

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF SYMPHONY HOUSE BHD (592563-P) ("SHB" OR "COMPANY") AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION GIVEN AND CONFIRM THAT, AFTER HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING.

COMMERCE INTERNATIONAL MERCHANT BANKERS BERHAD (18417-M), THE ADVISER AND UNDERWRITER, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC ISSUE (AS HEREINAFTER DEFINED) AND IS SATISFIED THAT ANY CONSOLIDATED PROFIT ESTIMATE AND FORECAST (FOR WHICH THE DIRECTORS OF SHB ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THIS PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE ISSUE, OFFER OR INVITATION IN RESPECT OF THE PUBLIC ISSUE AND THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE PUBLIC ISSUE. THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF SHB AND ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS OR REPORTS EXPRESSED IN THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.**

THE KUALA LUMPUR STOCK EXCHANGE (30632-P) ("KLSE") ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST OF THE MESDAQ MARKET OF THE KLSE IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF SHB OR OF ITS SECURITIES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC AND LODGED WITH THE CHIEF EXECUTIVE OFFICER OF THE COMPANIES COMMISSION OF MALAYSIA, WHO TAKE NO RESPONSIBILITY FOR ITS CONTENTS.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for the entire enlarged issued and paid-up share capital of SHB on the MESDAQ Market of the KLSE is set out below:

EVENT	INDICATIVE DATE
OPENING OF APPLICATION FOR THE ISSUE SHARES (as hereinafter defined)	30 December 2002
CLOSING OF APPLICATION FOR THE ISSUE SHARES	20 January 2003*
BALLOTING OF APPLICATIONS FOR THE ISSUE SHARES	End January 2003
ALLOTMENT OF THE ISSUE SHARES	Early February 2003
LISTING	Mid February 2003

Note:

- * *The Directors of SHB and the Underwriter may in their absolute discretion mutually decide to extend the closing date of the application to a further date or dates. Should the closing date of the application be extended, the dates for the allotment of the Issue Shares and listing of and quotation for the entire enlarged issued and paid-up share capital of SHB on the MESDAQ Market of the KLSE would be extended accordingly.*

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following abbreviations shall apply throughout:

ADA	: Authorised Depository Agent
ADA Code	: ADA (Broker) Code
AGM	: Annual General Meeting
Angsana Tiara	: Angsana Tiara Sdn Bhd (588974-K)
Arena Kembara	: Arena Kembara Sdn Bhd (574865-U)
ASEAN	: Association of South-East Asian Nations
ATM	: Automated teller machine
CDS	: Central Depository System
CIMB	: Commerce International Merchant Bankers Berhad (18417-M)
CMC	: Communications and Multimedia Commission, Malaysia
EBITDA	: Earnings before interest, taxation, depreciation and amortisation
Electronic Share Application	: Application of the Issue Shares through a Participating Financial Institution's ATMs
EPS	: Earnings per share
FIC	: Foreign Investment Committee
GDP	: Gross domestic product
GISB	: Global Innovative Management Partners – ACT Sdn Bhd (386828-W)
ICT	: Information and communications technology
IP	: Intellectual properties
IPO	: Initial public offering
Issue Price	: RM0.50
Issue Shares	: New SHB Shares to be issued pursuant to the Public Issue
IT	: Information technology
KLSE	: Kuala Lumpur Stock Exchange (30632-P)
K-Synergy	: K-Synergy Sdn Bhd (588948-P)
Listing	: Listing of and quotation for the entire issued and paid-up share capital of SHB on the MESDAQ Market

DEFINITIONS *(Cont'd)*

Listing Requirements	:	Listing requirements of KLSE that are applicable to the MESDAQ Market
Major Shareholder	:	A person who has an interest or interests in one (1) or more voting shares in a company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is not less than 5% of the aggregate of the nominal amounts of all the voting shares in the company. For the purpose of this definition, "interest in shares" shall have the meaning given in Section 6A of the Companies Act, 1965
MCD	:	Malaysian Central Depository Sdn Bhd (165570-W), a subsidiary of the KLSE
MESDAQ Market	:	MESDAQ Market of the KLSE
MIH	:	Malaysian Issuing House Sdn Bhd (258345-X)
MITI	:	Ministry of International Trade and Industry
MSC	:	Multimedia Super Corridor
NTA	:	Net tangible assets
OSK-Signet	:	OSK-Signet Trustees Bhd (573019-U)
Participating Financial Institution(s)	:	Participating financial institution(s) for Electronic Share Application as listed in Section 14 of this Prospectus
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PE Multiple	:	Price earnings multiple
Placement Agent	:	CIMB
Prelude Profile	:	Prelude Profile Sdn Bhd (585684-W)
Premium Maple	:	Premium Maple Sdn Bhd (582472-M)
Prestige Access	:	Prestige Access Sdn Bhd (588998-H)
Promoters	:	Angsana Tiara, Prelude Profile, Premium Maple, K-Synergy, Prestige Access, Dato' Mohamed Azman bin Yahya, Jasmy bin Ismail, Cyril Tan Eng Wah, Tan Hooi Chee, Annie Tee Soo Chen and Kamaluddin bin Abdullah collectively
Public Issue	:	Issue of 30,000,000 new SHB Shares by the Company at the Issue Price to the eligible Directors and employees of SHB and its subsidiaries in Malaysia, Malaysian public and identified investors
R&D	:	Research and development
SC	:	Securities Commission
SGT	:	Symphony Global Technologies Sdn Bhd (544432-A)
SGT Group	:	SGT, Xenet and SXS collectively

DEFINITIONS *(Cont'd)*

SHB or the Company	: Symphony House Bhd (592563-P)
SHB Group or the Group	: SHB and its subsidiaries
SHB Share(s)	: Ordinary share(s) of RM0.10 each in SHB
Signet	: Signet & Co Sdn Bhd (118382-V)
Signet Group	: Signet, SNSB and SSRS collectively
SNSB	: Signet Nominees Sdn Bhd (139044-M)
SSRS	: Signet Share Registration Services Sdn Bhd (506293-D)
SXS	: Symphony Xen Solutions Sdn Bhd <i>(formerly known as Xen.com Sdn Bhd)</i> (500186-A)
Underwriting Agreement	: Agreement dated 3 December 2002 between SHB and CIMB in relation to the underwriting of the 5,000,000 Issue Shares made available for application by the Malaysian public
US	: United States of America
Xennet	: Xennet Pte Ltd (200006660Z)
RM and sen	: Ringgit Malaysia and sen respectively
SGD	: Singapore Dollar
USD	: US Dollar

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of a day in this Prospectus shall be a reference to Malaysian time, unless otherwise stated.

ABBREVIATED TECHNICAL TERMS

EJB	:	Enterprise Java Beans, the server side component architecture for J2EE platform that enables rapid and simplified development of distributed, transactional, secure and portable Java applications
Internet	:	A worldwide system of computer networks which users at any one (1) computer can, if they have permission, obtain information from any other computer and it is a public, cooperative, and self-sustaining facility accessible to hundreds of millions of people worldwide
Intranet	:	Internal computer network that is used to share files and websites
Java	:	Object oriented programming language invented by Sun Microsystems Inc
J2EE	:	Java 2 Platform, Enterprise Edition, an environment for developing and deploying enterprise applications. The platform consists of a set of services, application programming interfaces and protocols that provide the functionality for developing multitiered, web-based applications
PC	:	Personal computer
PL	:	An advanced fourth-generation programming language which offers modern features such as data encapsulation, overloading, collection types, exception handling and information hiding
Protocol	:	A standard way of communicating across a computer network, a language of the network whereby two (2) dissimilar systems can communicate
SQL	:	Structured query language, a standard language used to access, retrieve, insert, delete and update records in a computer database
Unix	:	Type of operating system used by computers
Website	:	Collection of web pages which are linked together
Windows	:	Operating system developed by Microsoft Corporation
XML	:	Extensible mark-up language designed to improve the functionality of the web by providing more flexible and adaptable information identification

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1. CORPORATE DIRECTORY**DIRECTORS**

Name	Address	Occupation	Nationality
Tan Sri Datuk Asmat bin Kamaludin (<i>Chairman</i>)	23, Jalan 14/37 46100 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Dato' Mohamed Azman bin Yahya (<i>Group Chief Executive</i>)	4, Persiaran Batai Barat Bukit Damansara 50490 Kuala Lumpur	Company Director	Malaysian
Krishnan a/l C K Menon (<i>Independent Non-Executive Director</i>)	8B-3-3, Belvedere Condominium Jalan 1/63 Off Jalan Tunku 50480 Kuala Lumpur	Company Director	Malaysian
Khairil Anuar bin Abdullah (<i>Independent Non-Executive Director</i>)	20, Jalan 22/44 46300 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Dr. Tawfiq Ayman (<i>Independent Non-Executive Director</i>)	23, Jalan Tunku Putra Bukit Tunku 50480 Kuala Lumpur	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Krishnan a/l C K Menon	Chairman	Independent Non-Executive Director
Khairil Anuar bin Abdullah	Member	Independent Non-Executive Director
Dr. Tawfiq Ayman	Member	Independent Non-Executive Director

JOINT COMPANY SECRETARIES : Leong Oi Wah (F)
(MAICSA 7023802)
21, Jalan 4/54
46050 Petaling Jaya
Selangor Darul Ehsan

Ng Yim Kong
(LS 0008343)
97, Jalan USJ 2/4R
UEP Subang Jaya
47600 Subang Jaya
Selangor Darul Ehsan

1. CORPORATE DIRECTORY (Cont'd)

- REGISTERED OFFICE** : 10th Floor, Tower Block
Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-2145 4337
- MANAGEMENT OFFICE** : Level 17, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel : 03-2718 1500
- AUDITORS AND REPORTING ACCOUNTANTS** : Messrs KPMG
Wisma KPMG
Jalan Dungun
Damansara Heights
50490 Kuala Lumpur
- SOLICITORS FOR LISTING** : Messrs Lee Choon Wan & Co.
No 12, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd
27th Floor, Menara Multi-Purpose
Capital Square
8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 03-2693 2175
- PRINCIPAL BANKER** : Bumiputra-Commerce Bank Berhad
Level 1, A4-A8, Block A
Damansara Town Centre
Damansara Heights
50490 Kuala Lumpur
- REGISTRAR** : Signet Share Registration Services Sdn Bhd
11th Floor, Tower Block
Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur
- ADVISER, SPONSOR, PLACEMENT AGENT, UNDERWRITER** : Commerce International Merchant Bankers Berhad
7th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
- LISTING SOUGHT** : MESDAQ Market

2. INTRODUCTION

This Prospectus is dated 30 December 2002.

A copy of this Prospectus has been registered by the SC and lodged with the Chief Executive Officer of the Companies Commission of Malaysia, who take no responsibility for its contents.

The approvals from KLSE and SC have been obtained for admission to the Official List of the MESDAQ Market and for permission to deal in and for the listing of and quotation for the entire issued and paid-up ordinary shares of SHB including the Issue Shares which are the subject of this Prospectus. These ordinary shares will be admitted to the Official List of the MESDAQ Market and official quotation will commence after receipt of confirmation from MCD that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Pursuant to the Listing Requirements, the Company needs to have at least 25% but not more than 49% of the issued and paid-up share capital in the hands of public shareholders and a minimum number of 200 public shareholders (including employees), upon admission to the MESDAQ Market. The Company is expected to achieve this at the point of Listing. However, in the event that the above requirement is not met pursuant to this Public Issue, the Company may not be allowed to proceed with the Listing. In the event therefore, monies paid in respect of all applications will be returned without interest.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act 1991, the KLSE has prescribed SHB Shares as a prescribed security. In consequence thereof, the Issue Shares offered through this Prospectus will be deposited directly with MCD and any dealings in these shares will be carried out in accordance with the aforesaid Act and the Rules of MCD. No share certificates will be issued to successful applicants.

Therefore to apply for the Issue Shares, an applicant should state his CDS account number in the space provided in the Application Form if he presently has such an account and he shall be deemed to have authorised MCD to disclose information pertaining to the CDS account to MIH/Company for the purpose of crediting the Issue Shares allotted to him into his CDS account. Where an applicant does not presently have a CDS account, he should state in the Application Form his preferred ADA Code. Where an applicant already has a CDS account, he should not complete the preferred ADA Code. In the case of Electronic Share Application only an applicant who is an individual and who has a CDS account can make an Electronic Share Application.

No person is authorised to give any information or to make any representation not contained herein in connection with the Public Issue and if given or made, such information or representation must not be relied upon as having been authorised by SHB and/or CIMB. Neither the delivery of this Prospectus nor any issue made in connection with this Prospectus shall, under any circumstances, constitute a representation or create an implication that there has been no change in the affairs of the SHB Group since the date hereof.

The distribution of this Prospectus and the sale of the Issue Shares are subject to Malaysian law and CIMB and the Company take no responsibility for the distribution of this Prospectus and/or sale of the Issue Shares outside Malaysia, which may be restricted by law in other jurisdictions. The Prospectus will not be registered under any securities legislation of any jurisdiction except Malaysia and the Issue Shares will not be sold in any country other than Malaysia. Persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any Issue Shares in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

If you are in doubt about this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

3. INFORMATION SUMMARY

The following is a summary of the salient information about the SHB Group and the Public Issue and should be read in conjunction with the more detailed information and financial statements appearing elsewhere in this Prospectus. **Investors should read and understand the whole Prospectus prior to deciding whether to invest in SHB.**

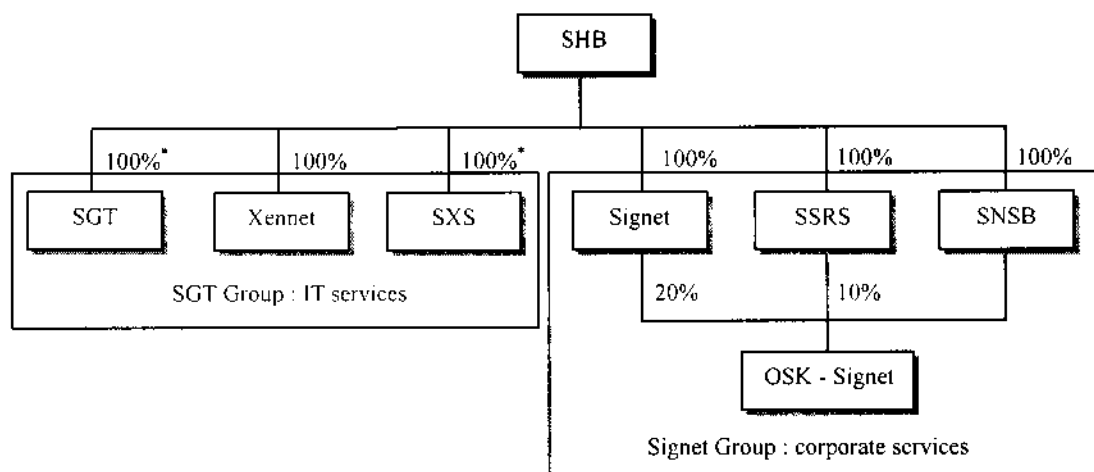
3.1 HISTORY AND BUSINESS

SHB was incorporated in Malaysia under the Companies Act, 1965 on 16 September 2002 as a private limited company under the name of Symphony House Sdn Bhd. It was converted into a public company on 21 October 2002 and assumed its present name.

As at 15 December 2002, the authorised share capital of SHB was RM50,000,000 comprising of 500,000,000 ordinary shares of RM0.10 each. Its issued and paid-up share capital was RM25,000,000 comprising of 250,000,000 ordinary shares of RM0.10 each.

The principal activities of SHB are investment holding, while its subsidiaries are generally involved in the provision of application software development, computer solutions and IT services and the provision of corporate services such as share registration, secretarial services and accounting services.

SHB has six (6) subsidiaries, namely, SGT, Xennet, SXS, Signet, SSRS and SNSB, and an associated company, namely, OSK-Signet. The structure of the SHB Group is as follows:



The SHB Group is divided into two (2) divisions, the IT services division and corporate services division. The subsidiaries that form the IT services division are SGT, Xennet and SXS while the subsidiaries that form the corporate services division are Signet, SSRS and SNSB.

Detailed information on SHB and its subsidiaries are as set out in Section 7 of this Prospectus.

3. INFORMATION SUMMARY (Cont'd)

3.2 SHAREHOLDINGS OF DIRECTORS, PROMOTERS, MAJOR SHAREHOLDERS AND KEY MANAGEMENT

(i) Directors

The shareholdings of the Directors of SHB after the Public Issue based on their shareholdings as at 15 December 2002 are as follows:

Director	Designation	-----After the Public Issue----- No. of SHB Shares held			
		Direct 000	%	Indirect 000	%
Tan Sri Datuk Asmat bin Kamaludin	Chairman	100	0.04 ^{*1}	-	-
Dato' Mohamed Azman bin Yahya	Group Chief Executive	-	-	136,663	48.8 ^{*2}
Krishnan a/l C K Menon	Independent Non-Executive Director	100	0.04 ^{*1}	-	-
Khairil Anuar bin Abdullah	Independent Non-Executive Director	100	0.04 ^{*1}	-	-
Dr. Tawfiq Ayman	Independent Non-Executive Director	100	0.04 ^{*1}	-	-

Notes:

^{*1} Assuming full subscription of the SHB Shares offered to the eligible Directors and employees of the SHB Group under the Public Issue.

^{*2} Deemed interest by virtue of interest in Arena Kembara pursuant to Section 6A of the Companies Act, 1965 and spouse's shareholding in Prelude Profile.

Detailed information on the Directors is as set out in Section 7.5 of this Prospectus.

(ii) Promoters

The shareholdings of the Promoters after the Public Issue based on their shareholdings as at 15 December 2002 are as follows:

Promoter	Place of incorporation/ Nationality	-----After the Public Issue----- No. of SHB Shares held			
		Direct 000	%	Indirect 000	%
Angsana Tiara	Malaysia	116,250	41.5	-	-
Prelude Profile	Malaysia	20,413	7.3	-	-
Premium Maple	Malaysia	21,275	7.6	-	-
K-Synergy	Malaysia	16,200	5.8	-	-
Prestige Access	Malaysia	8,613	3.1	-	-
Dato' Mohamed Azman bin Yahya	Malaysian	-	-	136,663	48.8 ^{*1}
Jasmy bin Ismail	Malaysian	300	0.1 ^{*2}	21,275	7.6 ^{*3}
Cyril Tan Eng Wah	Malaysian	200	0.1 ^{*2}	16,200	5.8 ^{*4}
Tan Hooi Chee	Malaysian	150	0.1 ^{*2}	16,200	5.8 ^{*4}
Annie Tee Soo Chen	Malaysian	150	0.1 ^{*2}	16,200	5.8 ^{*4}
Kamaluddin bin Abdullah	Malaysian	-	-	8,613	3.1 ^{*5}

3. INFORMATION SUMMARY (Cont'd)

Notes:

- *1 Deemed interest by virtue of interest in Arena Kembara pursuant to Section 6A of the Companies Act, 1965 and spouse's shareholding in Prelude Profile.
- *2 Assuming full subscription of the SHB Shares offered to the eligible Directors and employees of the SHB Group under the Public Issue.
- *3 Deemed interest by virtue of interest in Premium Maple pursuant to Section 6A of the Companies Act, 1965.
- *4 Deemed interest by virtue of interest in K-Synergy pursuant to Section 6A of the Companies Act, 1965.
- *5 Deemed interest by virtue of interest in Prestige Access pursuant to Section 6A of the Companies Act, 1965.

Detailed information on the Promoters is as set out in Section 7.7 of this Prospectus.

(iii) Major Shareholders

The shareholdings of the Major Shareholders of SHB after the Public Issue based on their shareholdings as at 15 December 2002 are as follows:

Shareholder	-----After the Public Issue-----			
	Direct 000	%	Indirect 000	%
Angsana Tiara	116,250	41.5	-	-
Prelude Profile	20,413	7.3	-	-
Premium Maple	21,275	7.6	-	-
K-Synergy	16,200	5.8	-	-
Arena Kembara	-	-	116,250	41.5*1
Dato' Mohamed Azman bin Yahya	-	-	136,663	48.8*2
Datin Normah binti Hashim	-	-	136,663	48.8*3
Jasmy bin Ismail	300	0.1*4	21,275	7.6*5
Cyril Tan Eng Wah	200	0.1*4	16,200	5.8*6
Tan Hooi Chee	150	0.1*4	16,200	5.8*6
Annic Tee Soo Chen	150	0.1*4	16,200	5.8*6

Notes:

- *1 Deemed interest by virtue of interest in Angsana Tiara pursuant to Section 6A of the Companies Act, 1965.
- *2 Deemed interest by virtue of interest in Arena Kembara pursuant to Section 6A of the Companies Act, 1965 and spouse's shareholding in Prelude Profile.
- *3 Deemed interest by virtue of interest in Arena Kembara and Prelude Profile pursuant to Section 6A of the Companies Act, 1965.
- *4 Assuming full subscription of the SHB Shares offered to the eligible Directors and employees of the SHB Group under the Public Issue.
- *5 Deemed interest by virtue of interest in Premium Maple pursuant to Section 6A of the Companies Act, 1965.
- *6 Deemed interest by virtue of interest in K-Synergy pursuant to Section 6A of the Companies Act, 1965.

Detailed information on the Major Shareholders is as set out in Section 7.8 of this Prospectus.

3. INFORMATION SUMMARY (Cont'd)

(iv) Key management

The shareholdings of the key management personnel of SHB after the Public Issue based on their shareholdings as at 15 December 2002 are as follows:

Name	Designation	-----After the Public Issue-----			
		Direct 000	%	Indirect 000	%
Dato' Mohamed Azman bin Yahya	Group Chief Executive	-	-	136,663	48.8 ^{*1}
Lim Phooi Kee	Executive Director and Chief Executive Officer of Signet Group	200	0.1 ^{*2}	-	-
Jasmy bin Ismail	Chief Executive Officer of SGT	300	0.1 ^{*2}	21,275	7.6 ^{*3}
Cyril Tan Eng Wah	Chief Executive Officer of Xennet and SXS	200	0.1 ^{*2}	16,200	5.8 ^{*4}
Tan Hooi Chee	Chief Operating Officer of Xennet and SXS	150	0.1 ^{*2}	16,200	5.8 ^{*4}
Annie Tee Soo Chen	Chief Product Officer of Xennet and SXS	150	0.1 ^{*2}	16,200	5.8 ^{*4}
Suhaimi bin Hashim	Director of Business Development of SGT	100	^{*5}	-	-
Ahmad Zulqarnain bin Che On	Manager of Corporate Services of SHB	150	0.1 ^{*2}	-	-
Fong Jin Ming	Finance Manager of SHB	-	-	-	-
Leong Oi Wah	Associate Director of Signet	100	^{*5}	-	-
Leong Wong Chin	Head of Share Registration of SSRS	70	^{*5}	-	-
Yong Chee Leong	Head of Accounting and Payroll of Signet	70	^{*5}	-	-

Notes:

^{*1} Deemed interest by virtue of interest in Arena Kembara pursuant to Section 6A of the Companies Act, 1965 and spouse's shareholding in Prelude Profile.

^{*2} Assuming full subscription of the SHB Shares offered to the eligible Directors and employees of the SHB Group under the Public Issue.

^{*3} Deemed interest by virtue of interest in Premium Maple pursuant to Section 6A of the Companies Act, 1965.

3. INFORMATION SUMMARY (Cont'd)

*⁴ Deemed interest by virtue of interest in K-Synergy pursuant to Section 6A of the Companies Act, 1965.

*⁵ Negligible and assuming full subscription of the SHB Shares offered to the eligible employees of the SHB Group under the Public Issue.

Detailed information on the key management is as set out in Section 7.9 of this Prospectus.

3.3 FINANCIAL HIGHLIGHTS

3.3.1 Proforma consolidated income statements

SHB was incorporated on 16 September 2002 and the Group was formed on 11 October 2002. Therefore, the following is the summary of the proforma audited financial results of the SHB Group for the past five (5) financial years ended 31 December 2001 and the six (6) month period ended 30 June 2002 after such adjustments considered necessary based on the audited results of the companies comprising the SHB Group on the assumption that the current structure of the Group has been in existence throughout the years under review. The proforma results of the SHB Group have been extracted from and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set out in Section 11 of this Prospectus.

	-----Year ended 31 December-----					Six (6) month period ended
	1997 RM 000	1998 RM 000	1999 RM 000	2000 RM 000	2001 RM 000	30.06.02 RM 000
Revenue	12,203	9,046	11,137	14,834	15,689	8,605
EBITDA	7,477	2,266	5,310	5,384	5,334	3,364
Depreciation and amortisation	-	(57)	(38)	(142)	(544)	(346)
Interest expense	-	-	-	(5)	(37)	(22)
Interest income	-	2	-	2	-	-
PBT	7,477	2,211	5,272	5,239	4,753	2,996
Taxation	(2,098)	(619)	(2)	(1,836)	(1,522)	(949)
PAT	5,379	1,592	5,270	3,403	3,231	2,047
Number of SHB Shares assumed in issue to form the Group* ¹ (000)	250,000	250,000	250,000	250,000	250,000	250,000
Gross EPS* ² (RM)	0.03	0.01	0.02	0.02	0.02	0.02* ³
Net EPS* ² (RM)	0.02	0.01	0.02	0.01	0.01	0.02* ³
Gross dividend rate (%)	-	-	-	-	-	-

3. INFORMATION SUMMARY (Cont'd)

Notes:

- *1 *The number of SHB Shares assumed in issue to form the Group represents the number of shares in issue after the cash placement.*
- *2 *The gross EPS and net EPS have been calculated by dividing the PBT and PAT respectively for the financial years/period by the number of ordinary shares assumed in issue to form the Group.*
- *3 *Annualised.*
- *4 *There were no extraordinary items or exceptional items in respect of all the financial years/period under review.*
- *5 *The result of SHB's associated company, namely OSK-Signet, is not included in the proforma consolidated results as the Directors and management of the SHB Group are of the opinion that the associated company has insignificant operations and therefore the share of profit from OSK-Signet arising from consolidation is immaterial to the Group. As OSK-Signet was incorporated on 6 March 2002, as at 30 June 2002, it has been in operations for less than four (4) months.*

The financial statements of the SHB Group for the past five (5) financial years ended 31 December 2001 and six (6) month ended 30 June 2002 have not been subjected to any audit qualifications.

3. INFORMATION SUMMARY (Cont'd)

3.3.2 Proforma consolidated balance sheets of SHB as at 30 June 2002

The following is a summary of the proforma consolidated balance sheets of SHB as at 30 June 2002, prepared for illustration purposes only to show the effects of the Public Issue and proposed utilisation of proceeds from the Public Issue on the assumption that the transactions were completed on 30 June 2002. The proforma consolidated balance sheets have been extracted from and should be read in conjunction with the accompanying notes and assumption included in the proforma consolidated balance sheets set out in Section 10.5 of this Prospectus:

	Proforma consolidated as at 30.06.02 ⁷ RM 000	After the Public Issue RM 000	After utilisation of proceeds from the Public Issue RM 000
Plant and equipment	673	673	673
Investments	250	250	250
Intangible assets	531	531	2,531
Goodwill	26,314	26,314	26,314
Current assets			
Other current assets	6,772	6,772	6,772
Cash and cash equivalents	11,678	26,678	22,678
	<u>18,450</u>	<u>33,450</u>	<u>29,450</u>
Current liabilities			
Other current liabilities	(12,680)	(12,680)	(12,680)
Borrowings	(227)	(227)	(227)
	<u>(12,907)</u>	<u>(12,907)</u>	<u>(12,907)</u>
Net current assets	<u>5,543</u>	<u>20,543</u>	<u>16,543</u>
	<u>33,311</u>	<u>48,311</u>	<u>46,311</u>
Financed by:			
Share capital	25,000	28,000	28,000
Share premium	8,125	20,125	18,125
Reserves	-	-	-
Shareholders' funds/Net assets value	<u>33,125</u>	<u>48,125</u>	<u>46,125</u>
Borrowings	<u>186</u>	<u>186</u>	<u>186</u>
	<u>33,311</u>	<u>48,311</u>	<u>46,311</u>
NTA	<u>6,280</u>	<u>21,280</u>	<u>17,280</u>
NTA per share (sen)	2.5	7.6	6.2
Net assets value per share (sen)	13.3	17.2	16.5

Note:

* SHB was incorporated on 16 September 2002 and the Group was formed on 11 October 2002. Therefore there were no actual audited results for the Group as at 30 June 2002. For illustrative purpose, the proforma consolidated balance sheet was prepared assuming that the Group was in place as at 30 June 2002.

3. INFORMATION SUMMARY *(Cont'd)*

3.4 PRINCIPAL STATISTICS RELATING TO THE PUBLIC ISSUE

(i) Share capital	RM
<i>Authorised</i>	
500,000,000 ordinary shares of RM0.10 each	<u>50,000,000</u>
<i>Issued and fully paid-up</i>	
250,000,000 ordinary shares of RM0.10 each	25,000,000
<i>To be issued and credited as fully paid-up pursuant to the Public Issue</i>	
30,000,000 ordinary shares of RM0.10 each	3,000,000
Enlarged share capital	<u>28,000,000</u>

There is only one (1) class of shares in the Company, being ordinary shares of RM0.10 each, all of which rank pari passu with one another. The Issue Shares shall, upon issue and allotment, rank pari passu in all respects with one another and the other existing issued and fully paid-up SHB Shares including voting rights and shall be entitled to all rights and dividends and other distributions the entitlement date of which is subsequent to the date of allotment of the Issue Shares.

Detailed information on the share capital is as set out in Section 5.1 of this Prospectus.

(ii) Issue Price per share	RM0.50
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Detailed information on the basis to determine the Issue Price is set out in Section 5.5 of this Prospectus.

(iii) Proforma NTA	
Proforma NTA of the SHB Group as at 30 June 2002 (after the Public Issue but before utilisation of proceeds from the Public Issue) (RM 000)	RM21,280
Proforma NTA per SHB Share as at 30 June 2002 (after the Public Issue but before utilisation of proceeds from the Public Issue) (RM)	0.08

Detailed information on the proforma NTA of the SHB Group is as set out in Section 10.5 of this Prospectus.

3. INFORMATION SUMMARY (Cont'd)

(iv) Consolidated profit estimate and forecast

The consolidated profit estimate and forecast of SHB for the financial years ending 31 December 2002 and 31 December 2003 respectively are as follows:

Financial year ending 31 December	Estimate	Forecast
	2002 RM 000	2003 RM 000
Consolidated profit after taxation but before pre-acquisition profit	4,891	11,516
Less : Pre-acquisition profit ^{*1}	(3,058)	-
Consolidated profit after taxation and pre-acquisition profit	<u>1,833</u>	<u>11,516</u>
Net EPS (sen)	0.96 ^{*2}	4.17 ^{*3}
Net PE Multiple (based on Issue Price of RM0.50 per share) (times)	15.32 ^{*4}	11.99 ^{*3}

Notes:

^{*1} The SHB Group was formed on 11 October 2002. Therefore, the pre-acquisition profit relates to the period from 1 January 2002 to 10 October 2002.

^{*2} Based on the consolidated profit after taxation and pre-acquisition profit and the weighted average number of ordinary shares of approximately 191.59 million SHB Shares for the period between 16 September 2002 (date of incorporation) to 31 December 2002.

^{*3} Based on the weighted average number of ordinary shares of approximately 276.30 million SHB Shares, assuming that the Listing is completed in mid February 2003.

^{*4} Based on the consolidated profit after taxation and pre-acquisition profit and the weighted average number of ordinary shares of approximately 56.16 million SHB Shares on the basis of a full calendar year.

Detailed information on the consolidated profit estimate and forecast of the SHB Group is as set out in Section 10.2 of this Prospectus.

(v) Dividend forecast

The Directors of SHB do not intend to declare any dividends for the financial year ending 31 December 2002.

The forecast dividend for the financial year ending 31 December 2003 is as follows:

Financial year ending 31 December	Forecast 2003
Gross dividend per share (sen)	2.5
Net dividend per share (sen)	1.8
Gross dividend yield based on the Issue Price of RM0.50 per share (%)	5.0
Net dividend yield based on the Issue Price of RM0.50 per share (%)	3.6
Net dividend cover (times)	2.3

Detailed information on the dividend forecast of SHB is as set out in Section 10.4 of this Prospectus.

3. INFORMATION SUMMARY *(Cont'd)*

3.5 UTILISATION OF PROCEEDS

The gross proceeds from the Public Issue amounting to RM15,000,000 will accrue entirely to the Company and will be utilised as follows:

	RM 000
Acquisitions for the expansion of the core and related businesses of the Group	8,000
Working capital	3,000
R&D	2,000
Estimated Listing expenses	2,000
Total	15,000

Detailed information on the utilisation of proceeds is as set out in Section 5.7 of this Prospectus.

3.6 RISK FACTORS

An investment in shares listed or to be listed on the KLSE involves a number of risks. Investors should rely on their own evaluations and carefully consider the following risk factors (which may not be exhaustive), as extracted from Section 4 of this Prospectus, in addition to other information contained elsewhere in this Prospectus, before applying for any of the Issue Shares which are the subject of this Prospectus.

(i) No prior market for SHB Shares

Prior to the Listing, there was no public market for SHB Shares. There can be no assurance that an active market for SHB Shares will develop upon the Listing or, if developed, that such market will be sustained. There can be no assurance that the Issue Price will correspond to the price at which SHB Shares will trade upon or subsequent to the Listing.

(ii) Delay in or abortion of the Listing

The occurrence of certain events may cause a delay in or the abortion of the Listing. Although the Directors will endeavour to secure the Listing, there can be no assurance that the aforementioned events will not occur and cause a delay in or abortion of the Listing.

(iii) Business risks

The performance of the Group is subject to general business risks as well as specific risks in relation to the IT and corporate services operations. Amongst the risks faced by the IT services operations are risks relating to the protection of IP rights, ability of software to address technological and financial services industry changes, dependence on business partners, new operations and products, dependence on performance of the financial services industry, funding requirements, low barriers to entry, MSC status and foreign operations. The risks faced by the corporate services operations are risks relating to legislative environment, professional liabilities, system disruptions, dependence on equity market sentiment, and longer than usual credit periods.

3. INFORMATION SUMMARY (Cont'd)

(iv) Changes to general economic, political, legislative, business and credit conditions

As with any other company, the performance of the Group is subject to the overall economic, political, legislative, business and credit conditions both domestically and internationally.

(v) Dependence on key management personnel

The Group believes that its continued success will depend, to a significant extent, upon the abilities and continued efforts of its existing management. The loss of any of the Executive Directors or key management personnel may affect the performance of the Group. The capability to attract and retain skilled personnel will also play a significant role in this regard.

(vi) Control by Major Shareholders

Following the Public Issue, the Promoters and Datin Normah binti Hashim as persons connected will continue to control the outcome of certain matters as they will collectively own approximately 65.3% of the issued and paid-up share capital of SHB.

(vii) Forward-looking statements

This Prospectus contains several forward-looking statements. There can be no assurance that the expectations underlying the forward-looking statements will prove to be correct or continue to hold in the future.

(viii) Profit estimate and forecast

The consolidated profit estimate and forecast in this Prospectus are based on assumptions that are subject to uncertainty and are contingent in nature. Also, SGT is at various stages of negotiation with its clients on the majority of its projects, the expected revenue of which are included in the consolidated profit estimate and forecast. There can be no assurance that the consolidated profit estimate and forecast contained herein will be realised and actual results may be materially different from those shown.

(ix) Termination of the Underwriting Agreement

The Underwriting Agreement is terminable by the Underwriter if the Underwriter is of the reasonable opinion that the success of the Public Issue is likely to be materially and adversely affected by certain events, details of which are set out in Section 5.9(ii) of this Prospectus.

(x) Subscription of shares reserved for eligible Directors and employees of SHB and its subsidiaries in Malaysia

The Issue Shares reserved for the eligible Directors and employees of SHB and its subsidiaries in Malaysia are not underwritten. Since the minimum subscription for the Public Issue is 100%, if the said reserved shares are not fully subscribed, either by way of subscription by the eligible Directors and employees only, or together with the over-subscription by the Malaysian public, the Public Issue could not be completed and the Listing will not proceed.

The SHB Group has taken certain actions to mitigate certain risks highlighted above, where possible. Detailed commentary of the risk factors and the mitigation efforts is set out in Section 4 of this Prospectus.

3. INFORMATION SUMMARY (Cont'd)**3.7 SUMMARY OF THE FIVE (5)-YEAR BUSINESS PLAN**

Over the next five (5) years, on the Group level in general, SHB plans to expand the existing businesses of its subsidiaries in their respective ways. In addition, the SHB Group has, among others, plans for the following:

(i) Internal reorganisation

At present, the SHB Group comprises of three (3) main businesses which have been operating independently. SHB plans to reorganise and streamline the management of these businesses.

(ii) Unlocking synergies

SHB intends to continuously unlock and realise the synergies between the IT services and corporate services divisions via the following methods:

(a) Cross selling of existing IT products and services to the extensive clientele of the Signet Group;

(b) Development and commercialisation of business-to-consumer IT solutions for the core activities of the Signet Group, such as secretarial (e.g. electronic resolutions) and share registration; and

(c) Acquisition of complementary businesses such as datacentres to complement the outsourcing initiatives of SGT and also cater for the needs of the clients of the Signet Group.

(iii) Employee share option scheme

SHB plans to implement an employee share option scheme to retain and motivate employees with a view of enhancing the performance of the Group.

(iv) Economies of scale

SHB plans to remove duplication of tasks between subsidiaries to reap greater economies of scale.

(v) Acquisition of businesses

SHB plans to evaluate and monitor potential targets to grow its existing businesses via acquisitions.

On the subsidiary level, the SGT Group and the Signet Group have the following plans:

SGT Group

(i) SGT

(a) Increase partnerships;

(b) Market expansion;

(c) Expansion of services; and

(d) Regional outsourcing hub.

3. INFORMATION SUMMARY *(Cont'd)*

(ii) Xennet and SXS

- (a) Increase R&D efforts;
- (b) Expansion of services; and
- (c) Market expansion.

Signet Group

- (i) Business expansion;
- (ii) Expansion of services; and
- (iii) Form new strategic alliances.

Detailed information on the summary of the five-(5) year business plan is as set out in Section 8 of this Prospectus.

3.8 TECHNOLOGY, IP RIGHTS AND PROTECTION, TRADEMARKS, AND R&D

(i) Technology

SXS designed and developed the Spectrum software suite using web-based technologies, utilising the browser as a standard user interface. The solution is based on the Open Component Architecture as the core foundation that allows e-Manager to be either deployed over the intranet or internet.

The Spectrum software suite and all its components were developed using Object Oriented programming techniques that allow the application to be highly scalable with the ability to run on any operating environment. The Spectrum software suite adopts PL/SQL, EJB and XML technologies which allow for connection with other internet-based systems and information exchange with legacy or other future applications.

Detailed information on the technology used by SHB is as set out in Section 7.3.1.5 of this Prospectus.

(ii) IP rights and protection and trademarks

Xennet and SXS have secured the IP rights of the Spectrum software suite, on the following dates:

IP rights	Date
<i>Spectrum e-Manager</i>	
Singapore version 1	23 April 2001
Singapore version 2	21 May 2002
Malaysia version 2	23 April 2001
Malaysia version 3	21 May 2002
Malaysia version 4	21 May 2002

3. INFORMATION SUMMARY (Cont'd)

IP rights	Date
<i>Spectrum e-Advisor</i>	
Malaysia version 3	23 April 2001
Singapore version 2	23 April 2001
Malaysia version (Financial Navigator)	21 May 2002
<i>Spectrum e-Quant</i>	
Version 1	21 May 2002

SXS has also made applications to register the "Spectrum, e-Manager" and "Spectrum, e-Advisor" trademarks under Class 9 with the Registrar of Trade Marks, Malaysia on 10 March 2001. The applications are still pending registration.

Detailed information on the IP rights and protection and trademarks of SHB is as set out in Section 7.3.1.10 of this Prospectus.

(iii) R&D

The R&D division of SXS is responsible for functions such as establishing product directions including directions of R&D in software design and developing its products vertically. Among the areas covered by the R&D division include new products, vertical product development and re-engineering and development of integrated value creation business application.

Detailed information on the R&D activities of SXS is as set out in Section 7.3.1.6 of this Prospectus.

3.9 MATERIAL LITIGATION, MATERIAL CAPITAL COMMITMENTS AND MATERIAL CONTINGENT LIABILITIES

(i) Material litigation

As at 15 December 2002, neither SHB nor its subsidiaries are engaged in any material litigation or arbitration either as plaintiff or defendant, which has a material and adverse effect on the financial position or business of the SHB Group, and the Directors of SHB do not know of any proceeding pending or threatened against the SHB Group or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position or business of the SHB Group.

(ii) Material capital commitments and material contingent liabilities

As at 30 June 2002 (being the last date up to which the audited financial statements of the SHB Group (except for SHB as it was not incorporated as at 30 June 2002) were made):

- (a) There are no material capital commitments contracted or known to be contracted by SHB or its subsidiaries which may have a material impact on the financial position of the Group; and
- (b) There are no material contingent liabilities which upon materialisation would have a material impact on the profit or net assets of the Group, other than those incurred in the ordinary course of business.