

13. ACCOUNTANTS' REPORT (Cont'd)**CENGILD MEDICAL BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****24. INCOME TAX EXPENSE (CONT'D)**

A reconciliation of income tax expense applicable to the (loss)/profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group is as follows:-

	< ----- Audited ----- >				Unaudited	Audited
	< ----- As at 30 Jun ----- >				As at 31	As at 31
	2018	2019	2020	2021	Oct	Oct
	RM	RM	RM	RM	2020	2021
	RM	RM	RM	RM	RM	RM
(Loss)/Profit before taxation	(4,139,579)	1,476,475	5,533,836	13,469,053	4,834,625	3,405,647
Tax at the statutory tax rate of 24%	(993,499)	354,354	1,328,121	3,232,573	1,160,310	817,355
Tax effects of:						
Non-deductible expenses	30,156	590,542	460,576	231,956	135,690	385,309
Deferred tax asset not recognised during the financial year	963,343	-	-	-	-	-
Utilisation of deferred tax assets not recognised in the previous financial year/period	963,343	(944,896)	(206,826)	-	-	-
	-	-	1,581,871	3,464,529	1,296,000	1,202,664

25. (LOSS)/EARNINGS PER SHARE

	< ----- Audited ----- >				Unaudited	Audited
	< ----- As at 30 Jun ----- >				As at 31	As at 31
	2018	2019	2020	2021	Oct	Oct
	RM	RM	RM	RM	2020	2021
	RM	RM	RM	RM	RM	RM
(Loss)/Profit attributable to owners of the company (RM)	(4,139,579)	1,476,475	3,951,965	10,004,524	3,538,625	2,202,983
Weighted average number of ordinary shares in issue	12,500,000	12,500,000	12,500,000	600,000,000	12,544,932	600,000,000
Basic earnings per share (sen)	(33)	12	32	2	28	#

- Amount less than 1 sen.

The Group has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic (loss)/earnings per share.

13. ACCOUNTANTS' REPORT (Cont'd)**CENGILD MEDICAL BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****26. ACQUISITION OF A SUBSIDIARY**

On 8 Oct 2021, Cengild acquired an additional 80% equity interests in GPSB from its non-controlling interests for a cash consideration of RM800. Following the completion of the acquisition, GPSB became a wholly-owned subsidiary of the Company.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	RM
Bank balance	2,753
Other payables and accruals	(6,463)
Net identifiable liabilities acquired	(3,710)
Less: Non-controlling interest	(200)
Add: Goodwill on acquisition	4,710
Total purchase consideration	800
Less: Bank balance of subsidiary acquired	(2,753)
Net cash inflow from the acquisition of a subsidiary	(1,953)

27. DIVIDENDS

	< ----- Audited ----- >				Unaudited	Audited
	< ----- As at 30 Jun ----- >				As at 31	As at 31
	2018	2019	2020	2021	Oct	Oct
	RM	RM	RM	RM	2020	2021
					RM	RM
Interim dividend paid in respects of the following financial year/period:-						
30 June 2021						
- first interim single-tier dividend of RM0.07 per ordinary share	-	-	-	899,500	-	-
- second interim single-tier dividend of RM0.48 per ordinary share	-	-	-	6,385,136	-	-
	-	-	-	7,284,636	-	-

13. ACCOUNTANTS' REPORT (Cont'd)**CENGILD MEDICAL BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****28. CASH FLOW INFORMATION**

(a) The reconciliations of liabilities arising from financing activities are as follows:-

	Term loan RM	Revolving credit RM	Lease Liabilities RM	Total RM
30 Jun 2018				
At 1 Jul 2017	8,851,652	2,000,000	-	10,851,652
Effects on adoption of MFRS 16	-	-	24,407,736	24,407,736
	8,851,652	2,000,000	24,407,736	35,259,388
<u>Changes in Financing Cash Flows</u>				
Proceeds from drawdown	1,680,169	-	-	1,680,169
Repayment of principal	-	-	(447,502)	(447,502)
Repayment of interests	(636,634)	(202,763)	(1,089,194)	(1,928,591)
	1,043,535	(202,763)	(1,536,696)	(695,924)
<u>Non-cash Changes</u>				
Interest expense recognised in profit or loss	636,634	202,763	1,089,194	1,928,591
At 30 Jun 2018	10,531,821	2,000,000	23,960,234	36,492,055
30 Jun 2019				
At 1 Jul 2018	10,531,821	2,000,000	23,960,234	36,492,055
<u>Changes in Financing Cash Flows</u>				
Repayment of principal	(1,404,265)	(1,000,000)	(504,719)	(2,908,984)
Repayment of interests	(670,886)	(67,963)	(1,068,565)	(1,807,414)
	(2,075,151)	(1,067,963)	(1,573,284)	(4,716,398)
<u>Non-cash Changes</u>				
Interest expense recognised in profit or loss	670,886	67,963	1,068,565	1,807,414
At 30 Jun 2019	9,127,556	1,000,000	23,455,515	33,583,071

13. ACCOUNTANTS' REPORT (Cont'd)**CENGILD MEDICAL BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****28. CASH FLOW INFORMATION (CONT'D)**

(a) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Term Loan RM	Revolving Credit RM	Lease Liabilities RM	Total RM
30 Jun 2020				
At 1 Jul 2019	9,127,556	1,000,000	23,455,515	33,583,071
<u>Changes in Financing Cash Flows</u>				
Repayment of principal	(3,109,493)	(1,000,000)	(553,162)	(4,662,655)
Repayment of interests	(517,819)	(17,363)	(1,042,075)	(1,577,257)
	(3,627,312)	(1,017,363)	(1,595,237)	(6,239,912)
<u>Non-cash Changes</u>				
Interest expense recognised in profit or loss	517,819	17,363	1,042,075	1,577,257
At 30 Jun 2020	6,018,063	-	22,902,353	28,920,416
	Term Loan RM	Lease Liabilities RM	Total RM	
30 Jun 2021				
At 1 Jul 2020	6,018,063	22,902,353	28,920,416	
<u>Changes in Financing Cash Flows</u>				
Repayment of principal	(4,000,000)	(740,773)	(4,740,773)	
Repayment of interests	(205,398)	(1,015,451)	(1,220,849)	
	(4,205,398)	(1,756,224)	(5,961,622)	
<u>Non-cash Changes</u>				
Interest expense recognised in profit or loss	205,398	1,015,451	1,220,849	
At 30 Jun 2021	2,018,063	22,161,580	24,179,643	
	Term Loan RM	Lease Liabilities RM	Total RM	
31 Oct 2020 (Unaudited)				
At 1 Jul 2020	6,018,063	22,902,353	28,920,416	
<u>Changes in Financing Cash Flows</u>				
Repayment of principal	(1,000,000)	(243,237)	(1,243,237)	
Repayment of interests	(107,862)	(342,171)	(450,033)	
	(1,107,862)	(585,408)	(1,693,270)	
<u>Non-cash Changes</u>				
Interest expense recognised in profit or loss	107,862	342,171	450,033	
At 31 Oct 2020	5,018,063	22,659,116	27,677,179	

13. ACCOUNTANTS' REPORT (Cont'd)**CENGILD MEDICAL BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****28. CASH FLOW INFORMATION (CONT'D)**

(a) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Term loan RM	Lease Liabilities RM	Total RM
31 Oct 2021			
At 1 Jul 2021	2,018,063	22,161,580	24,179,643
<u>Changes in Financing Cash Flows</u>			
Repayment of principal	(1,000,000)	(254,411)	(1,254,411)
Repayment of interests	(26,657)	(330,997)	(357,654)
	(1,026,657)	(585,408)	(1,612,065)
<u>Non-cash Changes</u>			
Interest expense recognised in profit or loss	26,657	330,997	357,654
At 31 Oct 2021	1,018,063	21,907,169	22,925,322

(b) The total cash outflows for leases as a lessee are as follows:-

	< ----- Audited ----- >				Unaudited	Audited
	< ----- As at 30 Jun ----- >				As at 31	As at 31
	2018	2019	2020	2021	Oct	Oct
	RM	RM	RM	RM	2020	2021
Interest paid on lease liabilities	1,089,194	1,068,565	1,042,075	1,015,451	342,171	330,997
Payment of lease liabilities	447,502	504,719	553,162	740,773	243,237	254,411
	<u>1,536,696</u>	<u>1,573,284</u>	<u>1,595,237</u>	<u>1,756,224</u>	<u>585,408</u>	<u>585,408</u>

13. ACCOUNTANTS' REPORT (Cont'd)

CENGILD MEDICAL BERHAD

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

28. CASH FLOW INFORMATION (CONT'D)

(c) The cash and cash equivalents comprise the following:-

	<----->		Audited		>----->		Unaudited		Audited	
	As at 30 Jun		As at 30 Jun		As at 31 Oct		As at 31 Oct		As at 31 Oct	
	2018	2019	2020	2021	2020	2021	2020	2021	2020	2021
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Cash and bank balances	943,824	1,318,557	5,714,159	648,191	1,136,867	310,703	1,136,867	310,703	1,136,867	310,703
Deposits with financial institution	-	-	-	5,750,000	6,500,000	9,308,773	6,500,000	9,308,773	6,500,000	9,308,773
	943,824	1,318,557	5,714,159	6,398,191	7,636,867	9,619,476	7,636,867	9,619,476	7,636,867	9,619,476
Less: Pledged of bank balance	(166,196)	(166,186)	(166,176)	(166,166)	(166,176)	(166,166)	(166,176)	(166,166)	(166,176)	(166,166)
Pledged of deposit with financial institution	-	-	-	-	-	(1,000,000)	-	(1,000,000)	-	(1,000,000)
Deposits with tenure more than 3 months	-	-	-	(2,000,000)	(4,000,000)	(1,802,752)	(4,000,000)	(1,802,752)	(4,000,000)	(1,802,752)
	777,628	1,152,371	5,547,983	4,232,025	3,470,691	6,650,558	3,470,691	6,650,558	3,470,691	6,650,558

13. ACCOUNTANTS' REPORT (Cont'd)

CENGILD MEDICAL BERHAD

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

29. KEY MANAGEMENT PERSONNEL

The key management personnel of the Group includes executive directors of the Company and certain members of senior management of the Group.

The key management personnel compensation during the respective financial years are as follows:

(a) Directors

	2018 RM	2019 RM	Audited As at 30 Jun 2020 RM	2021 RM	Unaudited As at 31 Oct 2020 RM	Audited As at 31 Oct 2021 RM
<u>Directors of the Company</u>						
Short-term employee benefits:-						
- fee	-	-	-	22,500	-	45,000
- other benefits	-	-	-	4,800	-	1,018,456
Defined contribution benefits	-	-	-	-	-	85,162
	-	-	-	27,300	-	1,148,618

(b) Other Key Management Personnel

	2018 RM	2019 RM	Audited As at 30 Jun 2020 RM	2021 RM	Unaudited As at 31 Oct 2020 RM	Audited As at 31 Oct 2021 RM
Short-term employee benefits	228,758	488,936	581,528	676,693	207,364	1,416,485
Defined contribution benefits	27,359	58,502	69,725	80,894	24,784	94,794
Total compensation for other key management personnel	256,117	547,438	651,253	757,587	232,148	1,511,279

13. ACCOUNTANTS' REPORT (Cont'd)**CENGILD MEDICAL BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****30. RELATED PARTY DISCLOSURES****(a) Identities of Related Parties**

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, associates, joint venture and key management personnel and entities within the same group of companies.

(b) Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group also carried out the following transactions with the related parties for the respective financial years:-

	<----- Audited ----->		<----- Audited ----->		<----- Audited ----->	
	2018	2019	As at 30 Jun 2020	2021	Unaudited As at 31 Oct 2020	Audited As at 31 Oct 2021
	RM	RM	RM	RM	RM	RM
Administrative fee contributed by directors	1,133,535	1,406,052	1,087,075	833,255	269,632	146,056
Administrative fee contributed by other key management personnel	471,880	599,282	507,788	302,203	99,624	54,188
Consultant fee paid to directors	2,226,951	5,555,238	5,391,649	6,548,790	2,376,661	787,648
Consultant fee paid to other key management personnel	395,671	1,258,192	3,005,143	7,651,303	2,373,925	1,221,044
External consultancy fee contributed by directors	-	-	-	-	-	118,507
External consultancy fee contributed by other key management personnel	-	-	-	-	-	43,718
Management fee charge to a joint venture	-	-	-	6,079	659	3,161

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)**CENGILD MEDICAL BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****31. OPERATING SEGMENTS**

The Group operates predominantly in one business segment in Malaysia. Accordingly, the information by business and geographical segments is not presented.

There is no single customer that contributed 10% or more to the group's revenue.

32. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

32.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of major areas of treasury activity are as follows:

(a) Market Risk**(i) Foreign Currency Risk**

The Group does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from its interest-bearing borrowings. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's deposits with financial institution are carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 17 to the combined financial statements.

Interest Rate Risk Sensitivity Analysis

Any reasonably possible change in the interest rates of floating rate term loans and short-term borrowings at the end of the reporting periods does not have material impact on the (loss)/profit after taxation and other comprehensive income of the Group and hence, no sensitivity analysis is presented.

13. ACCOUNTANTS' REPORT (Cont'd)

CENGILD MEDICAL BERHAD

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

32. FINANCIAL INSTRUMENTS

32.1 FINANCIAL RISK MANAGEMENT POLICIES

(a) Market Risk

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and short-term cash investments), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

(i) Credit Risk Concentration Profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

13. ACCOUNTANTS' REPORT (Cont'd)

CENGILD MEDICAL BERHAD

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

For certain large customers or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information, past trends of payments an external credit rating, where applicable.

Also, the Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than 1 year are deemed credit impaired and assess for their risk of loss individually.

The expected loss rates are based on the payment profiles of sales over a period of 12 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

13. ACCOUNTANTS' REPORT (Cont'd)**CENGILD MEDICAL BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****32. FINANCIAL INSTRUMENTS (CONT'D)****32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)***Trade Receivables (Cont'd)*

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for trade receivables are summarised as below:-

	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
Audited 30 Jun 2018				
Not past due	1,185,712	-	-	1,185,712
Past due				
- less than 3 months	275,938	-	-	275,938
- 3 to 6 months	200	-	-	200
- more than 6 months	-	-	-	-
	1,461,850	-	-	1,461,850
Audited 30 Jun 2019				
Not past due	2,260,132	-	-	2,260,132
Past due:				
- less than 3 months	329,633	-	-	329,633
- 3 to 6 months	7,703	-	-	7,703
- more than 6 months	-	-	-	-
	2,597,468	-	-	2,597,468
Audited 30 Jun 2020				
Not past due	3,157,851	-	-	3,157,851
Past due:				
- less than 3 months	256,175	-	-	256,175
- 3 to 6 months	12,301	-	-	12,301
- more than 6 months	-	-	-	-
	3,426,327	-	-	3,426,327

13. ACCOUNTANTS' REPORT (Cont'd)**CENGILD MEDICAL BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****32. FINANCIAL INSTRUMENTS (CONT'D)****32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)***Trade Receivables (Cont'd)*

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for trade receivables are summarised as below (Cont'd):-

	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
Audited 30 Jun 2021				
Not past due	4,096,534	-	-	4,096,534
Past due:				
- less than 3 months	397,953	-	-	397,953
- 3 to 6 months	1,478	-	-	1,478
- more than 6 months	-	-	-	-
	4,495,965	-	-	4,495,965
Audited 31 Oct 2021				
Not past due	3,538,323	-	-	3,538,323
Past due:				
- less than 3 months	480,407	-	-	480,407
- 3 to 6 months	86,147	-	-	86,147
- more than 6 months	-	-	-	-
	4,104,877	-	-	4,104,877

The Group believes that no impairment allowance is necessary in respect of these receivables that are past due but not impaired because they are companies and individual with good collection track record and no recent history of default.

13. ACCOUNTANTS' REPORT (Cont'd)

CENGILD MEDICAL BERHAD

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

The Company applies the 3-stage general approach to measuring expected credit losses for other receivables. No expected credit loss is recognised on these balances as it is negligible.

Deposits with Financial Institution, Cash and Bank Balances

The Group considers these banks and financial institutions to have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial, and hence, it is not provided for.

13. ACCOUNTANTS' REPORT (Cont'd)

CENGILD MEDICAL BERHAD

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted Average Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
30 Jun 2018						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	4.50	23,960,234	32,810,655	1,573,284	7,837,150	23,400,221
Term loan	6.40	10,531,821	11,657,780	1,718,350	9,939,430	-
Revolving credit	5.07	2,000,000	2,000,000	2,000,000	-	-
Trade payables	-	1,425,490	1,425,490	1,425,490	-	-
Other payables and accruals	-	3,561,581	3,561,581	3,561,581	-	-
Amount owing to former holding company	-	1,100,000	1,100,000	1,100,000	-	-
		42,579,126	52,555,506	11,378,705	17,776,580	23,400,221

13. ACCOUNTANTS' REPORT (Cont'd)

CENGILD MEDICAL BERHAD

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
30 Jun 2019						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	4.50	23,455,515	31,237,371	1,595,237	8,832,343	20,809,791
Term loan	6.25	9,127,556	9,915,566	3,588,698	6,326,868	-
Revolving credit	6.60	1,000,000	1,000,000	1,000,000	-	-
Trade payables	-	2,951,877	2,951,877	2,951,877	-	-
Other payables and accruals	-	2,472,887	2,472,887	2,472,887	-	-
Amount owing to former holding company	-	1,100,000	1,100,000	1,100,000	-	-
		40,107,835	48,677,701	12,708,699	15,159,211	20,809,791

13. ACCOUNTANTS' REPORT (Cont'd)

CENGILD MEDICAL BERHAD

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
30 Jun 2020						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	4.50	22,902,353	29,642,134	1,756,224	9,752,897	18,133,013
Term loan	5.25	6,018,063	6,268,709	4,219,694	2,049,015	-
Trade payables	-	3,577,239	3,577,239	3,577,239	-	-
Other payables and accruals	-	3,124,381	3,124,381	3,124,381	-	-
Amount owing to former holding company	-	1,100,000	1,100,000	1,100,000	-	-
		36,722,036	43,712,463	13,777,538	11,801,912	18,133,013

13. ACCOUNTANTS' REPORT (Cont'd)

CENGILD MEDICAL BERHAD

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
30 Jun 2021						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	4.50	22,161,580	27,885,910	1,895,258	10,966,155	15,024,497
Term loan	4.50	2,018,063	2,030,408	2,030,408	-	-
Trade payables	-	5,301,319	5,301,319	5,301,319	-	-
Other payables and accruals	-	2,219,176	2,219,176	2,219,176	-	-
Amount owing to directors	-	27,300	27,300	27,300	-	-
		31,727,438	37,464,113	11,473,461	10,966,155	15,024,497

13. ACCOUNTANTS' REPORT (Cont'd)

CENGILD MEDICAL BERHAD

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
31 Oct 2021						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	4.50	21,907,169	27,300,502	2,173,327	11,138,851	13,988,324
Term loan	4.50	1,018,063	1,018,063	1,018,063	-	-
Trade payables	-	3,528,226	3,528,226	3,528,226	-	-
Other payables and accruals	-	4,600,852	4,600,852	4,600,852	-	-
Amount owing to directors	-	78,700	78,700	78,700	-	-
		31,133,010	36,526,343	11,399,168	11,138,851	13,988,324

13. ACCOUNTANTS' REPORT (Cont'd)**CENGILD MEDICAL BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****32. FINANCIAL INSTRUMENTS (CONT'D)****32.2 CAPITAL RISK MANAGEMENT**

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any.

The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	< ----- Audited ----- >				Audited
	< ----- As at 30 Jun ----- >				As at 31 Oct
	2018	2019	2020	2021	2021
	RM	RM	RM	RM	RM
Lease liabilities	23,960,234	23,455,515	22,902,353	22,161,580	21,907,169
Term loan	10,531,821	9,127,556	6,018,063	2,018,063	1,018,063
Revolving credit	2,000,000	1,000,000	-	-	-
Total borrowings	36,492,055	33,583,071	28,920,416	24,179,643	22,925,232
Total equity	4,359,953	5,836,428	9,788,393	13,778,732	15,981,715
Debt-to-equity ratio	8.37	5.75	2.95	1.75	1.43

13. ACCOUNTANTS' REPORT (Cont'd)

CENGILD MEDICAL BERHAD

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2018 RM	2019 RM	2020 RM	2021 RM	Audited As at 31 Oct 2021 RM
	<----->	<----->	<----->	<----->	<----->
Financial Assets					
Amortised Cost					
Trade receivables	1,461,850	2,597,468	3,426,327	4,495,965	4,104,877
Other receivables and deposit	737,413	518,672	595,114	690,583	684,398
Deposits with financial institution	-	-	-	5,750,000	9,308,773
Cash and bank balances	943,824	1,318,557	5,714,159	648,191	310,703
	3,143,087	4,434,697	9,735,600	11,584,469	14,408,751
Financial Liabilities					
Amortised Cost					
Lease liabilities	23,960,234	23,455,515	22,902,353	22,161,580	21,907,169
Term loan	10,531,821	9,127,556	6,018,063	2,018,063	1,018,063
Revolving credit	2,000,000	1,000,000	-	-	-
Trade payables	1,425,490	2,951,877	3,577,239	5,301,319	3,528,226
Other payables and accruals	3,561,581	2,472,887	3,124,381	2,219,176	4,600,852
Amount owing to former holding company	1,100,000	1,100,000	1,100,000	-	-
Amount owing to directors	-	-	-	27,300	78,700
	42,579,126	40,107,835	36,722,036	31,727,438	31,133,010

13. ACCOUNTANTS' REPORT (Cont'd)

CENGILD MEDICAL BERHAD

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	2018 RM	2019 RM	Audited As at 30 Jun 2020 RM	Audited As at 31 Oct 2021 RM
Financial Assets				
<u>Amortised Cost</u>				
Net (losses)/gain recognised in profit or loss	-	(3,290)	(867)	43,543
Financial Liabilities				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(1,928,591)	(1,807,414)	(1,577,257)	(357,654)

32.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The fair value of term loan that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

13. ACCOUNTANTS' REPORT (Cont'd)**CENGILD MEDICAL BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****33. INITIAL APPLICATION OF MFRS 16**

The Group has adopted MFRS 16 using the modified retrospective approach under which the cumulative effect of early application is recognised as an adjustment to the retained profits as at 1 July 2017 (date of application) without restating any comparative information.

The Group has applied MFRS 16 only to contracts that were previously identified as leases under MFRS 117 'Leases' and IC Interpretation 4 'Determining Whether an Arrangement Contains a Lease'.

(a) Lessee Accounting

At 1 July 2017, for leases that were classified as operating leases under MFRS 117, the Group measured the lease liabilities at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at that date of 4.50%. The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease. The right-of-use assets were measured at their carrying amount as if MFRS 16 had been applied since the commencement date, discounted using the Group's incremental borrowing rate at 1 July 2017.

The Group has used the following practical expedients in applying MFRS 16 for the first time:-

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Applied for the exemption not to recognise operating leases with a remaining lease term of less than 12 months as at 1 July 2017;
- Excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the lease contract contains options to extend or terminate the lease.

13. ACCOUNTANTS' REPORT (Cont'd)**CENGILD MEDICAL BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****33. INITIAL APPLICATION OF MFRS 16 (CONT'D)****(a) Lessee Accounting (Cont'd)**

The following table explains the difference between the operating lease commitments disclosed in the FYE 30 June 2017 (determined under MFRS 117) and the lease liabilities recognised at 1 July 2017:-

	RM
Operating lease commitments as at 30 June 2017	2,831,690
Discounted using the incremental borrowing rates at 1 July 2017	2,699,342
Add: Extension options	21,708,394
Lease liabilities recognised as at 1 July 2017	24,407,736

(b) Financial Impacts

The main impacts resulting from the adoption of MFRS 16 at 1 July 2017 are summarised as below:-

	< ----- 1 Jul 2017 ----- >	
	As Previously Reported RM	MFRS 16 Adjustments RM
		As Restated RM
<i>Statements of Financial Position</i>		
Right-of-use assets	-	24,407,736
Lease liabilities:		
- non-current liabilities	-	(23,960,234)
- current liabilities	-	(447,502)

13. ACCOUNTANTS' REPORT (Cont'd)**CENGILD MEDICAL BERHAD****NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****34. SIGNIFICANT EVENT OCCURRING DURING THE REPORTING PERIOD**

- (a) On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia had on 18 March 2020 imposed the Movement Control Order ("MCO") and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

The COVID-19 pandemic or any other contagious or virulent diseases resulting in a healthcare pandemic may potentially affect the Group's financial performance and results of the Group's operations. Travel and movement restriction and other precautionary measures imposed by relevant local authorities may adversely affect the Group's operations and business.

The Group has taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs.

Given the dynamic nature of the COVID-19 pandemic, it is not practicable to provide a reasonable estimate of its impacts on the Group's financial position, operating results and cash flows at the date on which these financial statements are authorised for issue.

- (b) In conjunction with the Proposed Listing, the Company has undertaken a Pre-Initial Public Offering restructuring to acquire the entire issued share capital of Cengild ("Proposed Acquisition"). The Company had on 11 May 2021 entered into a Share Sale Agreement in relations to the Proposed Acquisition for a total consideration of RM12,240,000 by way of issuance of 599,999,999 new ordinary shares of the Company at an issue price of RM0.0204 each. The Share Sale Agreement was completed on 28 May 2021.

35. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

Subsequent to the reporting date, the numbers of new COVID-19 cases increased substantially in Malaysia and markets in which the Group operates. As the outbreak is evolving, the full effect of the COVID-19 pandemic is subject to uncertainty and could not be ascertained reliably at this juncture.

13. ACCOUNTANTS' REPORT (Cont'd)

CENGILD MEDICAL BERHAD

STATEMENT BY DIRECTORS

We, Dato' Tan Huck Joo and Mohamed Akhtar Bin Mohamed Ditali Qureshi, being two of the directors of Cengild Medical Berhad, state that, in the opinion of the directors, the combined and consolidated financial statements set out on pages 5 to 75 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the combined financial position of the Group as of 30 June 2018, 30 June 2019, 30 June 2020, and consolidated financial position of the Group as of 30 June 2021 and 31 October 2021 and of its combined financial performance and its combined cash flows for the financial years ended 30 June 2018, 30 June 2019, 30 June 2020, and consolidated financial performance and consolidated cash flows for the financial year ended 30 June 2021 and the financial period ended 31 October 2021.

Signed in accordance with a resolution of the directors dated **03 MAR 2022**



Dato' Dr. Tan Huck Joo



Dr. Mohamed Akhtar Bin Mohamed Ditali Qureshi

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION



Crowe Malaysia PLT
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15 MAR 2022

The Board of Directors
Cengild Medical Berhad
Unit 2-3 & 2-4, Level 2
Nexus @ Bangsar South
No. 7, Jalan Kerinchi
59200 Kuala Lumpur

Dear Sir/Madam,

**CENGILD MEDICAL BERHAD ("CENGILD MEDICAL" OR THE "COMPANY")
REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION AS AT 31 OCTOBER 2021**

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position of Cengild Medical and its subsidiary (collectively known as the "**Group**") as at 31 October 2021 and related notes as set out in Appendix A, for which we have stamped for the purpose of identification.

The pro forma consolidated statements of financial position and related notes have been compiled for inclusion in the prospectus of Cengild Medical ("**Prospectus**") in connection with its listing of and quotation for the entire enlarged issued share capital on the ACE Market of Bursa Malaysia Securities Berhad ("**Listing**").

The applicable criteria on the basis of which the Board of Directors have compiled the pro forma consolidated statements of financial position are set out in Note 2 of Appendix A, and in accordance with the Prospectus Guidelines – Equity issued by the Securities Commission Malaysia ("**Prospectus Guidelines**") ("**Applicable Criteria**").

The pro forma consolidated statements of financial position have been compiled by the Board of Directors of the Company, for illustrative purpose only, to illustrate the impact of the events or transactions as set out in Note 2.3 of Appendix A of this letter on the Group's financial position as at 31 October 2021.

As part of this process, information about the Group's financial position have been extracted from the consolidated financial statements of Cengild Medical for the financial period ended 31 October 2021, on which an audit report has been issued.

THE BOARD OF DIRECTORS' RESPONSIBILITIES

The Board of Directors of the Company is responsible for compiling the pro forma consolidated statements of financial position based on the Applicable Criteria.

Page 1 of 14

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (Cont'd)



REPORTING ACCOUNTANTS' INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants and other ethical requirement of the *International Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 (ISQC 1), *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements* issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal regulatory requirements.

REPORTING ACCOUNTANTS' RESPONSIBILITIES

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the pro forma consolidated statements of financial position has been compiled, in all material respects, by the Board of Directors of the Company on the basis of the Applicable Criteria.

We conducted our engagement in accordance with the International Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagement to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma consolidated statements of financial position on the basis of the Applicable Criteria.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinion on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statements of financial position.

The purpose of pro forma consolidated statements of financial position included in a Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (Cont'd)



REPORTING ACCOUNTANTS' RESPONSIBILITIES (CONT'D)

A reasonable assurance engagement to report on whether the pro forma consolidated financial information has been compiled, in all material respects, on the basis as set out in Note 2 of Appendix A and in accordance with the requirements of the Prospectus Guideline involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma consolidated statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated statements of financial position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma consolidated financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the pro forma consolidated statements of financial position of the Group have been compiled, in all material respects, on the basis of the Applicable Criteria.

OTHER MATTER

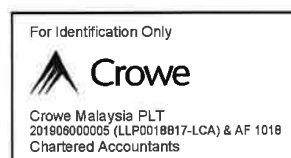
We understand that this letter will be used solely for the purpose of inclusion in the Prospectus in connection with the Proposed Listing. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur

Choong Kok Keong
03461/11/2023 J
Chartered Accountant

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (Cont'd)**APPENDIX A**

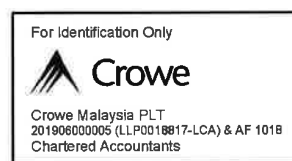
CENGILD MEDICAL BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2021

1. ABBREVIATION

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report:-

Bursa Securities	: Bursa Malaysia Securities Berhad
Cengild Medical Group or Group	: Collectively, the Company and its subsidiaries
Cengild Medical or Company	: Cengild Medical Berhad
Cengild	: Cengild Sdn Bhd
Final Retail Price	: Final price per IPO Share to be paid by investors under the Retail Offering, equivalent to the Retail Price or the Institutional Price, whichever is lower, to be determined on the Price Determination Date
FPE 31 Oct 2021	: 4-month financial period ended 31 October 2021
GPSB	: Galen Primer Sdn Bhd
Institutional Offering	: Offering of 162,860,000 IPO Shares at the Institutional Price, subject to clawback and reallocation provisions to the institutional and selected investors
Institutional Price	: Price per IPO Share to be paid by investors under the Institutional Offering which will be determined on the Price Determination Date by way of bookbuilding
IPO	: Initial public offering of 218,800,000 new Shares in conjunction with the listing of and quotation for our entire enlarged issue share capital on the ACE Market of Bursa Securities
IPO Shares	: 218,800,000 new Shares to be issued pursuant to the IPO
Listing	: Listing of and quotation for the entire enlarged issued share capital of our Company comprising 818,800,000 Cengild Medical Shares on the ACE Market of Bursa Securities
NA	: Net assets
Price Determination Date	: The date on which the Institutional Price and Final Retail Price will be determined

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (Cont'd)



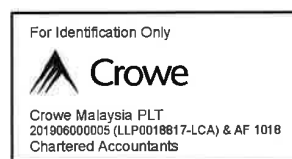
APPENDIX A

**CENGILD MEDICAL BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2021**

1. ABBREVIATION (CONT'D)

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report (Cont'd):-

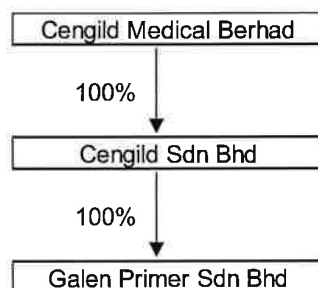
Retail Offering	: Offering of 55,940,000 IPO Shares at the Retail Price, subject to clawback and reallocation provisions, to be allocated to the following:
	(i) 40,940,000 IPO Shares for application by the Malaysian Public via balloting; and
	(ii) 15,000,000 IPO Shares reserved for application by the eligible Directors, Key Senior Management, employees and persons who have contributed to the success of the Group
Retail Price	: Indicative initial price of RM0.33 per IPO Share to be fully paid upon application under the Retail Offering, subject to the adjustment as detailed in Section 4.5.1 of the Prospectus
RM and sen	: Ringgit Malaysia and sen respectively
Share(s) or Cengild Medical Share(s)	: Ordinary share(s) in the Company

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (Cont'd)**APPENDIX A**

CENGILD MEDICAL BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2021

2. PRO FORMA GROUP AND BASIS OF PREPARATION**2.1 Pro Forma Group**

The pro forma corporate structure of the Group is as follows:-

**2.2 Basis of Preparation**

The Pro Forma Consolidated Statements of Financial Position of the Group have been prepared for illustration purposes using the audited consolidated financial statements of the Group as at 31 October 2021 which was prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRS") and were not subject to any qualification, modification or disclaimer.

The Pro Forma Consolidated Statements of Financial Position of the Group have also been compiled in a manner consistent with both the format of the audited financial statements and accounting policies of the Group for the financial period ended 31 October 2021.

The financial statements of Cengild Medical and Cengild uses the pooling-of-interests method as these companies are under common control by the same parties both before and after the acquisition of Cengild, and control is not transitory. When the pooling-of-interests method is used, the difference between the cost of investment recorded by Cengild Medical and the share capital of Cengild is accounted for as a reorganisation reserve in the Pro Forma Consolidated Statements of Financial Position, as follows:-

	RM
New shares issued by the Company as consideration for the acquisition of Cengild	12,240,000
Less: Reversal of issued and paid up share capital of Cengild as at 31 October 2021	(13,770,450)
Reorganisation reserve	(1,530,450)

During the FPE 31 Oct 2021, Cengild acquired an additional 80% equity interests in GPSB from its non-controlling interests and GPSB became a wholly-owned subsidiary of the Company. Hence, the consolidated financial statements of the Group are prepared for the FPE 31 Oct 2021.

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (Cont'd)



APPENDIX A

**CENGILD MEDICAL BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2021**

2. PRO FORMA GROUP AND BASIS OF PREPARATION (CONT'D)

2.3 Listing Scheme

In conjunction with the Listing, the Company undertook the following:-

2.3.1 IPO

IPO of 218,800,000 new ordinary shares in Cengild Medical, representing 26.72% of the enlarged issued share capital, to be allocated in the following manner:-

(a) Institutional Offering

162,860,000 IPO Shares, representing 19.89% of the enlarged issued share capital, to the institutional and selected investors, at the Institutional Price to be determined by way of book building, subject to the clawback and reallocation provisions.

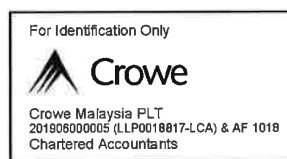
(b) Retail Offering

55,940,000 IPO Shares, representing 6.83% of the enlarged issued share capital, at the Retail Price, subject to the clawback and reallocation provisions, to be allocated to the following:

- (i) 40,940,000 IPO Shares, representing 5.00% of the enlarged issued share capital, will be made available for application by the Malaysian public; and
- (ii) 15,000,000 IPO Shares, representing 1.83% of the enlarged issued share capital, will be reserved for application by the eligible Directors, Key Senior Management, employees and persons who have contributed to the success of the Group.

Upon completion of the IPO and before deducting the estimated listing expenses directly attributable to the issuance of new shares of RM2,790,000, the share capital will increase from RM12,240,000.98 comprising 600,000,000 Shares to RM84,444,000.98 comprising 818,800,000 Shares.

Upon completion of the IPO, the Company shall be admitted to the official list and the entire enlarged share capital of approximately RM81,654,000.98 (after deducting the estimated listing expenses directly attributable to the issuance of new shares of RM2,790,000) comprising 818,800,000 Shares shall be listed and quoted on the ACE Market of Bursa Securities.

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (Cont'd)**APPENDIX A**

CENGILD MEDICAL BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2021

3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CENGILD MEDICAL AS AT 31 OCTOBER 2021

	Note	As at 31 October 2021 ^	Pro Forma I After IPO	Pro Forma II After Pro Forma I and the Utilisation of IPO Proceeds
		RM	RM	RM
ASSETS				
NON-CURRENT ASSETS				
Investment in associates		300	300	300
Plant and equipment		15,006,265	15,006,265	15,006,265
Right-of-use assets		16,761,939	16,761,939	16,761,939
		31,768,504	31,768,504	31,768,504
CURRENT ASSETS				
Inventories		1,020,263	1,020,263	1,020,263
Trade receivables		4,104,877	4,104,877	4,104,877
Other receivables, deposits and prepayments	5.1	902,271	902,271	763,249
Deposits with financial institution		9,308,773	9,308,773	9,308,773
Cash and bank balances	5.2	310,703	72,514,703	69,284,963
		15,646,887	87,850,887	84,482,125
TOTAL ASSETS		47,415,391	119,619,391	116,250,629
EQUITY AND LIABILITIES				
EQUITY				
Share capital	5.3	12,240,001	84,444,001	81,654,001
Reorganisation reserve		1,530,450	1,530,450	1,530,450
Retained profits	5.4	2,211,264	2,211,264	1,632,502
TOTAL EQUITY		15,981,715	88,185,715	84,816,953

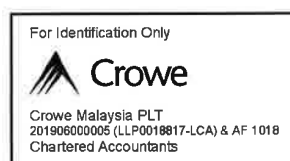
^ Extracted from the Group's audited consolidated financial statements as at 31 October 2021.

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (Cont'd)

APPENDIX A
**CENGILD MEDICAL BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2021**
3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CENGILD MEDICAL AS AT 31 OCTOBER 2021 (CONT'D)

	Note	As at 31 October 2021 ^	Pro Forma I After IPO	Pro Forma II After Pro Forma I and the Utilisation of IPO Proceeds
		RM	RM	RM
NON-CURRENT LIABILITY				
Lease liabilities		20,699,645	20,699,645	20,699,645
CURRENT LIABILITIES				
Trade payables		3,528,226	3,528,226	3,528,226
Other payables and accruals		4,600,852	4,600,852	4,600,852
Amount owing to directors		78,700	78,700	78,700
Lease liabilities		1,207,524	1,207,524	1,207,524
Bank borrowings		1,018,063	1,018,063	1,018,063
Current tax liabilities		300,666	300,666	300,666
		10,734,031	10,734,031	10,734,031
TOTAL LIABILITIES		31,433,676	31,433,676	31,433,676
TOTAL EQUITY AND LIABILITIES		47,415,391	119,619,391	116,250,629
Number of ordinary shares ('000)	5.3	600,000,000	818,800,000	818,800,000
Total Equity/NA (RM'000)		15,981,715	88,185,715	84,816,953
NA per share (RM)		0.03	0.11	0.10

^ Extracted from the Group's audited consolidated financial statements as at 31 October 2021.

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (Cont'd)**APPENDIX A**
CENGILD MEDICAL BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2021

The pro forma consolidated statements of financial position as at 31 October 2021 has been prepared solely for illustrative purposes only to show the effects of the following transactions based on the assumptions that they had been effected on 31 October 2021:

4.1 Pro Forma I

After the pro forma effects of the IPO as set out in Section 2.3.1 above.

4.2 Pro Forma II

After incorporated the cumulative effects of Pro Forma I and the utilisation of the proceeds from the IPO.

4.2.1 Utilisation of Proceeds

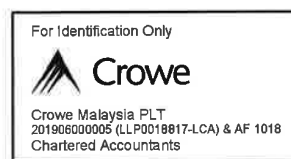
The proceeds from the IPO as stated in the prospectus in relation to the IPO, will be utilised as follows:-

Utilisation of proceeds	Note	Amount of proceeds		Estimated timeframe for utilisation upon Listing
		RM'000	%	
Expansion of existing medical centre	(1)	13,000	18.00	Within 36 months
Establishing new medical centres	(2)	37,100	51.38	Within 36 months
Working capital	(3)	17,404	24.11	Within 24 months
Defraying the listing expenses	(4)	4,700	6.51	Within 1 month
Total		72,204	100.00	

Notes:

(1) *Expansion of existing medical centre*

Description	RM'000
Rental	1,062
Renovation	6,058
Purchase of medical devices and equipment	4,837
Beds and related furniture and fittings, electrical equipment and computing equipment	1,043
Total	13,000

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (Cont'd)**APPENDIX A**

CENGILD MEDICAL BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2021

4.2 Pro Forma II (Cont'd)**4.2.1 Utilisation of Proceeds (Cont'd)****Notes: (Cont'd)**

- (2) *Establishing two (2) new full-fledged medical centres in other major cities in Malaysia.*

The estimated cost to set up one (1) full-fledged medical centre is as follows:

Description	RM'000
Rental	2,390
Renovation	7,500
Purchase of medical devices and equipment	7,570
Beds and related furniture and fittings, computer equipment & software, office equipment and electrical equipment	1,090
Total	18,550

Based on the above, the estimated cost to set up two (2) full-fledged medical centres is approximately RM37.10 million.

Based on the latest practicable date of the prospectus as at 1 March 2022, there are no supportable purchase orders, sale and purchase agreements or contractual binding agreements in relation to the utilisation of proceeds for expansion of the existing medical centre and establishing of two (2) new full-fledged medical centres. In view that the utilisation of proceeds for expansion of the existing medical centre and establishing of two (2) new full-fledged medical centres are not factually supported, hence, such utilisation of proceeds will not be illustrated in this Pro forma.

- (3) *Working capital*

Description	RM'000
Recruitment of 10 new employee consultants and surgeons	12,000
Recruitment of nursing staff, clinical support and administrative staff	3,765
General working capital	1,639
Total	17,404

- (4) *Estimated listing expenses*

Description	RM'000
Professional fees	1,755
Fees payable to authorities	29
Underwriting commission, placement fees and brokerage fees	2,181
Fees and expenses for printing, advertising, roadshow and contingencies	735
Total	4,700

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (Cont'd)



APPENDIX A

**CENGILD MEDICAL BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31
OCTOBER 2021**

4.2 Pro Forma II (Cont'd)

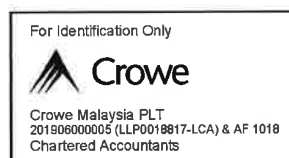
4.2.1 Utilisation of Proceeds (Cont'd)

Notes: (Cont'd)

(4) Estimated listing expenses (Cont'd)

From the total estimated listing expenses of RM4.7 million, a total of RM2.79 million is assumed to be directly attributable to the issuance of new shares and therefore will be set off against the share capital. The remaining expenses of RM1.91 million are assumed to be attributable to the listing and therefore will be charged to the statements of profit or loss and other comprehensive income. In the financial period ended 31 October 2021, the Company had recognised the listing expenses of RM1.33 million in profit or loss.

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14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (Cont'd)**APPENDIX A**

CENGILD MEDICAL BERHAD AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2021

5. NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**5.1 Other Receivables, Deposits and Prepayments**

	RM
As at 31 October 2021/ As per Pro Forma I	902,271
After taking into consideration the utilisation of proceeds from IPO	(139,022)
As per Pro Forma II	763,249

5.2 Cash and Bank Balances

	RM
As at 31 October 2021	310,703
Gross proceeds arising from the IPO	72,204,000
As per Pro Forma I	72,514,703
After taking into consideration the utilisation of proceeds from the IPO to defray the estimated listing expenses	(3,229,740)
As per Pro Forma II	69,284,963

5.3 Share Capital

	Number of Ordinary Shares	Amount of Share Capital RM
As at 31 October 2021	600,000,000	12,240,001
New IPO Shares to be issued pursuant to the IPO	218,800,000	72,204,000
As per Pro Forma I	818,800,000	84,444,001
Estimated listing expenses	-	(2,790,000)
As per Pro Forma II	818,800,000	81,654,001

5.4 Retained Profits

	RM
As at 31 October 2021/ As per Pro Forma I	2,211,264
Less: Estimated listing expenses	(578,762)
As per Pro Forma II	1,632,502

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION (Cont'd)

APPENDIX A

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated **03 MAR 2022**

On behalf of the Board of Directors,



Dato' Dr Tan Huck Joo
Director



Dr Mohamed Akhtar Bin Mohamed Ditali Qureshi
Director

15. ADDITIONAL INFORMATION

15.1 SHARE CAPITAL

- (i) The share capital of our Company as at the LPD and the movement in our share capital since our incorporation are set out in **Section 6.2** of this Prospectus.
- (ii) As at the date of this Prospectus, we only have one (1) class of shares, namely, ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (iii) Save for our Pink Form Allocations and LTIP as disclosed in **Sections 4.2.2 and 4.2.4** of this Prospectus, as at the date of this Prospectus:
 - (a) no Director or employee of our Group has been or is entitled to be given or has exercised any option to subscribe for any shares in our Company or our subsidiary; and
 - (b) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiary.
- (iv) There were no shares which has been paid for with assets other than cash within the past three (3) years from the LPD. Save for the new Shares issued pursuant to the Acquisition and IPO as disclosed in **Sections 4 and 6** of this Prospectus respectively, no shares of our Company have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise, within the past two (2) years immediately preceding the date of this Prospectus.
- (v) Other than our IPO and LTIP as disclosed in **Section 4.2** of this Prospectus, there is no intention on the part of our Directors to further issue any Shares on the basis of this Prospectus.
- (vi) As at the date of this Prospectus, we do not have any outstanding convertible debt securities.

15.2 EXTRACTS OF OUR CONSTITUTION

The following provisions are extracted from our Constitution. The words and expressions appearing in the following provisions shall bear the same meanings used in our Constitution unless otherwise defined or the context otherwise requires. The following provisions extracted from our Constitution are based on the Listing Requirements and the Act.

15.2.1 Remuneration, voting and borrowing powers of Directors

The provisions in our Constitution dealing with remuneration, voting and borrowing powers of Directors are as follows:

(i) Remuneration of Directors

Clause 93 - Remuneration of Directors

- (1) The Company may from time to time by an ordinary resolution passed at a General Meeting, approve the remuneration of the Directors, who hold non-executive office with the Company, for their services as non-executive Directors.
- (2) Subject to Clause 84, the fees of the Directors and any benefits payable to the Directors shall be subject to annual shareholders' approval at a General Meeting.

15. ADDITIONAL INFORMATION (Cont'd)

- (3) If the fee of each such non-executive Director is not specifically fixed by the Members, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the Members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- (4) The following expenses shall be determined by the Directors:
 - (a) Traveling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company; and
 - (b) Other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties.
- (5) Executive Directors of the Company shall be remunerated in the manner referred to in Clause 84 but such remuneration shall not include a commission on or percentage of turnover.

(ii) Borrowing powers of Director

Clause 95 - Powers of Directors

Without limiting the generality of Clause 94(1) and (2), the Directors may, subject to the Act and the Listing Requirements, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:

- (1) borrow money;
- (2) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;
- (3) issue debentures and other Securities whether outright or as security; and/or
- (4)
 - (a) lend and advance money or give credit to any person or company;
 - (b) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company;
 - (c) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company;

and otherwise to assist any person or company.

(iii) Voting of Director

Clause 118 - Voting at Board meetings

- (1) Subject to this Constitution, questions arising at a Board Meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors.

15. ADDITIONAL INFORMATION (Cont'd)

- (2) Each Director is entitled to cast one (1) vote on each matter for determination.

Clause 62 - Casting Vote

In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the General Meeting at which the show of hands takes place or at which the poll is carried out is entitled to a second or casting vote.

15.2.2 Changes to share capital

The provisions in the Constitution dealing with changes in share capital are as follows:

Clause 46 - Alteration of Capital

- (1) The Company may from time to time by ordinary resolution and subject to other applicable laws or requirements:
 - (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or
 - (b) subdivide its shares or any of them into shares, whichever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.
- (2) The Company may from time to time by special resolution and subject to other applicable requirements:
 - (a) cancel shares which, at the date of the passing of the resolution in that regard, 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 or in such other manner allowed by law; or
 - (b) reduce its share capital in such manner permitted by law, and (where applicable) subject to the relevant required approvals being obtained.
- (3) The Company shall have the power, subject to and in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines in respect thereof for the time being in force, to purchase its own shares and thereafter to deal with the shares purchased in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines thereunder or issued by Bursa Securities and any other relevant authorities in respect thereof.

15.2.3 Transfer of Shares

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

Clause 14 - Transfer of securities

The transfer of any Deposited Security or class of Deposited Security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Deposited Securities.

15. ADDITIONAL INFORMATION (Cont'd)

Clause 17 - Transfer of shares or debentures

- (1) Subject to this Constitution and other written laws, any Shareholder or debenture holder may transfer all or any of his shares or debentures by instrument of transfer as prescribed under the Act.
- (2) The instrument of transfer must be executed by or on behalf of the transferor and the transferee.
- (3) The transferor shall remain as the holder of such shares or debentures until the transfer is registered and the name of the transferee is entered in the Register of Members or register of debenture holders in respect of the shares or debentures respectively.

Clause 18 - Items for transfer of shares or debentures

- (1) To enable the Company to register the name of the transferee, the following items in relation to the transfer of shares or debentures must be delivered by the transferor to the Office of the Company:
 - (a) the instrument of transfer duly executed and stamped;
 - (b) the certificate of the shares or debentures which the instrument of transfer relates; and
 - (c) any other evidence as the Directors may reasonably require showing the right of the transferor to make the transfer.
- (2) Upon receipt of the items referred to in Clause 18(1), the Company shall, upon the approval of the Board and unless otherwise resolved, register the name of the transferee in the Register of Members or register of debenture holders (as applicable).

Clause 19 - Refusal of registration

- (1) The Directors may decline or delay to register the transfer of shares within thirty (30) days from the receipt of the instrument of transfer if:
 - (a) the shares are not fully paid shares;
 - (b) the Directors passed a resolution with full justification to refuse or delay the registration of transfer;
 - (c) the Company has a lien on the shares; and/or
 - (d) the Shareholder fails to pay the Company an amount due in respect of those shares, whether by way of consideration for the issue of the shares or in respect of the sums payable by the Shareholder in accordance with this Constitution.
- (2) Where applicable, the Company shall send a notice of the resolution referred to in Clause 19(1)(b) to the transferor and transferee, within seven (7) days of the resolution being passed by the Directors.

15. ADDITIONAL INFORMATION (Cont'd)

Clause 20 - Closing the Register of Members or Register of Debenture Holders

On giving at least fourteen (14) days' notice to the Registrar to close the Register of Members or register of debenture holders, the Company may close the Register of Members or register for any class of members or register of debenture holders (collectively, the "Registers") for the purpose of updating the Registers. The registration of transfer may be suspended at such time and for such period as the Directors may from time to time determine, provided that no part of the relevant Register(s) be closed for more than thirty (30) days in aggregate in any calendar year.

15.2.4 Rights, preferences and restrictions attached to each class of shares relating to voting, dividend, liquidation and any special rights

The provisions in this Constitution in respect of the rights, preferences and restrictions attached to each class of shares relating to voting, dividend, liquidation and any special rights are as follows:

Clause 8 - Variation of Rights

- (1) If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied:
 - (a) with the consent in writing of the holders holding not less than seventy-five percent (75%) of the total voting rights of the holders of that class of shares; or
 - (b) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.
- (2) The provisions of this Constitution relating to General Meetings apply with the necessary modifications to every separate meeting of the holders of the shares of the class referred to in Clause 8(1), except that:
 - (a) for a meeting other than an adjourned meeting, a quorum is constituted by two (2) persons present holding at least one-third (1/3) of the number of issued shares of such class, excluding any shares of that class held as treasury shares;
 - (b) if that class of shares only has one holder, a quorum is constituted by one (1) person present holding shares of such class; and
 - (c) for an adjourned meeting, a quorum is constituted by one (1) person present holding share(s) of such class.
- (3) The rights attached to an existing class of preference shares shall be deemed to be varied by the issue of new preference shares that rank equally with the existing class of preference shares unless such issuance was authorised by:
 - (a) the terms of the issue of the existing preference shares; or
 - (b) this Constitution of the Company as in force at the time when the existing preference shares were issued.

15. ADDITIONAL INFORMATION (Cont'd)

Clause 12 - Issue of Securities

- (1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the Act, the Listing Requirements and this Constitution, the Directors have the right to:
 - (a) issue and allot shares in the Company; and
 - (b) grant rights to subscribe for shares or options over unissued shares in the Company.
- (2) Subject to the Act, the Listing Requirements, this Constitution and the relevant Shareholders' approval being obtained, the Directors may issue any shares (including rights or options over subscription of such shares):
 - (a) with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine;
 - (b) to any person, whether a Member or not, in such numbers or proportions as the Directors may determine; and
 - (c) for such consideration as the Directors may determine.
- (3)
 - (a) Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.
 - (b) The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company.
 - (c) The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.
- (4) Subject to Rule 6.07 of the Listing Requirements and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company must not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company except where the shares or convertible securities are issued with the prior shareholder approval in a General Meeting of the precise terms and conditions of the issue.

15. ADDITIONAL INFORMATION (Cont'd)

15.3 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited into the CDS. Consequently, the Shares offered in our IPO will be deposited directly with Bursa Depository. Any dealing in our Shares will be carried out in accordance with the SICDA and the Rules of Bursa Depository. We will not issue any share certificates to successful applicants.

Dealing in our Shares deposited with Bursa Depository may only be effected by a Depositor by means of entries in the securities account of that Depositor.

A depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

Subject to the above, there is no limitation on the right to own our Shares, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights on our Shares, which is imposed by Malaysian law or by the constituent documents of our Company.

15.4 GENERAL INFORMATION

- (i) Save as disclosed below, there are no other amount or benefit has been paid or given within the past two (2) years immediately preceding the date of this Prospectus, nor is it intended to be so paid or given, to any of our Promoters, Directors or Substantial Shareholders:
 - (a) the dividend paid to our former shareholders of our subsidiary;
 - (b) purchase consideration paid to the shareholders of Cengild Investors and Cengild Partners, and Medic Quest for the Acquisition by way of issuance of new Cengild Medical Shares as disclosed in **Section 6.3** of this Prospectus; and
 - (c) Directors' remuneration as disclosed in **Section 5.2.4** of this Prospectus.
- (ii) None of our Directors or Substantial Shareholders have any interest, direct or indirect, in any contract or arrangement subsisting at the date of this Prospectus and which is significant in relation to the business of our Group.
- (iii) The manner in which copies of this Prospectus together with the official application forms and envelopes may be obtained and the summarised procedures for application and acceptance are set out in **Section 16** of this Prospectus.

15.5 CONSENTS

- (i) The written consents of our Principal Adviser, Sponsor, Sole Underwriter and Sole Bookrunner, Solicitor, Issuing House and Share Registrar and Company Secretaries as set out in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names and all references thereto in the form and context in which such names appear have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

15. ADDITIONAL INFORMATION (Cont'd)

- (ii) The written consents of our External Auditors and Reporting Accountants for the inclusion in this Prospectus of their names, Accountants' Report and Reporting Accountants' Report on the Pro Forma Consolidated Statements of Financial Position, and all references thereto in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.
- (iii) The written consent of our Independent Market Researcher for the inclusion in this Prospectus of its name, Independent Market Research Report and all references thereto in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

15.6 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Unit 30-01, Level 30, Tower A, Vertical Business Suite Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, during normal business hours for a period of 6 months from the date of this Prospectus:

- (i) our Constitution;
- (ii) our material contracts referred to in **Section 6.6** of this Prospectus;
- (iii) the IMR Report as referred to in **Section 8** of this Prospectus;
- (iv) the Accountants' Report as referred to in **Section 13** of this Prospectus;
- (v) the Reporting Accountants' Report on the Pro Forma Consolidated Statements of Financial Information as referred to in **Section 14** of this Prospectus;
- (vi) the audited financial statements of Cengild for FYE 2018 to FYE 2021;
- (vii) the audited interim financial report for 4-month FPE 31 October 2021; and
- (viii) the letters of consent as referred to in **Section 15.5** above.

15.7 RESPONSIBILITY STATEMENTS

Our Directors and Promoters have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries and to the best of their knowledge and belief, they confirm there is no false or misleading statements or other facts which if omitted, would make any statement in this Prospectus false or misleading.

HLIB, being the Principal Adviser, Sponsor, Sole Underwriter and Sole Bookrunner to our IPO, 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 our IPO.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF THIS PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in this Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

16.1 OPENING AND CLOSING OF APPLICATION

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 30 MARCH 2022.

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 5 APRIL 2022.

In the event there is any change to the dates and times stated above, we will advertise the notice of the change in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

Late Applications will not be accepted.

16.2 METHODS OF APPLICATIONS**16.2.1 Institutional Offering**

Institutional and selected investors being allocated our IPO Shares under the Institutional Offering will be contacted directly by the Sole Bookrunner and will follow the instructions as communicated by the Sole Bookrunner.

Selected investors may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

16.2.2 Retail Offering

Application must accord with this Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investors	Application Method
Applications by eligible Directors, Key Senior Management, employees and persons who have contributed to the success of our Group.	Pink Application Form only
Applications by the Malaysian Public:	
(a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	White Application Form only

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.3 ELIGIBILITY

16.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in the list of ADAs set out in the Detailed Procedures for Application and Acceptance accompanying the electronic copy of this Prospectus on the website of Bursa Securities. **The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Applications.**

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

16.3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

- (i) You must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or
 - (b) a corporation / institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors / trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (ii) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and
- (iii) You must submit Applications by using only one of the following methods:
 - (a) White Application Form;
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.3.3 Application by eligible Directors, Key Senior Management, employees and persons who have contributed to the success of our Group

The eligible Directors, Key Senior Management, employees and persons who have contributed to the success of our Group will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated IPO Shares. Applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus.

16.4 APPLICATION BY WAY OF APPLICATION FORM

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform STRICTLY to the terms of this Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.33 for each IPO Share.

Payment must be made out in favour of “**TIIH SHARE ISSUE ACCOUNT NO. 713**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Tricor Investor & Issuing House Services Sdn Bhd
(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

- (ii) **DELIVER BY HAND AND DEPOSITED** in the Drop-in Boxes provided at Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

so as to arrive not later than 5.00 p.m. on 5 April 2022 or such other time and date specified in any change to the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

16.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATION

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Electronic Participating Financial Institutions.

16.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATION

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CIMB Bank Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

16.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:-

- (i) reject Applications which:-
 - (a) do not conform to the instructions of this Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with **Section 16.9** below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at anytime within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.8 OVER/UNDER SUBSCRIPTION

In the event of over-subscription, the Issuing House, will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at <https://tiih.online> within **one (1) Market Day** after the balloting date.

Pursuant to the Listing Requirements we are required to have a minimum of 25% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and/or eligible Directors, employees and persons who have contributed to the success of our Group, subject to the underwriting arrangements and reallocation as set out in **Section 4.9** and **Section 4.2.3** of this Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by our Underwriter based on the terms of the Underwriting Agreement.

16.9 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

16.9.1 For applications by way of Application Forms

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary / registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

16.9.2 For applications by way of Electronic Share Application and Internet Share Application

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within two (2) Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) within two (2) Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the fifth (5th) Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within two (2) Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within two (2) Market Days after the receipt of confirmation from the Issuing House.

16.10 SUCCESSFUL APPLICANTS

If you are successful in your Application:-

- (i) Our IPO Shares allotted to you will be credited into your CDS account.
- (ii) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued / offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**16.11 ENQUIRIES**

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. 603-2783 9299.
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House's website at <https://tiih.online>, one (1) Market Day after the balloting date.

You may also check the status of your Application at the above website, five (5) Market Days after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in the Detailed Procedures for Application and Acceptance accompanying the electronic copy of this Prospectus on the website of Bursa Securities.

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APPENDIX A: BY-LAWS FOR THE LTIP

CENGILD MEDICAL BERHAD
(Registration No. 202101004143 (1404442-P))

**THE BY-LAWS OF THE LONG TERM INCENTIVE
PLAN OF CENGILD MEDICAL BERHAD**

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)**1. DEFINITIONS**

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

“Act”	:	The Companies Act 2016
“Award Date”	:	The date of the letter or electronic mail of which an LTIP Award is offered by the LTIP Committee to the Eligible Persons to participate in the Scheme
“Board”	:	The Board of Directors of the Company
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“By-Laws”	:	These rules, terms and conditions contained in these by-laws governing the Scheme, as amended from time to time in accordance with By-Law 28
“CDS”	:	Central Depository System
“CDS Account”	:	An account established by Bursa Depository for a depositor for the recording of deposits and withdrawal of securities and for dealings in such securities by a depositor
“Company” or “Cengild”	:	Cengild Medical Berhad
“Constitution”	:	The Constitution of the Company, as amended from time to time
“Date of Acceptance”	:	The date on which the LTIP Committee shall receive the written notice accepting an ESOS Award from an Eligible Person in accordance with By-Law 7.1
“Date of Expiry”	:	The last day of the Duration of the Scheme as defined in By-Law 25.2
“Director”	:	A director within the meaning of Section 2 of the Act, which for the avoidance of doubt, excludes an alternate director
“Disciplinary Proceedings”	:	Proceedings instituted by any company in the Group against any Grantee or Eligible Person for any alleged misbehaviour, misconduct and/or any other acts of such Grantee or Eligible Person deemed to be unacceptable by the said company whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Grantee or Eligible Person
“Duration of the Scheme”	:	The duration of the Scheme as defined in By-Law 25.1 and includes any extension thereof in accordance with By-Law 25.2;

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

“Effective Date”	:	The date on which the Scheme comes into force as provided in By-Law 25.1;
“Eligible Person(s)”	:	An eligible Executive Director and eligible executive who meets the criteria of eligibility for participation as set out in By-Law 4;
“Employee”	:	Any person in the employment of the Group including Directors of subsidiaries of Cengild
“Entitlement Date”	:	The date (and as at the close of business) on which shareholders’ name must appear in Cengild’s record of depositors maintained at Bursa Depository in order to be entitled to any dividends, rights, allotments and/or other distributions
“ESGS”	:	The executive share grant scheme for the Company to grant Shares at no consideration to Eligible Persons according to the terms of these By-Laws
“ESGS Grant”	:	A grant of existing Shares made in writing by the LTIP Committee from time to time to an Eligible Person to participate in the ESGS in the manner provided in By-Law 11
“ESGS Grantee”	:	An Eligible Person who has accepted an ESGS Grant in the manner as provided in By-Law 12
“ESGS Vesting Date(s)”	:	The date or dates as may be determined by the LTIP Committee on which all or some of the Shares awarded under an ESGS Grant to an Eligible Person is/are vested in accordance with By-Law 13
“ESOS”	:	The executive share option scheme for the benefit of the Eligible Persons to subscribe for new Shares according to the terms of these By-Laws
“ESOS Award”	:	An award of ESOS Options made in writing by the LTIP Committee from time to time to an Eligible Person to participate in the ESOS in the manner provided in By-Law 6
“ESOS Grantee”	:	An Eligible Person who has accepted an ESOS Award in the manner provided in By-Law 7
“ESOS Options” or “Options”	:	The right of an ESOS Grantee to subscribe for new Shares at the Option Price pursuant to an ESOS Award in the manner provided in By-Law 9
“ESOS Vesting Date(s)”	:	The date or dates on which all or some of the Options is/are vested pursuant to an ESOS Award as stipulated by the LTIP Committee in accordance with By-Law 7.4

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

“Executive Director”	:	A Director who, on the Award Date, is on the payroll of the Group and is involved in the day-to-day management of any company within the Group
“Grantee”	:	An ESOS Grantee and/or ESGS Grantee, as the case may be
“Group”	:	The Company and its subsidiary company(ies) as defined in Section 4 of the Act (which for the avoidance of doubt shall exclude the Company’s associate company(ies)) and which are not dormant. Subject to the foregoing, the expression “subsidiary company(ies)” shall for the purposes hereof include subsidiaries which are existing as at the Effective Date and such subsidiaries which the LTIP Committee may, from time to time, determine at its discretion, and subsidiaries which are incorporated or acquired at any time during the Duration of the Scheme but excludes: <ul style="list-style-type: none"> (i) subsidiaries which have been divested in the manner provided in By-Law 23; and (ii) subsidiaries which are dormant
“Listing Requirements”	:	ACE Market Listing Requirements of Bursa Securities
“LTIP” or “Scheme”	:	The Cengild Medical Berhad Long Term Incentive Plan comprising ESOS and ESGS, which shall be administered in accordance with these By-Laws
“LTIP Awards”	:	Collectively, the ESOS Award and ESGS Grant offered by the LTIP Committee to the Eligible Person and “LTIP Award” shall mean any one of them in the context of these By-Laws
“LTIP Committee”	:	The committee as appointed from time to time by the Board pursuant to By-Law 2.1 to implement and administer the LTIP in accordance with these By-Laws
“Market Day”	:	A day on which Bursa Securities is open for trading of securities
“Maximum Allowable Allotment”	:	The maximum aggregate number of new Shares in respect of the LTIP Awards that can be offered and allotted to an Eligible Person in accordance with the provisions of By-Law 5.2
“Offer Period”	:	A period of thirty (30) days from the Award Date or such longer period as may be determined by the LTIP Committee at its sole and absolute discretion during which an ESOS Award is valid for acceptance as stipulated in By-Law 6.3

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

“Option Period”	:	The period commencing from the ESOS Vesting Date and expiring on a date on which the Options terminates, expires or lapses and/or otherwise ceases to be of any force and effect in accordance with these By-Laws and as set out in the ESOS Award
“Option Price”	:	The price at which an ESOS Grantee shall be entitled to subscribe for each new Share upon the exercise of an ESOS Option, as initially determined in accordance with the provisions of By-Law 10 and as may be adjusted pursuant thereto in accordance with the provisions of By-Law 21
“Performance Targets”	:	The performance targets determined and prescribed by the LTIP Committee, which are to be achieved by the Grantee and/or Group (and/or such business units within the Group as determined by the LTIP Committee), during such period as specified in the LTIP Award
“persons connected”	:	Shall have the meaning as that assigned to “person connected” in Paragraph 1.01 of the Listing Requirements
“Principal Adviser”	:	Shall have the meaning as that assigned to “Adviser” in Paragraph 1.01 of the Listing Requirements
“RM”	:	Ringgit Malaysia
“Rules of Bursa Depository”	:	The Rules of Bursa Depository, as issued pursuant to SICDA
“Shares”	:	Ordinary shares in the Company
“SICDA”	:	Securities Industry (Central Depositories) Act 1991
“Validity Period”	:	A period of thirty (30) days from the Award Date or such longer period as may be determined by the LTIP Committee at its sole and absolute discretion on a case-to-case basis during which an ESGS Grant is valid for acceptance as stipulated in By-Law 11.4
“Vesting Conditions”	:	The conditions determined by the LTIP Committee and stipulated in the LTIP Awards which must be fulfilled for the Options under the ESOS Award or the Shares under the ESGS Grant to be vested in an ESOS Grantee or ESGS Grantee as provided in By-Laws 7.4 and 13 respectively

- 1.2 Any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and the Listing Requirements, policies and / or guidelines of Bursa Securities and / or other relevant authorities respectively (whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with reasonable commercial practice of

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

persons to whom such requirements, policies, regulations and / or guidelines are addressed by Bursa Securities and /or other relevant authorities).

- 1.3 Any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these By-Laws so far as such modification or re-enactment applies or is capable of applying to the LTIP Awards made, offered and/or accepted within the Duration of the Scheme, and shall also include any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced.
- 1.4 In these By-Laws, unless the context requires otherwise, words denoting the singular number shall include the plural number and vice versa, and words denoting one gender shall include the other gender.
- 1.5 The headings in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws.
- 1.6 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day; and if an event is to occur on a stipulated day which falls after the Date of Expiry then the stipulated day shall be taken to be the last Market Day of the Duration of the Scheme.
- 1.7 Any liberty or power of discretion which may be exercised, and/or any decision or determination which may be made, under these By-Laws:
 - (i) by the Board may be exercised in the Board's sole and absolute discretion and the Board shall not be under any obligation to give any reasons therefor;
 - (ii) by the LTIP Committee may be exercised in the LTIP Committee's sole and absolute discretion and the LTIP Committee shall not be under any obligation to give any reason therefor, but subject always to the Board's power to overrule any decision of the LTIP Committee.
- 1.8 In the event of any change in the name of the Company from its present name, all references to "Cengild Medical Berhad" in these By-Laws and all other documents pertaining to the Scheme shall be deemed to be references to the Company's new name.
- 1.9 This Scheme shall be known as the "Cengild Medical Berhad Long Term Incentive Plan".

2. ADMINISTRATION AND TRUST

- 2.1 The Scheme shall be administered by the LTIP Committee consisting of such number of Directors and/or senior management personnel of the Group as shall be appointed and duly authorised by the Board from time to time. The Board shall have the power to determine all matters pertaining to the LTIP Committee, including, without limitation, setting the terms of reference for the LTIP Committee, determining its

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

composition, duties, powers and limitations. The Board is also entitled, at any time and from time to time to rescind the appointment of any member of the LTIP Committee and appoint replacement members to the LTIP Committee, to change the terms of appointment of the members of the LTIP Committee, to determine and change the terms of reference for the LTIP Committee, and to assume and/or exercise or execute any of the powers and authorities conferred upon the LTIP Committee pursuant to these By-Laws.

- 2.2 The LTIP Committee shall administer the Scheme in such manner as it shall in its discretion deem fit and with such powers and duties as are conferred upon it, subject only to these By-Laws as may be amended from time to time. The LTIP Committee may meet together for the despatch of business, to adjourn or otherwise regulate its meetings as it thinks fit.
- 2.3 In implementing the Scheme, the LTIP Committee may, at its discretion, decide that any vesting of Shares comprised in an ESGS Grant shall be satisfied through:
- (i) the issuance of new Shares;
 - (ii) the acquisition and transfer of existing Shares;
 - (iii) any other methods as may be permitted by the Act; or
 - (iv) a combination of any of the above.

In considering the modes of satisfaction as referred to in (i) to (iv) above, the LTIP Committee will take into consideration factors such as, among others, the prevailing market price of the Shares, funding considerations, dilutive effects of any such issuance on the Company's share capital base, and cash requirements of the Group.

- 2.4 For the purposes of facilitating the implementation and administration of the Scheme, the Company may (but shall not be obliged to) establish a trust to be administered by a trustee to be appointed by the Company for the Scheme from time to time ("**Trustee**"), if required, for the purposes of subscribing for new Shares and/or acquiring existing Shares from the ACE Market of Bursa Securities and transferring them to the Grantees at such times as the LTIP Committee shall direct ("**Trust**"). For this purpose, the Trustee may, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise, from the Group and/or any third party to be paid into the bank account(s) to be established by the Trustee for the purpose of the Trust as the Trustee may direct for any such payment. The LTIP Committee shall have the discretion to revoke or suspend any such direction that has earlier been given to the Trustee.
- 2.5 The Trustee, if and when the Trust is established, shall administer the Trust in accordance with the terms of a trust deed to be entered into between the Company and the Trustee constituting the Trust ("**Trust Deed**"). For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements or make rules, regulations or impose terms and conditions or delegate part of its power relating to

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

the administration of the Trust, as the LTIP Committee may in its sole and absolute discretion direct for the implementation and administration of the Trust.

- 2.6 The Company shall have power from time to time, at any time, to appoint or rescind or terminate the appointment of the Trustee as it deems fit in accordance with the provisions of the Trust Deed. The Company shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.
- 2.7 Without limiting the generality of By-Laws 2.1 and 2.2, the LTIP Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any errors in the LTIP Award subject to By-Laws 6.5 and 11.5, enter into or execute all transactions, agreements, deeds, documents and arrangements, construe and interpret the Scheme and LTIP Award granted under it, to define the terms and to recommend to the Board to establish, amend, waive (not inconsistent with the Scheme) and revoke rules and regulations relating to the Scheme and its administration, to give effect to the provisions of the Scheme, to enhance the benefit of the LTIP Award to the Grantees, to determine all questions of policy and expediency that may arise in the administration of the Scheme and delegate any of its powers and duties relating to the Scheme as it may at its discretion consider to be necessary or desirable for giving effect to the Scheme. The LTIP Committee in the exercise of this power may correct any defect, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for an LTIP Award in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective. Any decisions of the LTIP Committee which are made in accordance with these By-Laws shall be final, binding and conclusive.

3. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME

- 3.1 The maximum number of Shares which may be made available under the Scheme, and any other employee share schemes of the Company which may be implemented from time to time by the Company, shall not in aggregate exceed ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the Duration of the Scheme.
- 3.2 Notwithstanding the provision of By-Law 3.1 above and any other provision herein contained, in the event the maximum number of new Shares granted under the Scheme exceeds in aggregate the aforesaid ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) as a result of the Company purchasing or cancelling its own Shares in accordance with the provisions of Section 127 of the Act or undertaking any other corporate proposal and thereby reducing its issued share capital, then such LTIP Awards granted prior to the variation of the issued share capital of the Company shall remain valid and exercisable in accordance with the provisions of this Scheme as if that purchase or cancellation or reduction had not occurred. However, in such a situation, the LTIP Committee shall not make any further LTIP Awards unless the total number of new Shares under the subsisting LTIP Awards including new Shares that have been issued under the Scheme falls below ten percent (10%) of the total number of issued shares of the Company

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

(excluding treasury shares, if any) at any point of time during the Duration of the Scheme.

4. ELIGIBILITY

4.1 Any Eligible Person who fulfils the following criteria as at the Award Date shall be eligible to participate in the LTIP and qualify for consideration and/or selection by the LTIP Committee:

- (i) such person is at least eighteen (18) years of age and is not an undischarged bankrupt;
- (ii) he/she is employed on full time basis and who has been confirmed in service; and/or
- (iii) he/she falls within any other categories or criteria as may be determined by the LTIP Committee from time to time in its absolute discretion;

provided that nothing herein shall invalidate any selection of any Eligible Person which may have been made by the Board on or prior to the Effective Date. For the avoidance of doubt, the LTIP Committee may determine any other eligibility criteria and/or waive any of the conditions of eligibility as set out in this By-Law 4.1, for purposes of selecting an Eligible Person at any time and from time to time, in the LTIP Committee's discretion, whose decision shall be final and binding.

4.2 Where a specific allocation of Options and/or Shares is proposed to be made pursuant to a LTIP Award to the chief executive, Director or major shareholder of the Company, or a person connected with such chief executive, Director or major shareholder of the Company, such specific allocation to the said person requires prior shareholders' approval in a general meeting provided always that the chief executive, Director and/or major shareholder of the Company and/or persons connected with them shall not have voted on the resolution approving the said allocation of Shares and/or Options to be made thereunder and any such allocation is not prohibited or disallowed by the relevant authorities or by any laws or regulation.

4.3 Without prejudice to the generality of the foregoing and subject to the LTIP Committee's discretion otherwise, any LTIP Award made by the LTIP Committee shall become void, of no force and effect and cease to be capable of acceptance by the Eligible Persons upon any of the following events occurring (prior to such LTIP Award being accepted by the Eligible Person selected by the LTIP Committee to whom an LTIP Award was made in accordance with By-Laws 7 and/or 12 hereof ("**Selected Executive**")):

- (i) the death of the Selected Executive;
- (ii) the Selected Executive having received a letter of termination or ceasing to be an employee of the Group, for any reason whatsoever;

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

- (iii) the Selected Executive giving notice of his or her resignation from service/employment;
 - (iv) the company within the Group which employs the Selected Executive ceasing to be part of the Group or becomes dormant;
 - (v) the Selected Executive is subject to Disciplinary Proceedings (whether or not such Disciplinary Proceedings will give rise to a dismissal or termination of service); or
 - (vi) the Selected Executive is adjudicated a bankrupt.
- 4.4 The LTIP Committee may from time to time at its absolute discretion select and identify suitable Eligible Persons to be offered the LTIP Award. In the event that any Eligible Persons are a member of the LTIP Committee, such Eligible Persons shall not participate in the deliberation or discussion of their own allocations.
- 4.5 No Employee of a dormant company within the Group shall be eligible to participate in the Scheme.
- 4.6 Eligibility under the Scheme does not confer on an Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the LTIP Awards unless an LTIP Award has been made by the LTIP Committee to the Eligible Person and the Eligible Person has accepted the LTIP Award in accordance with By-Laws 7 and/or 12 hereof.
- 4.7 Subject to these By-Laws and any applicable law, the LTIP Committee shall have the discretion, at any time and from time to time, to extend the benefit of this Scheme to any Eligible Person who is seconded to a corporation which is not within the Group but which is a corporation associated with the Group or a subsidiary of a corporation associated with the Group, and deem such Eligible Person (whether seconded before or after the coming into force of these By-Laws) to be an Employee and such a corporation to be within the Group for the purposes of such Eligible Person being seconded from the Group to that corporation.
- 5. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOTMENT**
- 5.1 Subject to By-Laws 3.1 and 5.2, and any adjustments which may be made under By-Law 21, the LTIP Committee shall be entitled in its discretion to determine the aggregate maximum number of Shares that may be allocated between the ESOS and the ESGS, and to any one class/grade of Eligible Person.
- 5.2 Not more than ten percent (10%) of the total number of Shares to be made available under the LTIP at the point in time when an LTIP Award is offered shall be allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any) ("**Maximum Allowable Allotment**").

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

- 5.3 Subject to By-Law 5.2, the aggregate number of Shares that may be allocated to any class or grade of Eligible Persons under the LTIP shall be determined at the absolute discretion of the LTIP Committee, after taking into consideration, among others:
- (i) the Eligible Person's performance, seniority (denoted by employee job grade), length of service, contribution to the performance of the Group;
 - (ii) in the case of an Eligible Person who is a Director, the Eligible Person's contribution towards the growth of the Group and positions held in various board committees of the Company; and
 - (iii) any other criteria which the LTIP Committee deems relevant.

At the time the LTIP Award is offered, the LTIP Committee shall set out the basis of allocation of the LTIP Award(s) made to the Eligible Person(s) having the further particulars as set out in By-Law 6.4 and/or By-Law 11.3 (as the case may be).

- 5.4 The aggregate maximum allocation to the Directors and senior management of the Group shall not be more than ninety seven and a half percent (97.5%) of the total number of Shares to be made available under the LTIP, after taking into consideration the number of Directors and senior management of the Group who are eligible to participate in the LTIP, as well as the maximum number of Shares that may be awarded to each Director and senior management based on, among others, their position, seniority and length of service.
- 5.5 The LTIP Committee may make more than one (1) LTIP Award to an Eligible Person PROVIDED THAT the aggregate number of Options and/or Shares so awarded to an Eligible Person throughout the entire Duration of the Scheme does not exceed the Maximum Allowable Allotment of such Eligible Person as referred to in By-Law 5.2.
- 5.6 The Company shall ensure that allocation of new Shares pursuant to the Scheme is verified by the Audit Committee of the Company at the end of each financial year as being in compliance with the criteria for allocation of Shares which have been disclosed to the Employees and the Directors. A statement by the Audit Committee of the Company verifying such allocations shall be included in the annual report of the Company.
- 5.7 The LTIP Committee shall have the discretion in determining:
- (i) whether the allocation available shall be awarded in one (1) single LTIP Award, or several separate and independent LTIP Awards; and
 - (ii) where the allocation is awarded in several separate and independent LTIP Awards, the number of Shares comprised in each LTIP Award as well as the vesting date(s) and vesting conditions for each LTIP Award.
- 5.8 No Eligible Person shall participate in the deliberation or discussion of their respective allocations.

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

6. ESOS AWARD

- 6.1 The LTIP Committee may at its discretion at any time and from time to time as it shall deem fit during the Duration of the Scheme make an ESOS Award in writing for acceptance in accordance with By-Law 7 below to an Eligible Person based on the criteria for allotment set out in By-Law 5 above and otherwise in accordance with the terms of this Scheme.
- 6.2 The actual number of ESOS Options which may be offered to an Eligible Person shall be at the discretion of the LTIP Committee subject to any adjustments that may be made under By-Laws 21 but shall not be more than the Maximum Allowable Allotment of such Eligible Person. The number of ESOS Options so offered which may be exercised in respect of all or any part of the Shares shall not be less than one hundred (100) Shares and shall be in multiples of one hundred (100) Shares (or in any other denomination as prescribed by Bursa Securities as a board lot).
- 6.3 An ESOS Award shall be valid for acceptance for a period of thirty (30) days from the Award Date or such longer period as may be determined by the LTIP Committee at its sole and absolute discretion ("**Offer Period**").
- 6.4 The LTIP Committee shall state the following particulars in the letter of offer of an ESOS Award:
- (i) the number of ESOS Options that are subject of the ESOS Award;
 - (ii) the number of new Shares which the Eligible Person shall be entitled to subscribe for upon the vesting and exercise of the ESOS Options;
 - (iii) the date of the ESOS Award;
 - (iv) the Option Period;
 - (v) the Option Price;
 - (vi) the Offer Period as mentioned in By-Law 6.3;
 - (vii) the Vesting Conditions;
 - (viii) the ESOS Vesting Date(s);
 - (ix) the basis of the allocation of the ESOS Award(s) made having regard to the Eligible Person(s)' annual appraised performance, class or grade of employment, Maximum Allowable Allotment and such other consideration that the LTIP Committee may in its sole and absolute discretion deem fit; and
 - (x) any other information deemed necessary by the LTIP Committee.

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

- 6.5 Without prejudice to By-Law 2, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 6.4 above, the following provisions shall apply:
- (i) As soon as possible but in any event no later than one (1) month after discovery of the error, the Company shall issue a supplemental letter of offer, stating the correct particulars referred to in By-Law 6.4 above;
 - (ii) In the event that the error relates to particulars other than the Option Price, the Option Price applicable in the supplemental letter of offer shall remain as the Option Price as per the original letter of offer; and
 - (iii) In the event that the error relates to the Option Price, the Option Price stated in the supplemental letter of offer shall be the Option Price applicable as at the date of the original letter of offer, save and except with respect to any ESOS Option which has already been exercised as at the date of issue of the supplemental letter of offer.
- 6.6 When an ESOS Award is made pursuant to these By-Laws, the LTIP Committee shall ensure that the Company makes an announcement of the following to Bursa Securities on the date of the ESOS Award:
- (i) the date of ESOS Award;
 - (ii) the Option Price;
 - (iii) the number of Options or Shares offered;
 - (iv) the market price of its Shares on the date of the ESOS Award;
 - (v) the number of Options or Shares to each Director, if any; and
 - (vi) the vesting period of the Options or Shares offered.
- 6.7 The Company shall keep and maintain at its expense a register of options granted as required under Section 129 of the Act.

7. ACCEPTANCE OF ESOS AWARD

- 7.1 An ESOS Award shall be accepted by the Eligible Person within the Offer Period by way of a written notice of acceptance addressed to the LTIP Committee accompanied by a payment to the Company of a sum of Ringgit Malaysia One (RM1.00) only as non-refundable consideration for the ESOS Award (regardless of the number of Shares comprised therein). The date of receipt by the LTIP Committee of such written notice and the payment shall constitute the Date of Acceptance.
- 7.2 The LTIP Committee shall within thirty (30) days of the Date of Acceptance issue to the ESOS Grantee an option certificate in such form as may be determined by the LTIP Committee.

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

- 7.3 If the ESOS Award is not accepted in the manner set out in By-Law 7.1 above, such ESOS Award shall upon the expiry of the Offer Period automatically lapse and be null and void and of no further force and effect. The new Shares comprised in such Options may, at the discretion of the LTIP Committee, be re-offered to other Eligible Persons or for future ESOS Award.
- 7.4 The Options or such part thereof as may be satisfied in the ESOS Award will only vest with the ESOS Grantee on the ESOS Vesting Date(s) if as at the ESOS Vesting Date(s) the Vesting Conditions (if any) are fully and duly satisfied, including the following:
- (i) the said ESOS Grantee has not been adjudicated a bankrupt;
 - (ii) the said ESOS Grantee remains an Employee or a Director and has not given notice of resignation, or received a notice of termination, or has otherwise ceased or had his/her employment terminated; and
 - (iii) any other conditions as may be determined by the LTIP Committee.
- 7.5 The LTIP Committee shall have full discretion to determine whether any Vesting Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the LTIP Committee shall have the right to make reference to, among others, the audited financial results of the Company or the Group (as the case may be) and to take into account such factors as the LTIP Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend and/or waive any Vesting Condition if the LTIP Committee decides that a changed Performance Target would be a fairer measure of performance. If the LTIP Committee determines, in its discretion, that the Vesting Condition and/or any other condition applicable to that ESOS Award has not been satisfied (whether fully or partially), that ESOS Award shall lapse and be of no value.

8. CANCELLATION OF ESOS AWARDS

The LTIP Committee may cancel any ESOS Awards awarded under this Scheme or any Options that has not been exercised and any unvested ESOS Options awarded under this Scheme. In the event of any such cancellation, the LTIP Committee may, at its discretion, authorise the granting of new ESOS Awards (which may or may not cover the same number of Shares that had been the subject of any prior ESOS Award) in such manner, at such Option Price and subject to such terms, conditions and discretion as would have been applicable under this Scheme had the cancelled ESOS Awards not been awarded.

9. EXERCISE OF ESOS OPTIONS

- 9.1 Each Option shall be exercisable into one (1) new Share in accordance with the provisions of these By-Laws.

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

- 9.2 Subject to By-Laws 4.7, 17, 22, 23, 24 and 25, an ESOS Grantee shall be allowed to exercise the ESOS Options granted to him or her (subject to By-Law 9.4 during the Duration of the Scheme) as provided in these By-Laws whilst he/she is in the employment with the Group or during his/her tenure as Director and within the Option Period.
- 9.3 An ESOS Grantee shall exercise the Options granted to him/her in whole or part in multiples of one hundred (100) Shares. 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 21 which results in the number of Shares comprised in an Option not being in multiples of one hundred (100) Shares, then the requirement that an Option shall be exercised in multiples of one hundred (100) Shares shall not be applicable for the ESOS Grantee's final exercise of the balance Option and such balance Option has to be executed in a single application.
- 9.4 An ESOS Grantee shall exercise his/her ESOS Options vested in him/her in such form and manner as the LTIP Committee may prescribe or approve ("**Notice of Exercise**"), which will be attached to the letter of offer. The procedure for the exercise of ESOS Options to be complied with by an ESOS Grantee shall be determined by the LTIP Committee from time to time. Any ESOS Option including vested Options which remains unexercised at the expiry of the Option Period shall be automatically terminated and lapse without any claim against the Company.
- 9.5 Subject to By-Law 9.4, an ESOS Grantee shall exercise his/her ESOS Options by issuing the Notice of Exercise, stating the number of ESOS Options to be exercised and number of Shares to be subscribed and be accompanied with the remittance for the full amount of the subscription monies payable in respect thereof in Ringgit Malaysia in the form of a banker's draft or cashier's order drawn and payable in Malaysia or any other mode acceptable to the LTIP Committee for the full amount of the Option Price in relation to the number of Shares in respect of which the Notice of Exercise is given PROVIDED THAT the number of new Shares stated therein shall not exceed the amount granted to such ESOS Grantees and be subject to By-Laws 9.2 and 9.3 above. The LTIP Committee may, pursuant to By-Law 28 hereof, at any time and from time to time, before or after the ESOS Award is awarded, limit the times and exercise, and the exercise of the ESOS Option to a maximum number of new Shares and/or such percentage of total new Shares comprised in the ESOS Award during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the LTIP Committee in its sole discretion including amending or varying any terms and conditions imposed earlier. The exercise by an ESOS Grantee of some but not all of the ESOS Options which have been offered to and accepted by him/her shall not preclude the ESOS Grantee from subsequently exercising any other ESOS Options which have been or will be offered to and accepted by him/her, during the Option Period.
- 9.6 The ESOS Grantee shall provide all information as required in the Notice of Exercise. Within eight (8) Market Days of the receipt by the Company of such notice and payment, or such other period as may be prescribed by Bursa Securities, and subject to the Constitution, SICDA and the Rules of Bursa Depository, the Company shall allot and issue the relevant number of Shares to the ESOS Grantee, despatch the notice of allotment to the

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

ESOS Grantee stating the number of Shares so credited, and apply to Bursa Securities for the quotation for such new Shares arising from the exercise of the ESOS Options. The said Shares will be credited directly into the CDS Account of the ESOS Grantee or his/her authorised nominee, as the case may be. No physical share certificates will be issued to the ESOS Grantee or his authorised nominee (as the case may be).

9.7 Notwithstanding anything to the contrary herein contained in these By-Laws, the LTIP Committee shall have the right, at its absolute discretion by notice in writing to that effect to the ESOS Grantee, to suspend the right of any ESOS Grantee who is being subjected to Disciplinary Proceedings (whether or not such Disciplinary Proceedings may give rise to a dismissal or termination of service of such ESOS Grantee or are found to have had no basis or justification) to exercise his/her ESOS Options pending the outcome of such Disciplinary Proceedings. In addition to this right of suspension, the LTIP Committee may impose such terms and conditions as the LTIP Committee shall deem appropriate at its sole and absolute discretion, on the ESOS Grantee's right to exercise his/her ESOS Options and/or have new ESOS Options vested in him/her having regard to the nature of the charges made or brought against such ESOS Grantee, PROVIDED ALWAYS that:

- (i) in the event such ESOS Grantee is found not guilty of the charges which gave rise to such Disciplinary Proceedings, the LTIP Committee shall reinstate the right of such ESOS Grantee to exercise his/her Option;
- (ii) in the event the Disciplinary Proceedings result in a recommendation for the dismissal or termination of service of such ESOS Grantee, all unexercised and partially exercised ESOS Options of the ESOS Grantee shall immediately lapse and be null and void and of no further force and effect, without notice to the ESOS Grantee, upon pronouncement of the dismissal or termination of service of such ESOS Grantee notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the ESOS Grantee in any other forum;
- (iii) in the event the ESOS Grantee is found guilty but no dismissal or termination of service is recommended, the LTIP Committee shall have the right to determine at its absolute discretion whether or not the ESOS Grantee may continue to exercise his/her ESOS Options and/or have new ESOS Options vested in him / her and if so, to impose such terms and conditions as it deems appropriate, on such exercise and/or vesting of his/her ESOS Options; and
- (iv) in the event that no decision is made and/or Disciplinary Proceedings are not concluded prior to the Date of Expiry, the ESOS Options of such ESOS Grantee shall immediately lapse on the Date of Expiry without notice,

and nothing herein shall impose any obligation on the LTIP Committee to enquire into or investigate the substantiveness and/or validity of such Disciplinary Proceedings and the LTIP Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the LTIP Committee's exercise of or failure to exercise any of its rights under these By-Laws. Any ESOS Award that has lapsed and become null and void pursuant to this By-Law

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

- 9.7 may, at the discretion of the LTIP Committee, be re-allocated to other Eligible Persons.
- 9.8 The Group, the Board (including Directors that had resigned but were a member of the Board during the Option Period) and the LTIP Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities, gains or profits foregone, howsoever arising in the event of any delay on the part of the Company in allotting and issuing the Shares or in procuring Bursa Securities to list and quote the Shares subscribed for by an ESOS Grantee or any delay in receipt or non-receipt by the Company of the Notice of Exercise in respect of the ESOS Options or for any errors in any ESOS Award.
- 9.9 Any failure to comply with the procedures specified by the LTIP Committee or to provide information required by the Company in the Notice of Exercise or inaccuracy in the CDS Account number or any other information provided shall result in the Notice of Exercise being rejected at the discretion of the LTIP Committee. The LTIP Committee shall inform the ESOS Grantee of the rejection of the Notice of Exercise within ten (10) Market Days from the date of rejection and the ESOS Grantee shall be deemed not to have exercised his/her Option.
- 9.10 Every ESOS Award shall subject to the condition that no new Shares shall be issued pursuant to the ESOS Award if such issue would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the Duration of the Scheme or such period as may be extended.
- 10. OPTION PRICE**
- 10.1 The Option Price of each new Share upon the exercise of an ESOS Option shall, subject always to the provisions of By-Law 21 hereof and the Listing Requirements, be:
- (i) in respect of any ESOS Award made in conjunction with the initial public offering of the Company, the Final Retail Price; or
 - (ii) in respect of any ESOS Award made subsequent to the initial public offering of the Company, based on the volume weighted average market price of the Shares for the five (5) Market Days immediately preceding the date of the ESOS Award less a potential discount of not more than ten percent (10%) therefrom or such other percentage or discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time, as determined by the LTIP Committee which shall be binding and conclusive.

For the purposes of By-Law 10.1(i) above, “Final Retail Price” shall refer to the final price paid by investors for the Shares issued by the Company under its retail offering pursuant to its initial public offering, as determined in the manner described in the Company’s prospectus for the said initial public offering.

- 10.2 The Option Price shall be stipulated in each option certificate.

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

11. ESGS GRANT

- 11.1 During the Duration of the Scheme, the LTIP Committee may at its discretion at any time and from time to time as it shall deem fit make an ESGS Grant in writing for acceptance in accordance with By-Law 12 below to an Eligible Person based on the criteria for allotment as set out in By-Law 5 and otherwise in accordance with the terms of this Scheme.
- 11.2 The actual number of Shares which may be awarded to an Eligible Person shall be at the discretion of the LTIP Committee subject to any adjustments that may be made under By-Law 21 but shall not be more than the Maximum Allowable Allotment. The number of Shares so awarded shall not be less than one hundred (100) Shares Eligible Person and shall be in multiples of one hundred (100) Shares (or in any other denomination as prescribed by Bursa Securities as a board lot). The LTIP Committee may stipulate any terms and conditions it deems appropriate in an ESGS Grant and the terms and conditions of each may differ. Nothing herein shall require any ESGS Grant offered to be the same as ESGS Grants previously or subsequently offered whether to the same or a different Eligible Person.
- 11.3 The LTIP Committee will in its letter of offer for an ESGS Grant to an Eligible Person ("**ESGS Grant Letter**") state, among others:
- (i) the number of Shares that are subject of the ESGS Grant;
 - (ii) the date of the ESGS Grant;
 - (iii) the Vesting Conditions, if any;
 - (iv) the ESGS Vesting Date(s);
 - (v) the Validity Period;
 - (vi) the basis of the allocation of the ESGS Grant(s) made having regard to the Eligible Person(s)' annual appraised performance, class or grade of employment, achievement of Performance Targets, Maximum Allowable Allotment and such other consideration that the LTIP Committee may in its sole and absolute discretion deem fit; and
 - (vii) any other information deemed necessary by the LTIP Committee.
- 11.4 The ESGS Grant shall be valid for acceptance for a period of thirty (30) days from the Award Date or such period as the LTIP Committee at its sole and absolute discretion determines on a case to case basis ("**Validity Period**").
- 11.5 Without prejudice to By-Law 2, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 11.3 above in the ESGS Grant Letter, the Company shall, as soon as possible but in any event no later than one (1) month after discovery of the error, issue a supplemental ESGS Grant Letter, stating the correct particulars referred to in By-Law 11.3.

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

12. ACCEPTANCE OF ESGS GRANT

- 12.1 An ESGS Grant shall be accepted by the Eligible Person within the Validity Period by way of a written notice of acceptance accompanied by a payment to the Company of a sum of Ringgit Malaysia One (RM1.00) only as non-refundable consideration for the ESGS Grant (regardless of the number of Shares comprised therein).
- 12.2 If the ESGS Grant is not accepted in the manner set out in By-Law 12.1 above, the ESGS Grant shall upon the expiry of the Validity Period automatically lapse and be null and void and of no further force and effect provided that the LTIP Committee shall not be precluded from making a fresh ESGS Grant to the Eligible Person subsequently or re-awarding to any other Eligible Person at the discretion of the LTIP Committee.
- 12.3 The Eligible Persons are not required to pay for the Shares they are entitled to receive upon vesting of the Shares pursuant to the ESGS Grant.

13. VESTING CONDITIONS AND SATISFACTION OF VESTING CONDITIONS

- 13.1 The LTIP Committee shall, as and when it deems practicable and necessary, review and determine at its own discretion the Vesting Conditions specified in respect of an ESGS Grant. The Shares or such part thereof as may be specified in respect of an ESGS Grant will only vest with the ESGS Grantee on the ESGS Vesting Date(s) as at the ESGS Vesting Date(s) if the Vesting Conditions (if any) are fully and duly satisfied, including the following:
- (i) the said ESGS Grantee has not been adjudicated a bankrupt;
 - (ii) the said ESGS Grantee remains an Employee or a Director and has not given notice of resignation, or received a notice of termination, or has otherwise ceased or had his/her employment terminated;
 - (iii) the Performance Targets are fully and duly satisfied; and
 - (iv) any other conditions as may be determined by the LTIP Committee.
- 13.2 The LTIP Committee shall have full discretion to determine whether the Performance Targets have been fully and duly satisfied. In the event that the LTIP Committee shall determine that the Performance Targets are not fully and duly satisfied, the LTIP Committee may, at its discretion, adjust the number of Shares (if any) which may vest in the ESGS Grantee on the ESGS Vesting Date(s) and/or take into account the shortfall in such manner as the LTIP Committee may in its discretion otherwise deem fit.
- 13.3 Where the LTIP Committee has determined that the Vesting Conditions have been fully and duly satisfied, the LTIP Committee shall notify the ESGS Grantee of the number of Shares vested or which will be vested in him/her on the ESGS Vesting Date (“ESGS Vesting Notice”).

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

- 13.4 No ESGS Grantee shall have any right to or interest in the Shares comprised in an ESGS Grant until and unless the Shares are vested in him/her on and with effect from the ESGS Vesting Date.
- 13.5 The ESGS Grantee shall provide all information stated in the ESGS Vesting Notice and ESGS Grant Letter as required by the Company, and the Company shall within eight (8) Market Days after the ESGS Vesting Date, or such other period as may be prescribed or allowed by Bursa Securities, and subject to the Constitution, the SICDA and the Rules of Bursa Depository, allot and issue the relevant number of new Shares and/or transfer the relevant number of existing Shares to the ESGS Grantee, despatch the notice of allotment and/or notice of transfer to the ESGS Grantee stating the number of Shares so credited, and apply to Bursa Securities for the listing of and quotation for any new Shares arising from the vesting of an ESGS Grant. The said Shares pursuant to the vesting of an ESGS Grant will be credited directly into the CDS Account of the respective ESGS Grantee or his/her authorised nominee, as the case may be. No physical share certificates will be issued and/or delivered to the ESGS Grantee or his/her authorised nominee (as the case may be).
- 13.6 Notwithstanding anything to the contrary herein contained in these By-laws, the LTIP Committee shall have the right, at its absolute discretion by notice in writing to that effect to the ESGS Grantee, to suspend the right of any ESGS Grantee who is being subjected to Disciplinary Proceedings (whether or not such Disciplinary Proceedings may give rise to a dismissal or termination of service of such ESGS Grantee or are found to have had no basis or justification) to have any ESGS Grant awarded vested in him/her pending the outcome of such Disciplinary Proceedings. In addition to this right of suspension, the LTIP Committee may impose such terms and conditions as the LTIP Committee shall deem appropriate at its sole and absolute discretion, on the ESGS Grantee's right to have Shares granted under an ESGS Grant vested in him/her having regard to the nature of the charges made or brought against such ESGS Grantee, PROVIDED ALWAYS that:
- (i) in the event such ESGS Grantee is found not guilty of the charges which gave rise to such Disciplinary Proceedings, the LTIP Committee shall reinstate the right of such ESGS Grantee to their ESGS Grants;
 - (ii) in the event the Disciplinary Proceedings result in a recommendation for the dismissal or termination of service of such ESGS Grantee, all unvested ESGS Grants shall immediately lapse and be null and void and of no further force and effect, without notice to the ESGS Grantee, upon pronouncement of the dismissal or termination of service of such ESGS Grantee notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the ESGS Grantee in any other forum;
 - (iii) in the event the ESGS Grantee is found guilty but no dismissal or termination of service is recommended, the LTIP Committee shall have the right to determine at its absolute discretion whether or not the ESGS Grantee may continue to have the ESGS Grant vested in him/her and if so, to impose such terms and conditions as it deems appropriate, on such rights; and

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

- (iv) in the event that no decision is made and/or Disciplinary Proceedings are not concluded prior to the Date of Expiry, the ESGS Grant of such ESGS Grantee shall immediately lapse on the Date of Expiry without notice,

and nothing herein shall impose any obligation on the LTIP Committee to enquire into or investigate the substantiveness and/or validity of such Disciplinary Proceedings and the LTIP Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the LTIP Committee's exercise of or failure to exercise any of its rights under these By-Laws. Any ESGS Award that has lapsed and become null and void pursuant to this By-Law 13.6 may, at the discretion of the LTIP Committee, be re-allocated to other Eligible Persons.

14. NON-TRANSFERABILITY

- 14.1 An LTIP Award is personal to the Grantee and subject to the provisions of By-Laws 14.2, 14.3, 17.2, 17.3 and 17.4, is exercisable only by the Grantee personally during his/her lifetime whilst he/she is in the employment of any company in the Group.
- 14.2 An LTIP Award shall not be transferred, assigned, disposed of or subject to any encumbrances by the Grantee. Any attempt to transfer, assign, dispose or encumber any LTIP Award shall result in the automatic cancellation of the LTIP Award.
- 14.3 Notwithstanding this By-Law 14, in the event a Grantee is transferred to another company within the Group which has its own share issuance scheme, the Grantee shall be entitled to continue to exercise all unexercised LTIP Awards granted under this Scheme, in accordance with these By-Laws, but such Grantee shall not upon such transfer taking effect be eligible to participate for further LTIP Awards under this Scheme.

15. RIGHTS ATTACHING TO SHARES AND LTIP AWARDS

- 15.1 The new Shares to be allotted and issued under the Scheme will be subject to the provisions of the Constitution and will, upon allotment and issue, rank equally in all respects with the then existing Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, unless the allotment and issue of new shares are made on or prior to the Entitlement Date of such dividends, rights, allotments and /or other distributions.
- 15.2 In respect of the existing Shares to be transferred to the ESGS Grantees pursuant to the vesting of the Shares comprised in an ESGS Grant, such Shares rank equally in all respects with the then existing Shares. However, the ESGS Grantee shall not be entitled to any dividends, rights, allotments and/or other distributions, unless the Shares are credited into the CDS Accounts of the ESGS Grantees on or prior to the Entitlement Date of such dividends, rights, allotments and/or other distributions.

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

- 15.3 The LTIP Awards shall not carry any rights to vote at any general meeting of the Company. For the avoidance of doubt, the Grantee shall not in any event be entitled to any dividends, rights, allotments or other distributions on his/her unexercised ESOS Options and/or unvested Shares comprised in the ESGS Grants.

16. RESTRICTION ON DEALING/RETENTION PERIOD

The new Shares to be allotted and issued and/or existing Shares to be transferred to the Eligible Persons pursuant to the Scheme will not be subjected to any retention period unless the LTIP Committee stipulates otherwise upon granting of the LTIP Awards. However, the Company encourages the Eligible Persons to hold the Shares granted to them, or subscribed for by them, as a long-term investment and not for realisation of immediate gain.

17. TERMINATION OF THE LTIP AWARD

- 17.1 Prior to the full vesting of any LTIP Award and/or the allotment or satisfaction by any other means of an LTIP Award in the manner as provided for under these By-Laws, such LTIP Award that remain unvested or unexercised or unsatisfied (as the case may be) shall be automatically terminated and ceased or be deemed to cease to be valid without any claim against the Group in the following circumstances:

- (i) termination or cessation of employment of the Grantee with the Group by reason of resignation or for any reason whatsoever, in which event the termination of LTIP Awards shall be effective on the Grantee's last day of employment; or
- (ii) bankruptcy of the Grantee, in which event the termination of LTIP Award shall be effective on the date a receiving order is made against the Grantee by a court of competent jurisdiction; or
- (iii) upon the happening of any other event which results in the Grantee being deprived of the beneficial ownership of the LTIP Award; or
- (iv) in accordance with By-Law 24; or
- (v) termination of the Scheme pursuant to By-Law 25.4, in which event the termination of the LTIP Award shall be effective on the Termination Date (as defined below) pursuant to By-Law 25.4.

Upon the termination of the LTIP Award(s) pursuant to By-Laws 17.1(i), (ii), (iii), (iv) or (v) above, the Grantee shall have no right to compensation or damages or any claim against the Company or any other member of the Group from any loss of any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from him/her ceasing to hold office or employment or from the suspension of his/her entitlement to the award of, acceptance

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

or vesting of any LTIP Award(s) or right to exercise his/or her ESOS Option(s) or his/her LTIP Award(s) ceasing to be valid.

17.2 Notwithstanding By-Law 17.1(i) above, the LTIP Committee may at its discretion allow vested Option to remain exercisable during the Option Period and/or as the case may be, for all or any part of any unvested LTIP Awards as may be proportionate to the duration of service provided by such Grantee to vest in accordance with the provisions of these By-Laws, and at the times or period at or within which such LTIP Awards may vest (provided that no LTIP Awards shall vest after the respective ESOS Vesting Date(s) or ESGS Vesting Date(s) has passed) and in such other manner and on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:

- (i) ill-health, injury, physical or mental disability;
- (ii) retirement at or after attaining the normal retirement age, or retirement before attaining the normal retirement age with the consent of his/her employer;
- (iii) redundancy or retrenchment pursuant to the acceptance by that Grantee of a voluntary separation scheme offered by a company within the Group; or
- (iv) any other circumstances which are acceptable to the LTIP Committee in its sole and absolute discretion.

17.3 In the event where a Grantee dies before the Date of Expiry and at the time of his / her death held unexercised vested Options, such vested Options may be exercised by the legal or personal representative(s) of the Grantee after the date of his / her death no later than twenty four (24) months after the death of the Grantee unless otherwise approved by the LTIP Committee. Such exercise by the legal or personal representative(s) of the Grantee after his / her death shall always be subject to any restriction in the LTIP Award (unless otherwise approved by the LTIP Committee) and provided further that no vested Option shall be exercised after the Date of Expiry. All vested Options remaining unexercised after the Date of Expiry shall automatically lapse and become null and void.

17.4 In the event where a Grantee dies before the Date of Expiry and at the time of his death held unvested Options or unvested Shares, then the LTIP Committee may, in its discretion determine whether the ESOS Award and/or the ESGS Grant then held by such Grantee, to the extent not yet vested, shall lapse or that all or any part of such ESOS Award and/or ESGS Grant shall be preserved. If the LTIP Committee determines that the ESOS Award and/or ESGS Grant shall lapse, then such ESOS Award and/or ESGS Grant shall lapse without any claim whatsoever against the Company. If the LTIP Committee determines that all or any part of the ESOS Award and/or ESGS Grant shall be preserved, the LTIP Committee shall decide as soon as reasonably practicable following such event either to vest some or all of the Options and/or new Shares which are the subject of the ESOS Award and/or ESGS Grant or to preserve all or part of any ESOS Award and/or ESGS Grant and/or each ESOS Vesting Date or ESGS Vesting Date (if any) and subject to the provisions of the ESOS Award and/or ESGS Grant. In exercising its discretion, the LTIP Committee will have

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Grantee and the extent to which the Vesting Conditions (if any) has/have been satisfied.

- 17.5 Any LTIP Award that has lapsed and become null and void pursuant to this By-Law 17 may at the discretion of the LTIP Committee be re-allocated to other Eligible Persons.

18. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

All Grantees shall be entitled to inspect a copy of the latest audited financial statements of the Company, which shall be made available on Bursa Securities' website as well as the Company's website and at the registered office of the Company during normal office hours on any working day of the Company.

19. SCHEME NOT A TERM OF EMPLOYMENT

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

20. TAXES

All other costs, fees, levies, charges and/or taxes (including, without limitation, income taxes), if any, that are incurred by a Grantee pursuant to or relating to the exercise of any ESOS Options or vesting of any Shares under the ESGS Grants, and any holding or dealing of such Shares (including, without limitation, brokerage commissions and stamp duty) shall be borne by the Grantee for his own account and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

21. ALTERATION OF SHARE CAPITAL AND ADJUSTMENTS

- 21.1 In the event of any alteration in the share capital of the Company during the Duration of the Scheme, whether by way of a rights issue, bonus issue or other capitalisation issue, subdivision or consolidation of shares or reduction or any other variation of share capital or otherwise howsoever, the LTIP Committee may, in its discretion, determine whether:

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

- (i) in respect of the ESOS:
 - (a) the Option Price; and/or
 - (b) the number of unexercised or unvested ESOS Options; and
 - (c) the Option Price and/or number of ESOS Options in respect of which future ESOS Awards may be granted under the ESOS; and
- (ii) in respect of the ESGS, the number of Shares comprised in the unvested ESGS Grants,

shall be adjusted, and if so, the manner in which such adjustments should be made.

21.2 The provisions of this By-Law 21 shall not apply where the alteration in the capital structure of the Company arises from any of the following:

- (i) an issue of Shares pursuant to the exercise of ESOS Options and/or vesting of ESGS Grants under the Scheme;
- (ii) an issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business;
- (iii) an issue of securities via a private placement;
- (iv) any special issuance of new Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation;
- (v) a restricted issue of securities;
- (vi) an issue of new Shares arising from the exercise/conversion of warrants, convertible loan stocks or other instruments of the Company; or
- (vii) a purchase by the Company of its own Shares of all or a portion of such Shares purchased pursuant to the Section 127 of the Act.

21.3 Save as expressly provided for herein, the external auditors or Principal Adviser (which must be a principal adviser under the Principal Adviser Guidelines issued by the Securities Commission Malaysia) selected by the Directors (acting as experts and not as arbitrators) shall confirm in writing that the adjustments are in their opinion fair and reasonable. The opinion of such external auditors or Principal Adviser shall be final, binding and conclusive.

21.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Subdivision 2 of Division 7 of Part III of the Act, By-Law 21.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 21.1 is

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

applicable, but By-Law 21.1 shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 21.1 is not applicable as described in By-Law 21.2.

21.5 Any adjustment pursuant to By-Law 21.1 shall be made according to the following terms:

- (i) in the case of a rights issue, bonus issue or other capitalisation issue, on the next Market Day immediately following the Entitlement Date in respect of such issue; or
- (ii) in the case of a consolidation or subdivision of Shares or reduction of share capital, on the next Market Day immediately following the date on which the consolidation, subdivision or reduction becomes effective or such other period as may be prescribed by Bursa Securities.

21.6 Upon any adjustment required to be made pursuant to this By-Law 21, the Company shall notify the Grantee (or his or her duly appointed personal representatives where applicable) in writing and deliver to him/her (or his/her duly appointed personal representatives where applicable) a statement setting forth:

- (i) in respect of the ESOS, the Option Price or number of ESOS Options which are the subject of the adjusted ESOS Award; and
- (ii) in respect of the ESGS, the number of Shares comprised in the unvested ESGS Grants which are the subject of the adjusted ESGS Grant.

Any adjustment shall take effect upon such written notification being given or such date as may be specified in such written notification.

21.7 In respect of the ESOS Options or the ESGS Grants, any adjustment pursuant to this By-Law 21 shall be made in accordance with the following formulae below (as applicable), pursuant to By-Law 21.6:

- (a) If and whenever the number of issued Share changes by reason of any consolidation or subdivision (including subdivision by way of a bonus issue without capitalisation of profits or reserves) or conversion, in respect of ESOS Options, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{\text{Total number of issued Shares before the consolidation, subdivision or conversion}}{\text{Total number of issued Shares after the consolidation, subdivision or conversion}}$$

and the number of Shares relating to the ESOS Options and/or ESGS Grants shall be adjusted by multiplying the existing number of Shares relating to the ESOS Options and/or ESGS Grants by the following fraction:

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

Total number of issued Shares after the
consolidation, subdivision or conversion

Total number of issued Shares before the
consolidation, subdivision or conversion

Such adjustment will be effective from the close of business on the Market Day immediately following the Entitlement Date on which the consolidation or subdivision or conversion becomes effective or such other period as may be prescribed by Bursa Securities.

- (b) If and whenever the Company shall make any issue of new Shares to ordinary shareholders credited as fully paid-up, by way of bonus issue or capitalisation of profits or reserves of the Company, in respect of ESOS Options, the Option Price shall be adjusted by multiplying it by the following fraction:

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

and the number of Shares relating to the ESOS Options and/or ESGS Grants shall be adjusted by multiplying the existing number of Shares relating to the ESOS Options and/or ESGS Grants by the following fraction:

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

Where:

- A = The aggregate number of issued Shares immediately before such bonus issue or capitalisation of profits or reserves of the Company; and
- B = The aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully issued by way of bonus issue or capitalisation of profits or reserves of the Company.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

- (c) If and whenever the Company shall make:
- (i) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

- (ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for new Shares by way of rights; or
- (iii) any offer or invitation to ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares attached thereto,

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

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

and in respect of the case referred to in By-Law 21.7(c)(ii) hereof, the number of Shares relating to the ESOS Options and/or ESGS Grants shall be adjusted by multiplying the existing number of Shares relating to the ESOS Options and/or ESGS Grants by the following fraction:

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

Where:

- C = The current market price of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation or (where appropriate) any relevant date as may be determined by the Company in consultation with the Principal Adviser;
- D =
 - (aa) In the case of an offer or invitation to acquire or subscribe for new Shares under By-Law 21.7(c)(ii) above or for securities convertible into Shares or securities with rights to acquire or subscribe for new Shares under By-Law 21.7(c)(iii) above, the value of rights attributable to one (1) Share (as defined below); or
 - (bb) In the case of any other transaction falling within By-Law 21.7(c) hereof, the fair market value as determined (with the concurrence of the auditor) by the external auditors or Principal Adviser of that portion of the Capital Distribution attributable to one (1) Share; and
- D* = The value of the rights attributable to one (1) Share (as defined below).

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

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

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

Where:

- C = C as in By-Law 21.7(c) hereof;
- E = The subscription price for one (1) new Share under the terms of such offer or invitation to acquire or subscribe for Shares or subscription price of one (1) Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Share under the offer or invitation; and
- F = The number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or subscribe for security convertible into one (1) additional Share or rights to acquire or subscribe for additional Shares.

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

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

Where:

- C = C as in By-Law 21.7(c) hereof;
- E* = The subscription price for one (1) additional Share under the terms of such offer or invitation; and
- F* = The number of existing Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

For the purpose of By-Law 21.7(c) hereof, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of new Shares (not falling under By-Law 21.7(b) hereof) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves of the Company.

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

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day (or such other period as may be prescribed by Bursa Securities) immediately following the Entitlement Date for such issue.

- (d) If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 21.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 21.7(c)(ii) or (iii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Option Price shall be adjusted by multiplying it by the following fraction:

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

and where the Company makes any allotment to its ordinary shareholders as provided in By-Law 21.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 21.7(c)(ii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of Shares relating to the ESOS Options and/or ESGS Grants shall be adjusted by multiplying the existing number of Shares relating to the ESOS Options and/or ESGS Grants by the following fraction:

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

Where:

- B = B as in By-Law 21.7 (b) above;
- C = C as in By-Law 21.7 (c)above;
- G = The aggregate number of issued Shares on the Entitlement Date;
- H = The aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares, as the case may be;
- H* = The aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;
- I = The subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares or the subscription price of one (1) Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Share under the offer or invitation, as the case may be; and
- I* = The subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares.

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day (or such other period as may be prescribed by Bursa Securities) immediately following the Entitlement Date for such issue.

- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in By-Law 21.7(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for ordinary shares as provided in By-Law 21.7(c)(iii) above, the Option Price shall be adjusted by multiplying it by the following fraction:

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

and the number of Shares relating to the ESOS Options and/or ESGS Grants shall be adjusted by multiplying it by the following fraction:

- (1) in respect of the ESOS Options:

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

- (2) in respect of the ESGS Grants:

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

Where:

- C = C as in By-Law 21.7(c) above;
- G = G as in By-Law 21.7(d) above;
- H* = H* as in By-Law 21.7(d) above;
- I* = I* as in By-Law 21.7(d) above;
- J = The aggregate number of Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders; and
- K = The exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day (or such other period as may be prescribed by Bursa Securities) immediately following the Entitlement Date for such issue.

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 21.7(b) above and also makes an offer or invitation to acquire or subscribe for Shares to its ordinary shareholders as provided in By-Law 21.7(c)(ii) above, together with rights to acquire or subscribe for securities convertible into new Shares or with rights to acquire or subscribe for Shares as provided in By-Law 21.7(c)(iii) above, and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Option Price shall be adjusted by multiplying it by the following fraction:

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

and the number of Shares relating to the ESOS Options and/or ESGS Grants shall be adjusted by multiplying it by the following fraction:

- (1) in respect of the ESOS Options:

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

- (2) in respect of the ESGS Grants:

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

Where:

- B = B as in By-Law 21.7(b) above;
- C = C as in By-Law 21.7(c) above;
- G = G as in By-Law 21.7(d) above;
- H* = H* as in By-Law 21.7(d) above;
- I* = I* as in By-Law 21.7(d) above;
- J = J as in By-Law 21.7(e) above; and
- K = K as in By-Law 21.7(e) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of next the Market Day (or such other period as may be prescribed by Bursa Securities) immediately following the Entitlement Date for such issue.

For the purpose of By-Law 21.7(c), (d), (e) and (f), the current market price in relation to one (1) existing Share for any relevant day shall be the weighted average of the last traded prices for the five (5) consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

- 21.8 If an event occurs that is not set out in By-Law 21.7 or if application of any of the formula to an event results in a manifest error or does not, in the opinion of the LTIP Committee, achieve the desired result of preventing the dilution or enlargement of the Eligible Person's rights, the LTIP Committee may agree to an adjustment subject to the provision of By-Law 21.7 provided that the Eligible Persons shall be notified of the adjustment through an announcement to all Eligible Persons to be made in such manner deemed appropriate by the LTIP Committee.
- 21.9 Notwithstanding the provisions referred to in this By-Law, the LTIP Committee may exercise its discretion to determine whether any adjustments to the Option Price, the number of Options and/or new Shares (as the case may be) be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the Option Price and/or the number of Options notwithstanding that no such adjustment formula has been explicitly set out in this By-Law.
- 21.10 Any adjustment to the Option Price shall be rounded up to the nearest of RM0.01.
- 21.11 In the event that a fraction of a Share arises from the adjustments pursuant to this By-Law 21, the number of Shares comprised in an ESOS Award or ESGS Grant shall automatically be rounded down to the nearest whole number.
- 21.12 Upon any adjustment being made pursuant to this By-Law, the LTIP Committee shall, within thirty (30) days of the effective date of the alteration in the capital structure of the Company, notify the Grantee (or his legal representatives where applicable) in writing informing him of the adjusted Option Price thereafter in effect and/or the revised number of Shares thereafter to be issued on the exercise of the ESOS Options and/or to be vested under the ESGS Grants.

22. TAKE-OVER, SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC

In the event of:

- 22.1 a takeover offer being made for the Company through a general offer to acquire the whole of the issued share capital of the Company (or such part thereof not at the time held by the person making the general offer ("**Offeror**") or any persons acting in concert with the Offeror);
- 22.2 the Offeror becoming entitled or bound to exercise the rights of compulsory acquisition of Shares under the provisions of the Capital Markets and Services Act 2007 or other relevant laws applicable at the material time and gives notice to the Company that it intends to exercise such right on a specific date; or
- 22.3 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 366 of the Act or its amalgamation with any other company or companies under Section 370 of the Act,

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

the LTIP Committee may at its discretion to the extent permitted by law allow the exercise of any vested ESOS Options and/or the vesting of any unvested ESOS Awards or unvested ESGS Grants (or any part thereof) by the Grantee at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (i) the ESOS Vesting Date or ESGS Vesting Date (whichever applicable) is not due or has not occurred; and/or
- (ii) the other terms and conditions set out in the LTIP Award have not been fulfilled or satisfied.

Upon the compromise or arrangement becoming effective, all Options remaining unexercised and all unvested LTIP Awards shall cease to be capable of vesting and automatically lapse and become null and void.

23. DIVESTMENT FROM THE GROUP

23.1 If a Grantee who was in the employment of a corporation in the Group which was subsequently divested, then such Grantee:

- (i) shall:
 - (a) not be entitled to continue to exercise all such unexercised vested ESOS Options held by him/her; and
 - (b) cease to be capable of being vested with any unvested ESOS Options or unvested ESGS Grants granted to him/her under the Scheme,

from the date of completion of such divestment unless the LTIP Committee at its discretion permit such exercise of the unexercised vested ESOS Options or the vesting of the unvested ESOS Options and/or unvested ESGS Grants including its allocation thereof. For the avoidance of doubt, save and except to the extent permitted by the LTIP Committee, all existing LTIP Awards shall automatically lapse and be null and void and of no further force and effect; and

- (ii) shall not be eligible to participate for further LTIP Awards under the Scheme as from the date of completion of such divestment.

23.2 For the purposes of By-Law 23.1, a company shall be deemed to be divested from the Group or disposed of from the Group in the event that the effective interest of the Company in such company is reduced from above 50% to 50% or below so that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act or such company ceases to form part of the Group for such reason(s) as determined by the LTIP Committee at its absolute discretion.

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)**24. WINDING UP**

All outstanding LTIP Awards shall be automatically terminated and be of no further force and effect in the event that a resolution is passed or a court order is made for the winding up of the Company commencing from the date of such resolution or the date of the court order. In the event a petition is presented in court for the winding up or liquidation of the Company, all rights to exercise and/or vest the LTIP Awards shall automatically be suspended from the date of presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the right to exercise and/or vest the LTIP Awards shall accordingly be unsuspended.

25. DURATION OF THE SCHEME

25.1 The Scheme is conditional upon:

- (i) submission of the final copy of the By-Laws to Bursa Securities together with a letter of compliance pursuant to Paragraph 2.12 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;
- (ii) approval from Bursa Securities for the listing of and quotation for such number of Shares representing up to ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) on the ACE Market of Bursa Securities;
- (iii) approval of the shareholders of the Company for the Scheme being obtained;
- (iv) receipt of the approval(s) of any other relevant authorities (where applicable); and
- (v) fulfilment or waiver (as the case may be) of all applicable conditions attached to the above approvals (if any).

The Scheme shall be in force for a duration of five (5) years commencing from the effective date of implementation of the Scheme, which shall be a date following the full compliance with all relevant requirements of the Listing Requirements and under the law in relation to the Scheme ("**Effective Date**") ("**Duration of the Scheme**").

25.2 The Duration of the Scheme, or the duration of ESOS, or the duration of ESGS, may be extended for a further period of up to five (5) years immediately from the expiry of the Duration of the Scheme ("**Date of Expiry**") at the discretion of the Board upon the recommendation of the LTIP Committee, without having to obtain approval of the Company's shareholders. Any extension of the Scheme shall not, in aggregate with the initial term, exceed ten (10) years from the Effective Date, or such longer period as may be allowed by the relevant authorities.

25.3 On the expiry of the Scheme, any LTIP Awards which have yet to be vested (whether fully or partially) shall be deemed terminated and be null and void and of no further force and effect.

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

- 25.4 The Scheme may be terminated by the LTIP Committee at any time before the Date of Expiry, provided that the Company makes an announcement immediately to Bursa Securities.

26. SUBSEQUENT EMPLOYEES' SHARE SCHEMES

The Company may, in addition to the Scheme, implement more than one (1) employees' share scheme provided that the aggregate number of Shares available under all the employee share schemes implemented by the Company is not more than ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any one time or any other limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

27. COMPENSATION

- 27.1 This Scheme shall afford the Grantee no additional right to compensation or damages in the event of the cessation of his employment or appointment for any reason whatsoever.
- 27.2 Participation in this Scheme by an Eligible Person is a matter entirely separate from his terms and conditions of employment and participation in this Scheme shall in no respects whatever affect in any way a Grantee's terms and conditions of employment. In particular (but without limiting the generality of the foregoing words) any Grantee who ceases to hold office or leaves employment shall not be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under this Scheme which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal, dismissal without just cause or excuse, or other breach of contract or by way of compensation for loss of office or otherwise howsoever.
- 27.3 This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Option or ESGS themselves) against the Company or any corporation of the Group or any members of the LTIP Committee directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Group.
- 27.4 No Grantee or his / her legal or personal representatives shall bring any claim, action or proceedings against the Company or the LTIP Committee or any party for compensation, loss or damages whatsoever and howsoever arising including but not limited to:
- (a) the suspension of his / her rights to exercise his / her Vested Options or be vested his / her ESGS Grants, or

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

- (b) his / her Options or ESGS Grants ceasing to be valid pursuant to the provisions of these By-Laws as may be amended from time to time in accordance with By-Law 28.
- 27.5 Neither the Scheme nor LTIP Awards granted under the Scheme shall impose on the Company or the LTIP Committee or any of its members any liability whatsoever in connection with:
 - (a) the lapse of any LTIP Awards pursuant to any provision of the Scheme;
 - (b) the failure or refusal by the LTIP Committee to exercise, or the exercise by the LTIP Committee of, any discretion under the Scheme; and/or
 - (c) any decision or determination of the LTIP Committee made pursuant to any provision of the Scheme.

28. MODIFICATION / VARIATION TO THE SCHEME

- 28.1 The LTIP Committee may at any time and from time to time recommend to the Board any amendments and/or modifications to all or any of the provisions of the Scheme and these By-Laws and the power to amend and/or modify all or any of the provisions of the Scheme and these By-Laws shall rest with the Board PROVIDED THAT no amendment and/or modifications shall alter adversely the rights attaching to any LTIP Awards granted prior to such amendment and/or modifications, nor alter such rights to the advantage of any Grantee without the prior approval of the shareholders of the Company as set out in By-Law 28.2. The LTIP Committee shall within ten (10) Market Days of any amendment and/or modification made pursuant to this By-Law notify the Grantee in writing of any amendment and/or modification made pursuant to this By-Law. The Company is required to submit to Bursa Securities a confirmation letter that the amendment and/or modification does not contravene any of the provisions of the Listing Requirements on employees' share option scheme and the rules issued by Bursa Depository no later than five (5) Market Days after the effective date of the said amendment and/or modification is made.
- 28.2 No such addition or amendment, modification and/or deletion of these By-Laws shall be made which will:
 - (a) prejudice any rights then accrued to any Grantee without the prior consent or sanction of the majority of the Grantees at a meeting called for such purpose. The quorum for such meetings of Grantees shall be two (2);
 - (b) prejudice any rights of the shareholders of the Company without the prior approval of the Company's shareholders in a general meeting;
 - (c) increase the maximum number of new Shares which may be made available under the Scheme provided under By-Law 3.1; and

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

- (d) alter any matter which are required to be contained in the By-Laws by virtue of the Listing Requirements to the advantage of the Eligible Person and/or Grantee,

unless allowed otherwise by the provisions of the Listing Requirements.

29. DISPUTES

Any dispute or difference of any nature arising hereunder shall be referred to the decision of the LTIP Committee. The said decision shall be final and binding on the parties unless the Eligible Person or Grantee, as the case may be, shall dispute the same by notice to the LTIP Committee within fourteen (14) days of the receipt of the decision of the LTIP Committee, in which case, such dispute or difference shall be referred to the decision of an approved company auditor as defined under Section 263 of the Act (acting as expert and not as arbitrator), whose decision shall be final and binding in all respects and whose costs shall be borne by the party against whom the decision is given on appeal.

30. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment and/or transfer of the Shares pursuant to the LTIP Award, shall be borne by the Company. Notwithstanding this, the Grantee shall bear any fees, costs and expenses incurred in relation to his/her acceptance and exercise of the Options under the Scheme and the holding or subsequent dealing of such Shares (such as, including but not limited to, brokerage commissions and stamp duty).

31. CONSTITUTION

Notwithstanding the rules, terms and conditions contained in these By-Laws, if a situation of conflict should arise between these By-Laws and the Constitution, the provisions of the Constitution shall prevail at all times save and except where such provisions of the By-Laws are included pursuant to the Listing Requirements.

32. NOTICE

- 32.1 Any notice which under the Scheme is required to be given to or served upon the LTIP Committee by an Eligible Person or Grantee or any correspondence to be made between an Eligible Person or Grantee and the LTIP Committee shall be given or served in writing and either delivered by hand or sent to the registered office of the Company by facsimile or ordinary letter. Proof of posting shall not be evidence of receipt of the letter.

APPENDIX A: BY-LAWS FOR THE LTIP (Cont'd)

- 32.2 Any notice under the Scheme required to be given to or served upon an Eligible Person or Grantee shall be deemed to be sufficiently given, served or made if it is given, served or made by hand, by electronic mail, by facsimile transmission and/or by letter sent via ordinary post addressed to the Eligible Person or Grantee at his/her place of employment, to his/her electronic mail address, at his/her last facsimile transmission number known to the Company, or to his/her last-known address. Any notice served by hand, by facsimile, by electronic mail or post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and acknowledged, (if by facsimile transmission) is transmitted with a confirm log print-out for the transmission indicating the date, time and transmission of all pages, (if by electronic mail) the dispatch of the electronic mail, (if any post) three (3) days after postage.
- 32.3 Any notice served by a party after the Company's official working hours shall be deemed to have been served on the next working day.

33. SEVERABILITY

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

34. GOVERNING LAW

The Scheme, the By-Laws, and all LTIP Awards made and granted and actions taken under the Scheme shall be governed by and construed in accordance with the laws of Malaysia. The Grantee, by accepting the LTIP Award in accordance with the By-Laws and terms of the Scheme, irrevocably submits to the exclusive jurisdiction of the courts of Malaysia.