICB EMPLOYEES' SHARE OPTION SCHEME 2006".

**3. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE ESOS**

- 3.1 Subject to By-Law 3.2, the maximum number of new ETICB Shares which may be available under the ESOS shall not exceed in aggregate thirty per cent (30%) of the total issued and paid-up share capital of the Company at any one time.
- 3.2 Notwithstanding the provision of By-Law 3.1 nor any other provisions herein contained, in the event the maximum number of new ETICB Shares comprised in the Options granted under the ESOS exceeds the aggregate of thirty per cent (30%) of the issued and paid-up share capital of the Company as a result of the Company purchasing its own shares or undertakes any other corporate proposal resulting in the total number of shares to be issued under the ESOS exceeding thirty per cent (30%) of its issued and paid-up capital, then no further options shall be offered until the total number of Shares to be offered under the ESOS falls below thirty per cent (30%) of its issued and paid-up share capital.

However, any such Options already granted prior to the diminution of the issued and paid-up share capital of the Company shall remain valid and exercisable in accordance with the provisions of this ESOS.

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**16. THE ESOS BY-LAWS (Cont'd)**

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

**4. ELIGIBILITY AND PARTICIPATION**

- 4.1 Subject to the discretion of the Option Committee, any Eligible Participant of the ETICB Group is eligible to participate in the ESOS, if, as at the Offer Date, such Employee and Director:-
- 4.1.1 has attained the age of eighteen (18) years on the Offer Date; and
- 4.1.2 are employees and Executive Directors who, as at the Offer Date are confirmed on the payroll of and employed by any company within the Group.
- 4.2 Eligibility, however, does not confer on an Eligible Participant a claim or right to participate in the ESOS unless an Offer in writing has been made by the Option Committee to the Eligible Participant and the Eligible Participant has accepted the Offer in accordance with the terms of the Offer and the ESOS.
- 4.3 Any allocation of Options under the ESOS to a Director of ETICB shall require the prior approval from the shareholders of ETICB in a general meeting unless such approval is no longer required under the MMLR and Memorandum and Articles of Association of the Company.
- 4.4 No Eligible Participant shall participate at any one time in more than one (1) employee share option scheme currently implemented by any company within the Group notwithstanding that the Eligible Participant may be engaged or employed by more than one company within the Group.
- 4.5 The Option Committee may make more than one (1) offer to the Eligible Participant if at the time of the Offer such Eligible Participant is under the employment of any one (1) or more companies in the Group provided that the total number of ETICB Shares to be so offered under the Options to such Eligible Participant (inclusive of ETICB Shares already offered under previous Offers, if any) shall not exceed the Maximum Allowable Allotment of the rank of the Eligible Participant pursuant to By-Law 6, at the relevant time when the Offer is made.
- 4.6 Directors who represent the Malaysian Government or Malaysian Government institutions or agencies and Malaysian Government employees who are serving in the public service scheme as defined under Article 132 of the Malaysian Federal Constitution are not eligible to participate in the ESOS.

**5. OFFER**

- 5.1 The Option Committee may, within the Duration of the ESOS referred to in By-Law 19, make Offers to any Eligible Participant whom the Option Committee may in its discretion select to participate in the ESOS.
- 5.2 The Option Committee may in its discretion at any time and from time to time as it may deem fit, make an Offer to any Eligible Participant whom the Option Committee may in its discretion select, to subscribe during the Option Period for new ETICB Shares in accordance with the terms of the ESOS. The Option Committee also has the discretion not to make any further or additional offers notwithstanding that there may be unissued share capital of the Company available for such Offer(s).

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**16. THE ESOS BY-LAWS (Cont'd)**

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- 5.3 Nothing in this ESOS shall prevent the Option Committee from making more than one Offer to any Eligible Participant provided that:-
- 5.3.1 the new ETICB Shares to be allotted shall always be in multiples of One Thousand (1,000) ETICB Shares; and
- 5.3.2 the total aggregate number of new ETICB Shares to be so allotted to any Eligible Participant shall not exceed the Maximum Allowable Allotment of each Eligible Participant as set out in By-Law 6.
- 5.4 The Option Committee shall state the following particulars in the letter of Offer:-
- 5.4.1 the number of Shares that are being offered to the Eligible Participant;
- 5.4.2 the number of Shares which to the Eligible Participant shall be entitled to subscribe for upon the exercise of the Option being offered;
- 5.4.3 the Option Period;
- 5.4.4 the Option Price; and
- 5.4.5 the closing date for acceptance of the Offer.
- 5.5 Without prejudice to By-Law 20, the following provisions shall apply in the event of any error on the part of the Company in stating any particular in the letter of Offer under By-Law 5.4 above:-
- 5.5.1 Within thirty (30) days after discovery of the error, the Company shall issue a supplemental letter of Offer, stating the correction to the particulars referred to in By-Law 5.4;
- 5.5.2 Unless the error relates to the Option Price payable, the Option Price remains the same as that stated in the original or earlier letter of Offer;
- 5.5.3 If the error relates to the Option Price payable, then the Option Price applicable shall be that stated in the supplemental letter of Offer and shall take effect as if it were issued at the date of the original or earlier letter of Offer save and except with respect to any Option which have already been exercised prior to the date of issuance of the supplemental letter of Offer.
- 5.6 Subject to the discretion of the Option Committee, the Offer shall lapse and be rendered null and void in the event of the death, bankruptcy or insanity of an Eligible Participant or if the Eligible Participant shall cease to be employed by or cease to be appointed as a Director in any company within the Group for any reason whatsoever prior to the acceptance of the Offer by the Eligible Participant in the manner as set out in By-Law 8.
- 5.7 Subject to By-Law 10.2.5, the Offer shall automatically lapse and be null and void in the event of death, bankruptcy or insanity of the Eligible Participant.

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**16. THE ESOS BY-LAWS (Cont'd)****6. MAXIMUM ALLOWABLE ALLOTMENT AND THE BASIS OF ALLOTMENT**

6.1 Subject to the adjustments which may be made under By-Law 14, the aggregate maximum number of new ETICB Shares that may be subscribed pursuant to the exercise of the Option offered to any of the Eligible Participants of the ETICB Group who are entitled to participate in the ESOS shall be at the sole and absolute discretion of the Option Committee after taking into consideration the position, performance, seniority and the length of service of the Eligible Participants in the ETICB Group or such other matters which the Option Committee may in its sole and absolute discretion deem fit subject to the following:-

- 6.1.1 the number of new ETICB Shares allocated, in aggregate, to the Directors and senior management of the ETICB Group shall not exceed fifty per cent (50%) of the new ETICB Shares available under the ESOS.
- 6.1.2 the allocation to an Eligible Participant who, either singly or collectively through persons connected with the director or employee holding twenty per cent (20%) or more of the issued and paid-up share capital in the Company must not exceed ten per cent (10%) of the total new ETICB Shares to be issued under the ESOS.
- 6.1.3 The categories of Eligible Participant and the maximum number of ETICB Shares that can be offered to them which is subject to change from time to time at the discretion of the Option Committee is as follows:-

Categories of Eligible Participant		Maximum Allowable Allotments (No. of Options)
Category	Designation	
1	Executive Director	3,000,000
2	Senior Manager/Manager	1,500,000
3	Executive/Engineer/Designer/Technician	1,000,000
4	Others	500,000

- 6.2 Subject to any adjustments which may be made under By-Law 14, the number of new ETICB Shares that may be offered and allotted to an Eligible Participant shall be determined at the discretion of the Option Committee taking into consideration the performance, seniority and years of service of the Eligible Participant subject always to By-Law 3 above. The decision of the Option Committee shall be final and binding.
- 6.3 Subject to By-Law 18, in the circumstances where the Maximum Allowable Allotment as provided in the MMLR on ESOS is amended by the Securities Exchange from time to time, the Option Committee shall have the absolute discretion to make the necessary adjustments so that the number of new ETICB Shares that may be offered to any one of the Eligible Participants shall be in accordance with the provisions of the MMLR prevailing during the Option Period.
- 6.4 An Eligible Participant who holds more than one (1) position within the Company, and by virtue of such position is an Eligible Participant in more than one (1) category, shall be entitled to the Maximum Allowable Allotment of any one (1) category. The Option Committee shall be entitled at its discretion to determine the applicable category. However, the following provisions shall apply if he is moved to a lower or higher category:-
- 6.4.1 If the Eligible Participant is moved to a higher category, then his Maximum Allowable Allotment shall be increased to the higher category to which he has moved, but only upon confirmation of his position and subject to the Maximum Allowable Allotment for that higher category set out in By-Law 6.1;

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**16. THE ESOS BY-LAWS (Cont'd)**

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- 6.4.2 If the Eligible Participant is moved to a lower category, his Maximum Allowable Allotment shall be reduced to the lower category to which he has been moved and if the Eligible Participant has previously accepted Options for ETICB Shares greater than his Maximum Allowable Allotment under the lower category, he shall be entitled to continue to hold and to exercise all unexercised Options held by him on such date, but he shall not be entitled to any further Options unless and until he is subsequently moved to a higher category;
- 6.4.3 If the Eligible Participant is subsequently moved back to a higher category, By-Law 6.4.1 shall apply and he shall be entitled to be offered further Options if the ETICB Shares in respect of the Options which have already been accepted by him is lower than the Maximum Allowable Allotment under the category to which he has been moved.
- 6.5 The Option Committee may, subject to the approval of the Board, introduce additional categories of Eligible Participants who are eligible to participate in the ESOS, which it deems necessary, at any time during the Option Period. For avoidance of doubt, introduce additional categories of Eligible Participants who are eligible to participate in the ESOS shall not be subject to the prior approval of the Company's shareholders in a general meeting.

**7. OPTION PRICE**

- 7.1 The Option Price shall be:-
  - 7.1.1 in respect of the Initial Grant which is made in conjunction with the listing of the Company on the MESDAQ Market, the issue price of ETICB Shares for the initial public offering of ETICB Shares to the public; and
  - 7.1.2 in respect of any offer which is made subsequent to the listing of the Company on the MESDAQ Market, the weighted average market price of the ETICB Shares for the five (5) Market Days immediately preceding the Offer Date with an allowance for a discount of not more than ten per cent (10%) thereon at the Option Committee's discretion provided that the Option Price shall in no event be less than the par value of the ETICB Shares.
- 7.2 The Option Price shall be stipulated on each certificate of Option.
- 7.3 The Option Price shall be adjusted to any adjustments in accordance with By-Law 14.

**8. ACCEPTANCE OF THE OFFER**

- 8.1 The Offer to participate in the ESOS shall be valid for acceptance for a period of thirty (30) days from the Offer Date or such longer period as may be determined by the Option Committee on a case by case basis at its discretion. The acceptance of an Offer shall be made by way of a written notice from the Eligible Participant to the Option Committee in the form prescribed by the Option Committee from time to time. In the event that the Eligible Participant fails to accept the Offer within the prescribed period, the Offer shall automatically lapse PROVIDED THAT the Option Committee shall not be precluded from making a new Offer to the Eligible Participant subsequently.
- 8.2 Acceptance of the Offer by an Eligible Participant shall be accompanied by the payment of Ringgit Malaysia One (RM1.00) as non-refundable consideration for the grant of the Option.
- 8.3 Within fourteen (14) days after the due acceptance of the Offer in accordance with the provisions of By-Law 8.2, the Option Committee shall issue to the Grantee a certificate of Option in such form as may be determined by the Option Committee from time to time stating, inter alia, the number of Shares granted, the Option Price and the Option Period.

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**16. THE ESOS BY-LAWS (Cont'd)**

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- 8.4 An Option shall be personal to the Grantee and cannot be assigned, transferred or otherwise disposed of in any manner whatsoever.
- 8.5 The Option may be cancelled at the discretion of the Grantee by notice in writing to the Option Committee.

**9. EXERCISE OF OPTIONS**

- 9.1 Subject to By-Law 9.2 below, an Option may be exercised by the Grantee by notice in writing to the Company in the prescribed form from time to time during the Option Period in respect of all or any part of the new ETICB Shares comprised in the Option, provided that where an Option is exercised in respect of a part of the new ETICB Shares comprised therein, the number of new ETICB Shares of which such Option may be exercised shall not be less than One Thousand (1,000) and shall be in multiples of One Thousand (1,000). Notwithstanding anything herein to the contrary in the event of any alteration in the share capital of the Company during the Option Period in accordance with By-Law 14 which results in the number of ETICB Shares comprised in an Option not being in multiples of One Thousand (1,000), then the requirement that an Option shall be exercised in multiples of not less than One Thousand (1,000) new ETICB Shares shall not be applicable for the Grantee's final exercise of the Option.
- 9.2 In respect of the Initial Grant, an Option can only be exercised by a Grantee after the period of one (1) year from the date of the listing of the Company on the MESDAQ Market. In respect of all other grants of Options, the Option can be exercised at anytime during the Option Period subject to the expiry of the one (1) year from the date of the listing of the Company on the MESDAQ Market.
- 9.3 Subject to By-Law 14 hereof, 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 ETICB Shares and/or such percentage of the total new ETICB 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/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 ETICB shares comprised in the Option.

Any new ETICB Shares comprised in an Option not subscribed for in any year following the date on which the Option was granted, may be subscribed for in any subsequent year until and including the last year of the Option Period.

- 9.4 Every such written notice referred to in By-Law 9.1 hereof must be in the form prescribed by the Option Committee from time to time and accompanied by a remittance (calculated in accordance with the provisions of By-Law hereof) for the full amount of the subscription monies for the new ETICB Shares in respect of which notice is given. Within ten (10) Market Days from the receipt by the Company of the aforesaid notice and remittance from the Grantee, the Company shall allot such new ETICB Shares to the Grantee accordingly, subject to and in accordance with the provisions of the Articles of Association of the Company, the Central Depositories Act and the Rules of the Bursa Depository.

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**16. THE ESOS BY-LAWS (Cont'd)**

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- 9.5 Subject to By-Law 9.2, a Grantee who exercised his Option shall provide the Option Committee with his Securities Account or the Securities Account of his authorised nominee, as the case may be, in the notice referred to in By-Law 9.1. The new ETICB Shares to be issued pursuant to the exercise of an Option will be credited into the Securities Account of the Grantee or his authorised nominee, as the case may be and a notice of allotment stating the number of shares credited into such CDS account will be issued and dispatched to the Grantee or the Grantee's authorised nominee with a copy to the Grantee, as the case may be, within ten (10) Market Days from the date of receipt by the Company of the written notice of the exercise of the Option together with the requisite remittance. No physical share certificate(s) will be issued.
- 9.6 An Eligible Participant serving under an employment contract may exercise any remaining unexercised Option within twenty five (25) days before the expiry of the employment contract if the remaining duration of the contract as at the date on which the Option is granted is less than the Option Period.
- 9.7 No Options shall be exercisable after the expiry of the Option Period.
- 9.8 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 and/or cancel 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 as the Option Committee shall deem appropriate having regard to the nature of the charges made or brought against the Grantee and the outcome of such disciplinary proceedings 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 PROVIDED THAT such reinstatement is within the Duration of the ESOS in accordance with By-Law 19.
- 9.9 Notwithstanding the provisions of By-Law 9.4, the Board (including directors that had resigned but were on the Board during the Option Period), the Option Committee, the Company and/or any officer of the Company shall not under any circumstances be held liable for any cost, loss, expense and/or damages whatsoever or howsoever arising in any event relating to the delay on the part of the Company in allotting the new ETICB Shares within the stipulated deadline or in procuring the Securities Exchange to list the new ETICB Shares subscribed for a Grantee.
- 9.10 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 9.6 herein will invalidate the purported exercise of such Option by an Eligible Participant.
- 9.11 Every Option shall be subject to the condition that no new ETICB 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.
- 9.12 The Company will undertake to keep available sufficient unissued ETICB Shares to satisfy all outstanding Options.
- 9.13 The Options shall not carry any right to vote at any general meeting of the Company and a Grantee shall not be entitled to any dividends, rights or other entitlements on his unexercised Options.

**16. THE ESOS BY-LAWS (Cont'd)**

**10. TERMINATION OF THE OPTION**

10.1 Subject to By-Law 10.2, all remaining unexercised Options shall forthwith lapse and/or be deemed to be cancelled and cease to be exercisable in relation to any new ETICB Shares in respect of which such Options have not been exercised upon the occurrence of one or more of the following events, unless otherwise determined by the Option Committee:-

10.1.1 the Grantee ceasing to be in employment with ETICB Group in which event the Grantee shall be deemed to have ceased to be so employed by ETICB as of the date of the notice of termination tendered by or given by the Grantee to the Company, unless such notice shall be withdrawn prior to its effective date;

10.1.2 in the event of death, insanity or bankruptcy of the Grantee;

10.1.3 in the event of any misconduct on the part of the Grantee as determined by the Option Committee in its discretion;

10.1.4 in the event of any breach on the part of the Grantee of the By-Laws or of any of the terms of the Option;

10.1.5 winding up or liquidation of the Company, in which event the Option shall be automatically terminated on the following date:-

(a) in the case of a voluntary winding up:-

(i) the date on which a provisional liquidator is appointed by the Company; or

(ii) the date on which the shareholders of the Company passed a resolution to voluntarily wind up the Company; or

(b) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company;

10.1.6 termination of the ESOS pursuant to By-Law 20; or

10.1.7 upon the happening of any other event which results in the Grantee being deprived of the beneficial ownership of the Option.

Upon the termination of Options pursuant to any event under By-Law 10.1 above, the Grantee shall have no right for compensation or damages or any claim against the Company from any loss of any right or benefit or prospective right or benefit under the ESOS which he might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his ceasing to hold office or employment or from the suspension of his right to exercise his Options or his Options ceasing to be valid.

10.2 Where the Grantee ceases his/her employment or appointment with the Company by reason of:-

10.2.1 retirement on attaining the retirement age under ETICB's retirement policy;

10.2.2 retirement before attaining the normal retirement age but with the consent of the Board;

10.2.3 redundancy or any voluntary separation scheme;

10.2.4 ill-health, injury, physical or mental disability; or

10.2.5 any other circumstances which are acceptable to the Option Committee.

he/she may exercise his/her unexercised Option or Options within the relevant Option Period(s).

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**16. THE ESOS BY-LAWS (Cont'd)**

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**11. TAKEOVER**

Notwithstanding By-Law 9 above, and subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities, in the event of:-

- 11.1 a takeover offer being made for the Company through a general offer to acquire the whole of the issue share capital of the Company (or such part thereof not at the time owned by the person making the general offer ("Offeror") or any persons acting in concert with the Offeror) a Grantee will be entitled, within three (3) months of such a general offer being made, to exercise all or any part of his Options and the Directors shall use their best endeavours to procure that such a general offer be extended to any new ETICB Shares that may be issued pursuant to the exercise of Options under this By-Law; and
- 11.2 the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of ETICB 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 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 period stipulated in the aforesaid circumstances shall remain in force and continue to be exercisable until the expiry of the Option Period applicable there.

**12. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION**

Notwithstanding By-Law 9 above, 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 176 of the Act, a Grantee may be entitled to exercise all or any part of his Option or Options 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 remain in force and continue to be exercisable until the expiry of the Option Period applicable thereto.

**13. RETENTION PERIOD AND LIQUIDATION**

- 13.1 The new ETICB Shares to be issued and allotted to a Grantee pursuant to the exercise of any Option or Options will not be subject to any retention period or restriction on transfer. However, the Grantee is encouraged to hold the ETICB Shares as an investment rather than to realise immediate gains from its disposal.
- 13.2 The new ETICB Shares to be allotted and issued to the Grantee will not be subjected to any retention period or restriction on transfer, however any Option forming part of the Initial Grant shall comply with By-Law 9.2.
- 13.3 In the event of the liquidation of the Company, all unexercised or partially exercised Options shall cease and be null and void, which termination shall take effect in the event a resolution is passed or a court order is made for the winding-up of the Company.

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**16. THE ESOS BY-LAWS (Cont'd)**


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**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 a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of the ETICB Shares or reduction of capital or otherwise howsoever (excluding the purchase by the Company of its own shares), the Option Price shall be adjusted by multiplying it by the following fraction:-

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

and the number of Options shall be adjusted by multiplying the existing number of Options held by the following fraction:-

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

where:

- A = the aggregate number of issued and paid up ETICB Shares on the entitlement date immediately preceding such alteration to the Company's capital structure;
- B = the aggregate number of ETICB Shares to be issued pursuant to any allotment to shareholders of the Company credited as fully paid arising from such alteration to the Company's capital structure;

Adjustments other than on a bonus issue must be confirmed in writing by the external auditors of the Company to be in their opinion (acting as experts and not as arbitrators) fair and reasonable and such confirmation shall be regarded as final and conclusive for making the adjustment in accordance with these By-Laws, PROVIDED ALWAYS THAT:-

- (a) no adjustment to the Option Price shall be made which would result in the new ETICB 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 ETICB Shares; and
  - (b) upon any adjustment being made pursuant to this Clause, 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/her 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 ETICB Shares thereafter to be issued on the exercise of the Option.
- 14.2 The provisions of this By-Law shall not apply where the alteration in the capital structure of the Company arises from the issue of securities as consideration for an acquisition or as a special issue to Bumiputera parties approved by the relevant authorities, a private placement or restricted issue of new ETICB Shares by the Company; a share buy-back arrangement by the Company; an issue of new ETICB Shares arising from the exercise of any conversion rights attached to securities convertible to new ETICB Shares or upon exercise of any other rights including warrants (if any) issued or to be issued by the Company; and an issue of new ETICB Shares pursuant to the ESOS.



**16. THE ESOS BY-LAWS (Cont'd)****15. QUOTATION OF SHARES**

The new ETICB Shares referred to in By-Law 3 above, and the new ETICB Shares (if any) to be allotted and issued to the Grantee will not be listed or quoted on the Securities Exchange until the Option is exercised in accordance with By-Law 9 above, whereupon the Company shall make the necessary application to the Securities Exchange for the listing of and quotation for such new ETICB Shares and use its best endeavours to obtain permission for the dealing therein.

**16. RANKING OF NEW ETICB SHARES**

The new ETICB Shares to be allotted upon any exercise of any Options granted, shall upon allotment and issue, rank *pari passu* in all respects with the existing ETICB Shares' voting rights, rights to all dividends and distributions arising in a liquidation PROVIDED ALWAYS that the new ETICB Shares so allotted will not be entitled to any dividends, rights, allotments and/or other distributions unless such new ETICB Shares are specified as being credited to the Securities Account of the Grantee in the Record of Depositors maintained by the Company with the Bursa Depository and requested by the Company from the Bursa Depository for the purpose of determining persons entitled to such dividends, rights, allotments, and/or distributions in accordance with the Company's Articles of Association.

**17. ADMINISTRATION**

The ESOS shall be administered by the Option Committee consisting of such persons appointed by the Board. The Option Committee shall administer the ESOS in such manner as it shall in its discretion deem fit. For the purpose of administering the ESOS, 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 ESOS, as the Option Committee may in its discretion deem fit necessary and/or expedient for the implementation of the ESOS. 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-Laws.

**18. AMENDMENT AND/OR MODIFICATION TO THE ESOS**

18.1 The Board shall have the power at any time and from time to time, by resolution, to amend and/or modify all or any of the provisions of the ESOS PROVIDED THAT no such amendment and/or modification shall be made in which would either materially prejudice the rights then accrued to any Grantee without the Grantee's prior consent or alter to the advantage of any Grantee in respect of any provisions of the ESOS without the prior approval of the Company's shareholders in a general meeting, provided that such prior approval is required by the relevant regulatory provisions governing the ESOS. For avoidance of doubt, the By-Laws relating to the following matters shall not be amended and/or modified to the advantage of the Grantees without the prior approval of the Company's shareholders in a general meeting:-

- (i) the persons to whom shares may be issued under the ESOS and the basis of determining the eligibility of the Eligible Participants; or
- (ii) the maximum number of Options which may be made available under the ESOS; or
- (iii) if applicable, the maximum entitlement for each class or category of Eligible Participants and the maximum entitlement for any one Eligible Participants; or

## 16. THE ESOS BY-LAWS (Cont'd)

- (iv) the amount payable on application or acceptance of an Offer by an Eligible Participant and the basis for determining the subscription or sale, or option price, the period in or after which payments or calls, or loans to provide the same, may be paid or called upon; or
  - (v) the duration or tenure of the ESOS; or
  - (vi) if applicable, period during which the Eligible Participants are debarred from disposing the shares so allotted; or
  - (vii) the voting, dividend, transfer and other rights, including those arising on a liquidation of ETICB or its subsidiary companies, as the case may be, attaching to the shares.
- 18.2 Any amendment/modification to the By-Laws shall not require the prior approval of the Securities Exchange, provided always that a person with legal qualifications or the adviser of the Company shall, upon each amendment/modification, issue a confirmation letter to the Securities Exchange confirming that the relevant modification/amendment made does not contravene any provision of the MMLR on ESOS and the Rules of the Bursa Depository.

## 19. DURATION OF THE ESOS

- 19.1 Subject to By-Law 19.2, the effective date for the implementation of the ESOS shall be the date of full compliance with the provisions of the MMLR on ESOS including the following:-
- 19.1.1 submission of final copy of the By-Laws of the ESOS to the Securities Exchange;
  - 19.1.2 receipt of approval-in-principle for the issuance and listing of the ETICB Shares to be issued under the ESOS from the Securities Exchange;
  - 19.1.3 procurement of shareholders' approval for the ESOS;
  - 19.1.4 receipt of approval of any other relevant authorities, where applicable; and
  - 19.1.5 fulfillment of all conditions attached to the above approvals, if any,
- whereupon ETICB's adviser shall submit a confirmation letter to Securities Exchange stating the effective date of full compliance with the aforesaid together with a certified true copy of the relevant resolution passed by the shareholders in the general meeting and such confirmation is to be submitted to Securities Exchange no later than five (5) Market Days after the effective date of implementation of these By-Laws. The ESOS shall then be in force for a period of five (5) years commencing from the date of such confirmation letter to be submitted to Securities Exchange by the Adviser.
- 19.2 The ESOS may at the discretion of the Options Committee be extended or renewed (as the case may be) provided always that the initial scheme period stipulated in By-Law 19.1 and such extension of the ESOS made pursuant to this By-Law shall not in aggregate exceed a duration of ten (10) years. For the avoidance of doubt, no further sanction, approval or authorization of the shareholders of the Company in a general meeting is required for any such extension or renewal (as the case may be).
- 19.3 No further Options shall be granted upon expiration of the initial ESOS period stipulated in By-Law 19.1 or such extension thereof in the event that the duration of the ESOS is extended pursuant to By-Law 19.2.

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**16. THE ESOS BY-LAWS (Cont'd)**

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**20. MID-STREAM TERMINATION OF THE ESOS**

- 20.1 Notwithstanding the provisions of By-Law 19, the Company has the right to terminate the ESOS at any time during the Duration of the ESOS provided the following approval(s)/consent(s) are obtained:-
- 20.1.1 The consent of ETICB's shareholders at a general meeting wherein at least a majority of the shareholders present voted in favour of the termination; and
- 20.1.2 The written consent of all Grantees who have yet to exercise their Options, either in part or in whole.
- 20.2 In the event of any termination under By-Law 20.1, then the following shall apply:-
- 20.2.1 No further Offers shall be made by the Option Committee from the date of the last of the above conditions in By-Law 20.1 have been obtained ("Termination Date").
- 20.2.2 All Offers not accepted by the Eligible Participants shall automatically lapse on the Termination Date and be rendered null and void; and
- 20.2.3 All outstanding Options which have yet to be exercised by Grantees shall be automatically terminated on the Termination Date.

**21. SUBSEQUENT EMPLOYEES' SHARE OPTION SCHEME**

The Company may establish a new employees' share option ESOS after the expiry of the ESOS or upon termination of the ESOS subject to the approval of the Securities Exchange.

**22. DISPUTES**

In the event of any dispute between the Option Committee and an Eligible Participant 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 Participant or Grantee, as the case may be. The said decision shall be final and binding on the parties unless the Eligible Participant 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. In the event that the external auditors are unable to reach a decision in respect of the dispute, such dispute shall be referred to the Board for decision, whose decision shall be final and binding in all respects provided that any Director of the Company who also sits on the Option Committee shall abstain from voting.

**23. COMPENSATION**

- 23.1 An Eligible Participant 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 ESOS which he might otherwise have enjoyed whether such compensation is claimed by way of damages of wrongful dismissal or other breach of contract or by way of compensation for loss of office.

**16. THE ESOS BY-LAWS (Cont'd)**

- 23.2 No Eligible Participant 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 Bye-Laws, or as the same may be amended from time to time in accordance with By-Law 18 hereof.

**24. TRANSFERS FROM/TO OTHER COMPANIES RELATED TO THE GROUP**

- 24.1 In the event that:-

- 24.1.1 an employee or executive director who was employed in a company which is not within the ETICB Group and is subsequently transferred from such company within the ETICB Group.
- 24.1.2 an employee or executive director who was in the employment of a company which subsequently becomes a member of the ETICB Group as a result of a restructuring exercise or otherwise involving ETICB and/or any company within the ETICB Group with any of the first mentioned company in (i) below;

(the first mentioned company in By-Laws 24.1.1 and 24.1.2 above are referred to as the "Previous Company"), such an employee of the Previous Company (the "Affected Employee"), will, if the Affected Employee satisfies all conditions under By-Law 4:-

- (a) be entitled to continue to exercise all such unexercised Option(s) which were granted to him under the Previous Company's ESOS in accordance with the By-Laws of such Previous Company's ESOS but he shall not, upon such transfer or restructuring or divestment as the case may be, be eligible to participate for further options of such Previous Company's ESOS;
- (b) be eligible to participate in this ESOS only for the remaining duration of this ESOS, subject to the Option Committee's approval;
- (c) if the Affected Employee had participated in the Previous Company's ESOS, the number of new ETICB Shares to be offered to such Affected Employee under this ESOS shall be subject to the discretion of the Option Committee after taking into consideration, among others, the number of shares comprised in the option that were offered or exercised under the Previous Company's ESOS, and the Maximum Allowable Allotment under this ESOS.

**25. DIVESTMENT FROM THE GROUP**

- 25.1 If a Grantee who was in the employment with a company in the Group which was subsequently divested wholly or in part from the Group which resulted in a subsequent holding of fifty per cent (50%) or less by the Group, then such Grantee:-
- 25.1.1 may be entitled to continue to exercise all such unexercised Options which were granted to him under this ESOS within a period of three (3) months from the date of such divestment and within the Option Period, failing which the right of such employee to subscribe for the number of new ETICB Shares or any part thereof granted under such unexercised Options shall automatically lapse upon the expiry of the said three (3) months period and be null and void and no further force and effect; and
- 25.1.2 shall not be eligible to participate for further Options under this ESOS.



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**16. THE ESOS BY-LAWS (Cont'd)**

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25.2 For the purpose of this By-Law 25.1, a company shall be deemed divested from the Group in the event that such company would not longer be a subsidiary of the Company pursuant to Section 5 of the Act.

**26. COSTS AND EXPENSES**

All costs and expenses incurred in relation to this ESOS including but not limited to the costs and expenses relating to the issue and allotment of the new ETICB Shares upon the exercise of any Option shall be borne by the Company.

**27. NOT A TERM OF EMPLOYMENT**

This ESOS does not form part nor shall it in any way be construed as part of the terms and conditions of employment of any employee.

**28. ARTICLES OF ASSOCIATION**

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

**29. TAXES**

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

**30. DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained, the Option Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event including but not limited to the Company's delay in issuing and allotting the Shares.

**31. GOVERNING LAW**

This ESOS shall be governed by and construed in accordance with the Laws of Malaysia. The Grantees, by accepting the Options in accordance with this ESOS and the Company submit to the non-exclusive jurisdiction of the courts of Malaysia.

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## 17. ADDITIONAL INFORMATION

### 17.1 SHARE CAPITAL

- (a) No ordinary shares in the Company will be allotted or issued on the basis of this Prospectus later than twelve (12) months after the date of this Prospectus.
- (b) There are no founder, management or deferred shares in the Company. There is only one (1) class of shares in the Company, namely, ordinary shares of RM0.10 each, all of which rank *pari passu* with one another.
- (c) Save as disclosed in Sections 6.2, 6.3 and 6.4 of this Prospectus, no shares, stocks, debentures, warrants, options, convertible securities or uncalled capital of the Company or its subsidiary company has been issued or been agreed to be issued or is proposed to be issued as fully or partly paid-up, for cash or otherwise, within the two (2) years immediately preceding the date of this Prospectus.
- (d) Other than the 9,650,000 Public Issue Shares offered to the eligible Directors, employees and business associates of the ETICB Group as disclosed in Section 6.3.3 of this Prospectus, the ESOS as disclosed in Sections 6.4 and 16 of this Prospectus, there is no scheme involving the employees of the Group in the shares of the Company or its subsidiary company;
- (e) No person or employee of the Group has been or is entitled to be given or has exercised any option to purchase or subscribe for any shares, stocks or debentures of the Company or its subsidiary company; and no capital of the Company or its subsidiary company is under option or agreed conditionally or unconditionally to be put under option, saved for the following:
  - (i) 9,650,000 Public Issue Shares offered to the eligible Directors, employees and business associates of the ETICB Group;
  - (ii) the ESOS as disclosed in Sections 6.4 and 16 of this Prospectus; and
  - (iii) A call and put option agreement dated 2 December 2004 between PNS of the one part, Mansor Bin Padzin of the second part ("Proponent") and Lee Kah Kheng and Dennis Chuah (collectively the "Promoters") of the third part ("Agreement").

Under the Agreement, PNS grants to the Proponent the call option to require PNS to sell all or any part of the 75% of the Option Shares (as defined below) at anytime during the Call Option Period (as defined below) at the Call Option Share Price (as defined below).

The Agreement further provides that the Proponent grants to PNS the right to require the Proponent to purchase the Put Option Shares (as defined below) at any time during the First Put Option Period (as defined below) ("First Put Option").

In addition to the First Put Option, the Promoter also grants to PNS the right to require the Promoters to purchase the Put Option Shares in the event the Promoters fail to complete the First Put Option within three (3) months from the date of the exercise of the First Put Option or upon the Proponent committing an act of bankruptcy and/or upon death or immediately upon ETI TECH failing to submit its Listing scheme to the relevant authorities by 31 December 2004.

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**17. ADDITIONAL INFORMATION (Cont'd)**


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For the purpose of the Agreement, the following definitions apply:

“Option Shares”	<p>means:</p> <ul style="list-style-type: none"> <li>(a) the Subscription Shares comprising of 194,733 ordinary shares of RM1.00 each or 11,555,556 ordinary shares in ETICB as the case may be; and</li> <li>(b) any successor shares from the Option Shares registered in the name of PNS</li> </ul>
“Call Option Period”	<p>means:</p> <ul style="list-style-type: none"> <li>(a) in relation to the Option Shares placed under moratorium a period of four (4) years commencing from the date of the first subscription of the Subscription Shares by PNS and expiring on the date falling on the fourth (4<sup>th</sup>) anniversary of the subscription date; and</li> <li>(b) in relation to the Option Shares not placed under moratorium a period of two (2) years commencing from the date of the first subscription of the Subscription Shares by PNS and expiring on the date falling on the second (2<sup>nd</sup>) anniversary of the subscription date.</li> </ul>
“Call Option Share Price/Put Option Share Price”	<p>The Call Option Share Price/Put Option Share Price shall be computed based on a return of 10% per annum over an investment period of four (4) years for Option Shares under moratorium or two (2) years for Option Shares not under moratorium plus a profit sharing element of 30% on the net gain obtained by the Proponent. The profit sharing will be applicable upon the approval from Securities Exchange and the SC for the listing exercise of the ETICB having been obtained. Net gain shall be calculated as the difference between the buyback cost and the Public Issue Price at the time the Option Shares are exercised.</p>
“First Put Option Period”	<p>means the period commences:</p> <ul style="list-style-type: none"> <li>(a) upon expiry of the Call Option Period and shall continue for a period of two (2) years commencing on such date of expiry of the Call Option Period; and/or</li> <li>(b) immediately upon occurrence of certain events which include inter-alia, breaches of the Agreement and the Subscription Agreement by the Promoters and/or Proponent and/or ETI TECH.</li> </ul>
“Put Option Shares”	<p>means 100% of PNS’s shareholding in the ETI TECH or in ETICB as the case may be, or any part of the Option Shares after the exercise of the Call Option, if any, by the Proponent or such lesser amount to be determined by PNS at its sole and absolute discretion;</p>
“Subscription Agreement”	<p>means the agreement entered into by the ETI TECH, PNS, the Proponent and the Promoters for the subscription of the Subscription Shares;</p>

## 17. ADDITIONAL INFORMATION (Cont'd)

“Subscription Shares” means the 194,733 units of new ordinary shares in the ETI TECH subscribed by PNS pursuant to the Subscription Agreement;

“Tenure of Investment for the Subscription Shares” means in relation to the:

- (i) the Subscription Shares or upon completion of the share swapping exercise, parts of the ETICB Shares not placed under moratorium, a period of two (2) years commencing from the date of subscription of the Subscription Shares by PNS and ending on the date falling on the second (2<sup>nd</sup>) anniversary date of the subscription date; and
- (ii) those parts of ETICB Shares placed under moratorium, a period of four (4) years commencing from the date of subscription of the Subscription Shares by PNS and ending on the date falling on the fourth (4<sup>th</sup>) anniversary date of the subscription date.

- (f) The Company and its subsidiary company have no outstanding convertible debt securities.
- (g) Save for the Public Issue and the approved ESOS as disclosed in Sections 6.3.3, 6.4 and 16 of this Prospectus, there is no present intention on the part of the Board to issue any part of the authorised but unissued share capital of the Company.

### 17.2 ARTICLES OF ASSOCIATION

The following provisions are reproduced from the Company's Articles. The words and expressions appearing in the following provisions shall bear the same meaning used in the Articles unless they are otherwise defined here or the context otherwise requires:

#### (a) Transfer of Shares

The provision in the Articles of the Company, in respect of the arrangements for transfer of shares of the Company and restrictions on their free transferability are as follows:

##### *Article 26*

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

##### *Article 27*

Subject to the Rules and Listing Requirements, the transfer of any Securities may be suspended at such times and for such periods as the Directors may from time to time determine. Twelve (12) clear market days' notice, or such other period as may from time to time be specified by the Exchange governing the Register concerned, of intention to close the Register shall be given to the Exchange. At least three (3) market days prior notice shall be given to the Bursa Depository to prepare the appropriate Record of Depositors.



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**17. ADDITIONAL INFORMATION (Cont'd)**

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**(b) Remuneration of Directors**

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

***Article 94***

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

- (a) fee payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;
- (b) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover;
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting; and
- (d) any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

***Article 95***

- (1) The Directors shall be paid all their travelling, hotel and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of the Directors or any committee of the Directors.
- (2) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board provided that in the case of non-executive Directors, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors.

***Article 127***

The remuneration of a Director holding an executive office pursuant to these Articles shall subject to Article 94 be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but shall not include a commission on or percentage of turnover.

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**17. ADDITIONAL INFORMATION (Cont'd)**

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**(c) Voting and Borrowing Powers of Directors**

The provisions in the Articles of the Company dealing with powers of Directors, in particular, the voting powers of the 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:

***Article 84***

All the Directors shall be natural persons of full age and until otherwise determined by general meeting, the number of Directors shall not be less than two (2) or more than fifteen (15), but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum, the continuing Director or Directors may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number or to summon a general meeting of the Company but not for any other purpose. The first Directors shall be Ooi Ean Hoon and Angelina Cheah Gaik Suan.

***Article 90***

The Company may from time to time by ordinary resolution passed at a general meeting, increase or reduce the maximum or minimum number of Directors, and may also determine in what rotation the increased or reduced number is to go out of office.

***Article 92***

The Directors shall have power at any time and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the maximum number fixed in accordance with these Articles. Any Director so appointed shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

***Article 97***

The business of the Company shall be managed by Directors who may pay all expenses incurred in promoting and registering the Company, and exercise all such powers of the Company as are not by these Articles or by the Act required to be exercised by the Company in general meeting, subject nevertheless, to any of these Articles, to the provisions of the Act, and to such resolutions, not being inconsistent with these Articles or the provisions of the Act as may be prescribed by the Company in general meeting but no resolution made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if such resolution had not been made.

***Article 99***

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or subsidiary company or associate company or any related third party subject to the Act and the Listing Requirements.

***Article 100***

The Directors shall not borrow any money or mortgage or charge any of the Company's or its subsidiaries' undertaking, property or uncalled capital, or issue debentures or other securities, whether outright or as security, for any debt, liability or obligation of an unrelated third party.

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**17. ADDITIONAL INFORMATION (Cont'd)**

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***Article 101***

The Directors may establish or arrange any contributory or non-contributory pension or superannuation scheme for the benefit of, or pay a gratuity, pension or emolument to any person who is or has been employed by or in the service of the Company or any subsidiary of the Company, or to any person who is or has been a Director or other officer of and holds or has held salaried employment in the Company or any such subsidiary, and the widow, family or dependants of any such person. The Directors may also subscribe to any association or fund which they consider to be for the benefit of the Company or any such subsidiary or any such person as aforesaid and make payments for or towards any hospital or scholastic expenses and any Director holding such salaried employment shall be entitled to retain any benefit received by him hereunder subject only, where the Act requires, to proper disclosure to the Members and the approval of the Company in general meeting.

***Article 103***

The Directors may from time to time by power of attorney under the Seal, appoint any corporation, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney/attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

***Article 104***

All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be in such manner as the Directors may from time to time by resolution determine.

***Article 107***

Subject always to sections 131, 132E, 132F and 132G of the Act, 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 and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise nor shall any such contracts, or any contract or arrangement entered into by or on behalf of the 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 relationship thereby established.

***Article 111***

Subject to Article 92, the quorum necessary for the transaction of business of the Directors shall be two (2) and a meeting of the Director 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.

***Article 117***

The Directors shall not have any power to appoint any person from time to time as their proxies to represent them at Directors' meetings, save and except for their duly appointed alternate Directors.

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**17. ADDITIONAL INFORMATION (Cont'd)**

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***Article 118***

Subject to these Articles, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote. The Chairman of the meeting shall however not have a second or casting vote where at the meeting only two (2) Directors form the quorum and only such a quorum is present at the meeting or where only two (2) Directors are competent to vote on the question at issue.

***Article 120***

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

***Article 121***

A Director may contract with and be interested in any contract or proposed contract with the Company and shall not be liable to account for any profit made by him by reason of any such contract; PROVIDED ALWAYS THAT the nature of the interest of the Director in any such contract be declared at a meeting of the Directors as required by section 131 of the Act. A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest (and if he shall do so his vote shall not be counted), nor shall he be counted for the purpose of any resolution regarding the same, in the quorum present at the meeting.

***Article 122***

A Director notwithstanding his interest may, provided that none of the other Directors present disagree, be counted in the quorum present at any meeting whereat any decision is taken upon any contract or proposed contract or arrangement in which he is in any way interested PROVIDED ALWAYS that he has complied with Section 131 and all other relevant provisions of the Act and these Articles.

***Article 123***

A Director may vote in respect of:

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



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**17. ADDITIONAL INFORMATION (Cont'd)**

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***Article 124***

A Director of the Company may be or become a Director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise or any corporation which is directly and indirectly interested in the Company as shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefit received by him as a Director or officer of, or from his interest in, such corporation unless the Company otherwise directs at the time of his appointment. The Directors may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as Directors of such other corporation, in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the Directors or other officers of such corporation), and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be or is about to be appointed a Director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid.

***Article 126***

The Directors may from time to time appoint one (1) or more of their body to any executive office including the offices of Chief Executive, Managing Director, Deputy Managing Director or Executive Director upon such terms as they think fit except that any appointment of Managing Director for a fixed term shall not exceed five (5) years, and may entrust to and confer upon a Director holding such executive office, any powers exercisable by them as Directors generally as they may think fit, but subject thereto such Chief Executive, Managing Director, Deputy Managing Director or Executive Director shall be subject to the control of the Board.

***Article 129***

The Directors may establish any committees (including, without limitation, a management committee), local boards or agencies comprising two (2) or more persons for managing any other affairs of the Company either in Malaysia or elsewhere, and may lay down, vary or annul such rules and regulations as they may think fit for the conduct of the business thereof, and may appoint any person or persons to be the member or members of any such committee or local board or agency and may fix their remuneration and may delegate to any such committee or local board or agency any of the powers, authorities and discretion vested in the Directors, with power to sub-delegate, and may authorise the member or members of any such committee or local board or agency or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no persons dealing in good faith and without notice of any such annulment or variation shall be affected thereby. The regulations herein contained for the proceedings of Directors shall so far as not altered by any regulations made by the Directors apply also to the meetings and proceedings of any committee.

***Article 134***

Subject to Article 92, a resolution in writing signed by a majority of the Directors who may at the time be present in Malaysia and not being less than two (2) Directors to form a quorum shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director is not so present but has an alternate who is so present, then such resolution must also be signed by such alternate. Any such resolution may consist of several documents in like form, each signed by one (1) or more Director or their alternates. An approval by letter or other written means of a proposed resolution in writing (which has been prepared and circulated as aforesaid) signed by a Director and sent by him by telefax, telex or telegram (with copy sent by courier or registered post to the Office) shall be deemed to be a document signed by him for the purposes of the foregoing provisions.

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**17. ADDITIONAL INFORMATION (Cont'd)**


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**(d) Changes in Capital and Variation of Class Rights**

The provisions in the Articles of the Company as to the changes in share capital or variation of class rights which are no less stringent than those provided in the Act are as follows:

**Article 4**

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of these Articles and the Act and to the provisions of any resolution of the Company, shares in the Company may be issued by the Directors, who may allot, or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights, and subject to such restrictions and at such times as the Directors may determine but the Directors in making any issue of shares shall comply with the following conditions:

- (a) no shares shall be issued at a discount except in compliance with the provisions of section 59 of the Act;
- (b) in the case of shares of a class, other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles and in the resolution creating the same;
- (c) every issue of shares or options to employees shall be approved by Members in general meeting and such approval shall specifically detail the amount of shares or options to be issued to such employees;
- (d) except in the case of a rights issue to shareholders, a Director of the Company shall not participate, directly or indirectly, in an issue of ordinary shares or other securities with rights of conversion to ordinary shares unless the shareholders of the Company have approved the specific allotment to be made to the Director and the Director has abstained from voting on the relevant resolution;
- (e) without limiting the generality of Section 132D of the Act, the Company shall not issue any ordinary shares or other securities with rights of conversion to ordinary shares if the nominal value of those shares or securities, when aggregated with the nominal value of any such shares or securities which the Company has issued during the previous twelve (12) months, exceeds 10% of the nominal value of the issued ordinary shares at the commencement of the said period of twelve (12) months except where the shares or securities are issued with the prior approval of ordinary shareholders of the precise terms and conditions of the issue; and
- (f) 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 5**

- (1) 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.

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**17. ADDITIONAL INFORMATION (Cont'd)**

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- (2) Subject to the Act, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed but the total nominal value of the issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time. If the Company at any time issues preference capital, it shall indicate at the same time whether it reserves the right to issue further preference capital ranking equally with, or in priority to, preference shares already issued. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited accounts and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or during the winding up of the Company, or on a proposal for the disposal of the whole of the Company's property, business and undertaking, or where any resolution to be submitted to the meeting directly affects their rights and privileges attached to the shares, or when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months.

**Article 6**

Notwithstanding Article 7 hereof, the repayment of preference share capital other than redeemable preference capital or any other alteration of preference shareholder's rights may 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 capital concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

**Article 7**

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the sanction of a special resolution passed at a separate meeting of the shareholders of that class. Where necessary majority of such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of not less than three-fourths of the issued shares of that class within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting. 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 at least two (2) persons who are shareholders present in person 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. To every such special resolution, the provisions of section 152 of the Act shall with such adaptations as are necessary, apply.

**Article 8**

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 participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

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**17. ADDITIONAL INFORMATION (Cont'd)**

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***Article 9***

The Company may exercise the powers of paying commission conferred by the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act, and the rate of the commission shall not exceed the rate of ten per cent (10%) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to ten per cent (10%) of that price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

***Article 10***

Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest on so much share capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in section 69 of the Act and may charge the same to capital as part of the cost of the plant construction of the works or buildings or the provision.

***Article 11***

Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognize (even with notice thereof) any equitable, contingent, future or partial interest in any share or any unit of share or (except only as by these Articles or by law otherwise provided) any other right in respect of any shares, except an absolute right to the entirety thereof in the registered holder.

***Article 51***

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 subjected to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company may, by the resolution authorizing such increase, directs.

***Article 52***

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other Convertible Securities shall, before 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, 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 Convertible Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or Convertible Securities which (by reason of the ratio which the new shares or Convertible Securities bear to shares or Convertible Securities held by persons entitled to any offer of new shares or Convertible Securities) cannot, in the opinion of the Directors be conveniently offered under this Article.



**17. ADDITIONAL INFORMATION (Cont'd)****Article 54**

The Company may by ordinary resolution:

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

**Article 55**

Subject to and in accordance with the provisions of the Act and the requirements of the Exchange and such other relevant law, regulation or guideline, the Company is allowed and shall have power, to the fullest extent permitted, to purchase its own shares. Any shares in the Company so purchased by the Company shall be dealt with as provided by the Act, the requirements of the Exchange and any other relevant authority.

**Article 56**

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

**17.3 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

- (i) The names, addresses and occupations of the Board are set out in Section 1 of this Prospectus.
- (ii) A Director is not required to hold any qualification share in the Company unless otherwise so fixed by the Company in general meeting.
- (iii) There are no amounts or benefits paid or intended to be paid or given by the Company to its Promoters, Directors and substantial shareholders within the two (2) years preceding the date of this Prospectus, saved for the following:
  - (a) the remuneration and benefits payable to the Directors and Promoters as Directors and employees of the Company as disclosed in Sections 9.2.4 of this Prospectus;
  - (b) the remuneration payable to Mr Chan Kam Woo amounting to RM144,000, a Promoter and Technical Consultant of ETICB, for the two (2) years preceding the date of this Prospectus;
  - (c) the purchase consideration paid pursuant to the ETI TECH Acquisition as disclosed in Section 6.3.2 of this Prospectus; and
  - (d) the ESOS as disclosed in Sections 6.4 and 16 of this Prospectus.



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**17. ADDITIONAL INFORMATION (Cont'd)**

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- (iv) Please refer to Section 9.2.4 of this Prospectus for the aggregate remuneration paid and proposed to be paid to the Board for services rendered to the Company and its subsidiary company in all capacities for the financial years ended 31 August 2004 and 31 August 2005.

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## 17. ADDITIONAL INFORMATION (Cont'd)

(v) The direct and indirect shareholdings of the Directors and the substantial shareholders of ETICB before and after the Public Issue are set out below:

Name	Designation	Place of Incorporation/ Nationality	Before Public Issue			After Public Issue <sup>a</sup>			After Public Issue and full exercise of ESOS Options <sup>a</sup>		
			Direct	% held	No. of ETICB Shares held	Indirect	% held	No. of ETICB Shares held	Direct	% held	Indirect
<b>Substantial Shareholders</b>											
Lee Kah Kheng	Managing Director	Malaysian	26,673,687	32.65	356,045 <sup>1</sup>	0.43	27,173,687	23.95	656,045 <sup>1</sup>	0.58	30,173,687
Dennis Chuah	Business Development Director	Malaysian	26,673,687	32.65	-	-	27,173,687	23.95	-	-	30,173,687
PNS	Shareholder	Malaysia	11,555,556	14.15	-	-	11,555,556	10.18	11,555,556	7.83	-
Amanah Ventures	Shareholder	Malaysia	10,793,651	13.21	-	-	10,793,651	9.51	10,793,651	7.32	-
Amanah Assets Holdings Sdn Bhd	Shareholder	Malaysia	-	-	10,793,651 <sup>2</sup>	13.21	-	-	-	-	10,793,651 <sup>2</sup>
Amanah Capital Partners Berhad	Shareholder	Malaysia	-	-	10,793,651 <sup>2</sup>	13.21	-	-	-	-	10,793,651 <sup>2</sup>
Malaysian Industrial Development Finance Berhad	Shareholder	Malaysia	-	-	10,793,651 <sup>2</sup>	13.21	-	-	-	-	10,793,651 <sup>2</sup>

## 17. ADDITIONAL INFORMATION (Cont'd)

Name	Designation	Place of Incorporation/ Nationality	Before Public Issue			After Public Issue*			After Public Issue and full exercise of ESOS Options^		
			Direct	Indirect	% held	Direct	Indirect	% held	Direct	Indirect	% held
			No. of ETICB Shares held	No. of ETICB Shares held		No. of ETICB Shares held	No. of ETICB Shares held		No. of ETICB Shares held	No. of ETICB Shares held	
Substantial Shareholders (Cont'd)											
Mansor Bin Padzin	Executive Director	Malaysian	593,408	8,666,667 <sup>5</sup>	0.73	893,408	8,666,667 <sup>1</sup>	0.79	2,893,408	8,666,667 <sup>1</sup>	1.96
Yeoh Li Hua	Purchasing Manager	Malaysian	356,045	26,673,687 <sup>1</sup>	0.43	656,045	27,173,687 <sup>1</sup>	0.58	1,656,045	30,173,687 <sup>1</sup>	1.12
											5.88
											20.46

Notes:

\* Assuming that the Pink Form Shares allocated are fully taken up as follows:

Name	Number of Pink Form Shares allocated
Lee Kah Kheng	500,000
Dennis Chuah	500,000
Mansor Bin Padzin	300,000
Khor Yee Kwang	300,000
Chan Kam Woo	300,000
Yeoh Li Hua	300,000

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**17. ADDITIONAL INFORMATION (Cont'd)**

^ Inclusive of their number of ESOS Options allocation and assuming they exercise their indicative allocation of ESOS Options into new ETICB Shares as follows:

Name	Indicative number of ESOS Options allocated
Lee Kah Kheng	3,000,000
Dennis Chua	3,000,000
Mansor Bin Padzin	2,000,000
Khor Yee Kwang	2,000,000
Chan Kam Woo	1,500,000
Yeoh Li Hua	1,000,000

1 Deemed interest under Section 122A of the Act by virtue of his/her spouse's shareholding in ETICB.

2 Deemed interest under Section 6A of the Act by virtue of Amanah Ventures' shareholding in ETICB.

3 Deemed interest under Section 6A of the Act by virtue of a put and call option agreement between Mansor Bin Padzin and PNS (Details of which are set out in Section 17.1(e) of this Prospectus).

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**17. ADDITIONAL INFORMATION (Cont'd)**

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## 17. ADDITIONAL INFORMATION (Cont'd)

Name	Designation	Before Public Issue			After Public Issue*			After Public Issue and full exercise of ESOS Options^		
		No. of ETICB Shares held	% held	No. of ETICB Shares held	No. of ETICB Shares held	% held	No. of ETICB Shares held	No. of ETICB Shares held	% held	% held
<u>Directors</u> (Cont'd) Nordin Bin Mohamad Desa	Independent Non-Executive Director	-	-	-	-	-	-	-	-	-
Baqir Hussain Bin Hatim Ali	Independent Non-Executive Director	-	-	-	-	-	-	-	-	-
Shaik Taufik Bin Shaik Yusoff	Alternate Director to Iskander Bin Ismail Mohamed Ali	-	-	-	-	-	-	-	-	-

17. ADDITIONAL INFORMATION (Cont'd)

Notes:

\* Assuming that the Pink Form Shares allocated are fully taken up as follows:

Name	Number of Pink Form Shares allocated
Lee Kah Kheng	500,000
Dennis Chuah	500,000
Mansor Bin Padzin	300,000
Khor Yee Kwang	300,000

^ Inclusive of their indicative number of ESOS Options allocation and assuming they exercise their indicative allocation of ESOS Options into new ETICB Shares as follows:

Name	Indicative Number of ESOS Options allocated
Lee Kah Kheng	3,000,000
Dennis Chuah	3,000,000
Khor Yee Kwang	2,000,000
Mansor Bin Padzin	2,000,000

1

Deemed interest under Section 122A of the Act by virtue of his spouse's shareholding in ETICB.

2

Deemed interest under Section 6A of the Act by virtue of a put and call option agreement between Mansor Bin Padzin and PNS (details are set out in Section 17.1(e) of this Prospectus).

Save for the ESOS and the put and call option agreement between Mansor Bin Padzin and PNS as disclosed in Section 17.1(e) of this Prospectus, none of the Directors hold any options in respect of any ETICB Shares.

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**17. ADDITIONAL INFORMATION (Cont'd)**


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- (vi) None of the Directors or substantial shareholders of the Company has any interest in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the ETICB Group, taken as a whole.

**17.4 EXPENSES**

- (i) Save as disclosed in Section 3.10 of this Prospectus, there are no commissions, discounts, brokerages or other special terms granted or paid by the ETICB Group within the two (2) years preceding the date of this Prospectus in connection with the issue or sale of any shares in or debenture of the ETICB Group for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscription for any shares in or debentures of the ETICB Group, and no Director or Promoter or expert is entitled to receive any such payment.
- (ii) Expenses incidental to the listing of and quotation for the entire issued and paid-up share capital of ETICB on the Official List of MESDAQ Market amounting to approximately RM1,500,000, details of which are set out in Section 3.9 of this Prospectus, will be borne by the Company.
- (iii) Sponsorship fee of RM50,000 per annum is payable by ETICB to Alliance, being the Sponsor of ETICB for at least one (1) year upon its Listing.

**17.5 MATERIAL LITIGATION**

As at the Latest Practicable Date, neither the Company nor its subsidiary company are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which may have a material effect on the financial position of the Company and/or its subsidiary company upon becoming enforceable, and the Board does not have any knowledge of any proceedings pending or threatened against the Company and/or its subsidiary company or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Company and/or its subsidiary company.

**17.6 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 the ETICB Group within the two (2) years immediately preceding the date of this Prospectus:

- (i) Subscription Agreement dated 8 November 2004 entered into between ETI TECH and Amanah Ventures for the subscription of 181,894 RCCPS at an issue price of RM18.69 per RCCPS;
- (ii) Subscription Agreement dated 2 December 2004 entered into between ETI TECH and PNS for the subscription of 194,733 new ETI TECH Shares at an issue price of RM13.35 per ETI TECH Share;
- (iii) ETI TECH had on 8 December 2004 accepted the letter of offer dated 2 November 2004 from Kulim Technology Park Corporation Berhad for the lease of a piece of land measuring approximately 9.872 acres identified as Lot 12 and held under HS(D) 1708, PT 1950, Mukim Padang China, Daerah Kulim, Kedah Darul Aman for sixty (60) years from the date of the duly executed Lease Agreement dated 26 December 2004 with an option to renew for another thirty-nine (39) years for a consideration of RM5,160,291.84.



**17. ADDITIONAL INFORMATION (Cont'd)**

In respect of the consideration for the lease, it is divided into two (2) portions. The lease for the first (1st) portion is RM1,306,800.00 with last installment to be paid within twelve (12) months from the date of the agreement. The second (2nd) portion is in respect of the remaining portion of the Land for the lease consideration of RM3,853,491.84 with first (1st) installment due twenty-four (24) months from the date of the lease agreement and may be excluded from the lease arrangement should ETI Tech (M) Sdn Bhd decide not to exercise the option to take up the second (2nd) portion."

- (iv) A Conditional Sale and Purchase Agreement dated 30 July 2005 entered into between ETICB and Lee Kah Kheng, Dennis Chuah, Mansor Bin Padzin, PNS, Amanah Ventures, Khor Yee Kwang, Chan Kam Woo, Lee Hye Kooi, Tan Boo Wah, Cheah Thim Kit, Shamsudin Bin Zahidin, Shazlee Akmar Bin Zainudin, Tan Huat Tim, Koh Kok Siang and Yeoh Li Hua, for the purchase by ETICB of the entire issued and paid-up share capital of ETI TECH comprising 1,376,627 ETI TECH Shares for a total consideration of RM8,168,998 satisfied by the issuance of 81,699,980 ETICB Shares at par;
- (v) A letter of award dated 1 August 2005 was issued to Conmass Construction Sdn. Bhd. by ETI TECH vide its architect, Messrs ALM Architect for the construction of a 3-storey office block on part of Plot 12, Phase 2, Taman Perindustrian Hi-Tech Kulim, Kedah Darul Aman for a contract sum of RM3,600,000;
- (vi) Underwriting agreement dated 30 September 2005 between ETICB and Alliance for the underwriting of up to 1,500,000 Public Issue Shares and any Unsubscribed Pink Form Shares for an underwriting commission of 2.5% of the issue price of RM0.45 per ETICB Share underwritten amounting to up to RM125,437.50.

A supplemental agreement dated 20 February 2006 made between ETICB and Alliance to vary the definition of "Accounts" therein and a clause on the condition precedent of the underwriting agreement dated 30 September 2005 referred to in the paragraph above;

- (vii) Placement Agreement dated 20 September 2005 between ETICB and Alliance whereby Alliance agreed to act as Placement Agent for the placement of 20,622,000 Public Issue Shares for a placement fee of RM231,997.50 i.e. at the rate of 2.5% of the Issue Price per Public Issue Shares; and
- (viii) Sponsorship Agreement dated 20 September 2005 between ETICB and Alliance to appoint Alliance as the Sponsor for the Company for a period of one (1) year after Listing for a sponsorship fee of RM50,000.

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## 17. ADDITIONAL INFORMATION (Cont'd)

## 17.7 MATERIAL AGREEMENTS

Save as disclosed below, there are no material agreements which have been entered into by the ETICB Group (including but not limited to shareholders' agreements underlying the basis of the Group's business, supplier agreements, customer agreements, insurance policies and Directors' service agreements) within two (2) years immediately preceding the date of this Prospectus:

## (i) Insurance Policies

Policy Details	Location	Item and sum insured
<u>Fire insurance (material damage)</u> Policy no.: 0187359-02-8 by Hong Leong Assurance Bhd Period: 14.09.2005 to 13.09.2006 Insured: ETI TECH	(a) Lab 8A Ground Floor Block A, KHTP Techno Centre Kulim High Tech Park 09000, Kulim Kedah Darul Aman	Stock in trade and all other electronics products related to the insured's trade RM2,000,000  Testing equipment, plant, machinery, utensils and all other equipment RM2,500,000 <u>RM4,500,000</u>
<u>Burglary insurance</u> Policy no.: 0372335-01-3 by Hong Leong Assurance Bhd Period: 14.09.2005 to 13.09.2006 Insured: ETI TECH	(a) 107-02-08, Jalan Gurdwara, Adorna Gold, Pulau Pinang 10300; and  (b) Lab 8A Ground Floor Block A, KHTP Techno Centre Kulim High Tech Park 09000, Kulim Kedah Darul Aman.	Stock in trade and all other products related to the insured's trade including office equipment RM100,000  Stock in trade and all other products related to the insured's trade including office equipment RM100,000
<u>Product liability insurance</u> Policy no.: C505CC000045 by Hong Leong Assurance Bhd Period: 3.12.2005 to 2.12.2006 Insured: ETI TECH	Not applicable.	<u>Limit of liability</u> RM1,000,000 any one (1) claim and in the aggregate, inclusive of costs and expenses.  <u>Excess</u> RM7,500 on each and every claim inclusive of costs and expenses.  <u>Retroactive Cover/Date</u> This insurance provides coverage in respect of claims first made against the insured by reason of any negligent act, error or omission committed or allegedly to have been committed on or after the said retroactive date of 30.7.2002 but excluding known and pending claim circumstances.

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**17. ADDITIONAL INFORMATION (Cont'd)**

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**17.8 PUBLIC TAKE-OVER OFFERS**

None of the following has occurred in the last financial year and/or the current financial year up to the date of this Prospectus:

- (a) public take-over offers by third parties in respect of the securities of the Company and/or its subsidiary company; or
- (b) public take-over offers by the Company and/or its subsidiary company in respect of other companies' securities.

**17.9 GENERAL**

- (a) The nature of the Company's business is described in Section 6 of this Prospectus and the names of all the corporations which are deemed to be related to the Company by virtue of Section 6 of the Act have been disclosed in Section 6.6 of this Prospectus.
- (b) The manner in which copies of this Prospectus together with the official Application Forms and envelopes may be obtained as set out in Section 18 of this Prospectus.
- (c) The time of the opening and closing of the application list is set out in Sections 3.2 and 18.1 of this Prospectus.
- (d) The amount payable in full on application of the Public Issue is RM0.45 per Public Issue Share.
- (e) Save as disclosed in Section 9 of this Prospectus, the Board is not aware of any persons who are able to, directly or indirectly, jointly or severally, exercise control over the Company.
- (f) The name and address of the Auditors and Reporting Accountants of the Company are set out under Section 1 of this Prospectus.

**17.10 CONSENTS**

The written consent of the Adviser/Sponsor/Underwriter/Placement Agent, Principal Banker, Issuing House, Share Registrar, Company Secretary and Solicitors for the listing exercise to the inclusion in this Prospectus of their names and all reference thereto in the manner and form and context in which their names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name, Accountants' Report and letter relating to the proforma consolidated balance sheets and all reference thereto in the manner and form and context in which they appear in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of the Independent Market Researcher to the inclusion in this Prospectus of its name, extractions from and executive summary of the Independent Market Research Report, and the letter relating to the executive summary of the Independent Market Research Report and all reference thereto in the manner and form and context in which it is contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

## 17. ADDITIONAL INFORMATION (Cont'd)

### 17.11 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during office hours for a period of twelve (12) months from the date of this Prospectus:

- (a) Memorandum and Articles of Association of ETICB;
- (b) Directors' Report as included in Section 12 of this Prospectus;
- (c) Accountants' Report as included in Section 13 of this Prospectus;
- (d) Reporting Accountants' letter relating to the Proforma Consolidated Balance Sheets as at 31 August 2005 as included in Section 14.2 of this Prospectus;
- (e) Audited financial statements of ETI TECH for the financial period from 30 July 2002 (the date of incorporation) to 31 August 2003 and the past two (2) financial years ended from 31 August 2004 to 31 August 2005;
- (f) The Executive Summary of the Independent Market Research Report and the Letter Thereon dated 15 February 2006 as included in Section 15 of this Prospectus together with the full Independent Market Research Report by Infocredit D&B dated 15 December 2004 and updated on 15 February 2006;
- (g) Material contracts and material agreements referred to under Sections 17.6 and 17.7 of this Prospectus respectively;
- (h) The By-Laws of the ESOS as included in Section 16 of this Prospectus; and
- (i) Letters of consent referred to under Section 17.10 of this Prospectus.

### 17.12 RESPONSIBILITY STATEMENTS

- (a) Alliance, being the Adviser, Sponsor, Underwriter and Placement Agent 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 Public Issue.
- (b) This Prospectus has been seen and approved by the Directors and Promoters of ETICB and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement in this Prospectus false or misleading.

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