

### 13. ADDITIONAL INFORMATION

#### 13.1 SHARE CAPITAL

- (i) No shares will be allotted or issued on the basis of this Prospectus later than 12 months after the date of this Prospectus.
- (ii) There are no founder, management or deferred shares. 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.
- (iii) Save for the 5,000,000 ordinary shares made available for application by eligible Directors and employees of SHB and its subsidiaries in Malaysia, as at the date of this Prospectus, there are at present no other schemes involving the employees in the share capital of the Company or its subsidiaries.
- (iv) Save for the Issue Shares and as disclosed in Sections 7.2 and 7.4 of this Prospectus, no shares or debentures of the Company or its subsidiaries have been or proposed to be issued partly or fully paid-up in cash or otherwise than in cash within the two (2) years preceding the date of this Prospectus.

#### 13.2 ARTICLES OF ASSOCIATION

The following provisions are reproduced from the Company's Articles of Association which have been approved by the KLSE.

Terms defined in the Company's Articles of Association shall have the same meanings when used under this Section 13.2 unless they are otherwise defined here or the context otherwise requires:

Act	:	Companies Act, 1965
Approved Market Place	:	Stock exchange which is specified to be an approved market place in the Securities Industry (Central Depositories) (Exemption) (No. 2) Order 1998
Board	:	Board of Directors of the Company
Central Depositories Act	:	Securities Industry (Central Depositories) Act, 1991
Deposited Security	:	A security defined in Section 2 of the Central Depositories Act standing to the credit of a securities account and includes securities in a securities account that is in suspense
Exchange	:	KLSE and shall include any other stock exchanges upon which the Company's shares may for the time being be listed.
General Meeting	:	General meeting and/or an Extraordinary General Meeting, as the context shall require
Listing Requirements	:	The listing requirements of the Exchange for the MESDAQ Market including any amendment thereto that may be made from time to time.

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

Rules : Rules of MCD including any amendment that may be made from time to time

**(i) Transfer of Securities and Transmission of Shares**

The provisions in the Company's Articles of Association, the Listing Requirements, Act and Rules in respect of the arrangements for transfer of the securities and restrictions on their free transferability are as follows:

**(a) Articles of Association of the Company****Article 29**

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

**Article 30**

Subject to the provisions of the Central Depositories Act and the Rules, there shall be no restriction on the transfer of fully paid shares except where required by law.

**Article 31(1)**

The MCD may, in its absolute discretion, refuse to effect any transfer of a share that is a deposited security which does not comply with the Central Depositories Act, the Listing Requirements and the Rules.

**Article 31(2)**

Shares may be registered in the name of an incorporated company or other corporate body but not in the name of a minor or a person of unsound mind or who is insolvent or in the name of any firm or partnership.

**Article 32**

Subject to the provisions of the Act, the Central Depositories Act and the Rules, neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares registered by the MCD, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers be legally in operative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner.

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

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**Article 33**

The registration of transfer may be suspended at such times and such periods as the Director may from time to time determine not exceeding in the whole 30 days in any year. The Company shall give the Exchange prior written notice and publication in a daily newspaper circulating in Malaysia of the period of the intended suspension or closure and the purposes thereof, which notice shall be for such number of days as may be prescribed by the Exchange. In relation to such closure the Company shall give notice, in accordance with the Rules, to the MCD to prepare the appropriate Record of Depositors.

**Article 34**

Nothing in this Articles of Association of the Company contained shall preclude the Board from recognising the renunciation of any share by the allottee thereof in favour of some other person.

**Article 35**

The Company is empowered to require any member or transferee prior to registration of transfer, to furnish the nature of his shareholding and may also require a trustee or nominee to provide such particulars to enable the Company to identify the beneficial owners and the nature of their interest.

**Article 36**

Subject to the provisions of the Act, the Central Depositories Act and the Rules, in the case of the death of a member, the legal personal representatives of the deceased shall be the only persons recognised by the Company as having any title to his interest in the shares.

**Article 37**

Any person becoming entitled to a share in consequence to the death or bankruptcy of any member may, upon such evidence of his title being produced as may from time to time be required by the Board (but subject to the provisions hereinafter contained) elect either to be registered himself as a member in respect of the share or to have some person nominated by him registered as transferee thereof PROVIDED always that where the share is a Deposited Security, subject to the Rules, a transfer or withdrawal of the share may be carried out by the person so becoming entitled.

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

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**Article 38**

If a person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects, PROVIDED that where the share is a Deposited Security and the person becoming so entitled elects to have the share transferred to him, the aforesaid notice must be served by him on the MCD. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share or such other instrument as the MCD may require. All the limitations, restrictions and provisions of these Articles relating to the rights to transfer and the registration of transfers of shares, the Central Depositories Act and the Rules shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.

**Article 39**

Subject to the provisions of the Act, the Central Depositories Act and the Rules, a person entitled to a prescribed security in consequence of the death or bankruptcy of a member shall upon the production of such evidence as may from time to time be properly required by the Directors in that behalf be entitled to receive and may give a discharge for all dividends and other moneys payable in respect of the prescribed security, but he shall not be entitled to receive notice of or to attend or vote at any meeting, or, save as aforesaid, to exercise any of the rights and privileges of a member, unless and until he shall have become a member in respect of the prescribed security. Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the prescribed security, and if the notice is not complied with within 90 days the Board may thereafter withhold payment of all dividends, or other moneys payable in respect of the prescribed security until the requirements of the notice have been complied with.

**Article 40**

- (1) Where:
- (a) the securities of the Company are listed on an Approved Market Place; and
  - (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act under the Rules in respect of such securities,

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

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

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- (2) For the avoidance of doubt, notwithstanding that the Company fulfils the requirements of subparagraphs (1)(a) and (b) above, the Company shall not allow any transmission of securities from the Malaysian Register into the Foreign Register.

**(b) Companies Act, 1965**

The provisions within the Act, on the transferability of securities are as follows:

**Section 103(1)**

Notwithstanding anything in its articles a company shall not register a transfer of shares or debentures unless a proper instrument of transfer in the prescribed form has been delivered to the company, but this subsection shall not prejudice any power to register as a shareholder or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.

**Section 103(1A)**

Nothing in this section shall be construed as affecting the validity of any instrument which would be effective to transfer shares or debentures apart from this section; and any instrument purporting to be made in any form which was common or usual in use, or in any other form authorised or required for that purpose apart from this section before the commencement of this Act, shall be sufficient, whether or not it is completed in accordance with the prescribed form, if it complies with the requirements as to execution and contents which apply to a transfer.

Provided that a company shall be precluded from registering a transfer of shares or debentures, the title of which is evidenced by a certificate that is issued on or after the date of coming into operation of this subsection unless a proper instrument of transfer in the prescribed form has been delivered to the company.

**Section 107C(1)**

On or after the coming into operation of this section, the transfer of any securities or class of securities of a company whose securities or any class of whose securities have been deposited with a central depository shall be by way of book entry by the central depository in accordance with the rules of the central depository and, notwithstanding Sections 103 and 104, such company shall be precluded from registering and effecting any transfer of securities or class of securities which have been deposited.

**Section 107C(2)**

Subsection (1) shall not apply to a transfer of securities to a central depository or its nominees company.

**13. ADDITIONAL INFORMATION (Cont'd)****(c) Rules of MCD**

The rules within MCD on the transferability of securities are as follows:

**Rule 8.01(2)**

The MCD may, in its absolute discretion, reject a transfer request made by a depositor thereunder, where the reason for the said transfer does not fall within any of the approved reasons stipulated under Rule 8.03(1)(c).

**Rule 8.05A**

Transfers made by the authorised depository agent from the agent's principal or nominee account shall be subject to the Rules in this chapter.

**Rule 9.03(2)**

It shall be the responsibility of the authorised depository agent, in processing the transfer between two securities accounts belonging to different depositors (hereinafter the transfer is referred to as "the inter-account transfer"), to check and ensure the completeness, accuracy and/or genuineness of the documents lodged as follows:

- (a) the prescribed Form FTF010 (request for ordinary transfer of securities form) or Form FTF015 (request for express transfer of securities form) fully and properly completed in triplicate;
- (b) the transferring depositor has executed the transferor portion on the said form duly witnessed by another person (other than the depositor's spouse);
- (c) the transferring depositor has stated his reason for the transfer and that the reason is or are amongst any of the approved reasons as stated herein below:
  - (i) transmission and transfer of securities arising from the provisions of any written law or an order of court of competent jurisdiction;
  - (ii) rectification of errors;
  - (iii) pledge, charge or mortgage;
  - (iv) mandatory offer pursuant to the provisions of the Malaysian Code On Takeover and Mergers 1987; and
  - (v) any other circumstances as deemed fit by the MCD after consultation with the SC;
- (d) documents to support the reason for the transfer; and
- (e) such other accompanying documents duly processed in such manner as the MCD may from time to time determine in its procedures manual.

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

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**(d) Listing Requirements of the MESDAQ market**

The provisions of the Listing Requirements on the transferability of securities are as follows:

**Paragraph 9.11 – Transfers of Securities**

The transfer of any listed security or class of listed security of the listed company, shall be by way of book entry by the MCD in accordance with the rules of the MCD and, notwithstanding Sections 103 and 104 of the Act and any exemption that may be made from compliance with sub-section 107C(1) of the Act, the listed company shall be precluded from registering and effecting any transfer of the listed securities.

**(ii) Remuneration of Directors**

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

**Article 90**

The remuneration of the Directors shall be a fixed sum which shall from time to time be determined by the Company in a General Meeting and such remuneration shall be divided amongst the Directors as they shall determine or failing agreement equally. The Directors shall also be paid such travelling, hotel or other expenses as may reasonably be incurred by them in the execution of their duties including such expenses incurred in connection with their attendance at meetings of Directors. If by arrangement with the other Directors any Director shall perform or render any duties or services outside his ordinary duties as a Director, the Directors may pay him special remuneration in a lump sum in addition to his ordinary remuneration. Fees payable to Directors shall not be increased except pursuant to a resolution passed at a General Meeting, where notice of the proposed increase has been given in the notice convening the meeting. The remuneration to executive Directors, may however, include such percentage of profits as the Directors may determine but shall not in any circumstances include a commission on or percentage of turnover. Non-executive Directors shall be paid by way of a fixed sum and shall not, in any event be remunerated by a commission on or percentage of profits or turnover.

**Article 97**

The remuneration of a Managing Director and Deputy Managing Director, if any, shall from time to time be fixed by the Board and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes, but shall not be by commission on or percentage of turnover.

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

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**(iii) Voting and borrowing powers of Directors**

The provisions in the Company's Articles of Association dealing with the voting and borrowing powers of the Directors including voting powers in relation to the proposals, arrangements or contracts in which they are interested are as follows:

**Article 93**

No Director shall be disqualified by his office from holding any office or place of profit under the Company or under any company in which the Company shall be a shareholder or otherwise interested or from contracting with the Company either as vendor, purchaser, or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director be liable to account to the Company for any profit arising from any such office or place of profit or realised by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relations thereby established but it is declared that the nature of his interests must be disclosed by him at the meeting of the Directors at which the contract or arrangement is first taken into consideration if his interest then exists, or in any other case at the first meeting of the Directors after the acquisition of his interests. If a Director becomes interested in a contract or arrangement after it is made or entered into the disclosure of his interest shall be made at the first meeting of the Directors held after he becomes so interested. No Director shall vote on any contract or proposed contract or arrangement in which he has directly or indirectly a personal interest or on any matter arising thereon and if he votes, his vote shall not be counted provided always that a Director may vote on any loan of money he may make to the Company and on any security to be given by the Company to him for any such loan and on any contract or indemnity to himself against any loss he may suffer by reason of becoming or being a surety for the Company and on any contract in which he is only interested by reason of being a member of any company which is a party to or interested in such contract. Provided further that this prohibition may be suspended or relaxed to any extent by an Ordinary Resolution in a General Meeting.

**Article 95**

A general notice that a Director is a member or a director of any specified firm or company, and is to be regarded as interested in all transactions with that firm or company, shall be a sufficient disclosure under this Article as regards such Director and the said transactions, and after such general notice it shall not be necessary for such Director to give a special notice relating to any particular transaction with that firm or company provided such notice is given at a meeting of the Directors or brought up and read at the next meeting of Directors after it is given.

**Article 111**

The Directors may meet together for the despatch of business, adjourn and otherwise regulate the meeting as they think fit and determine the quorum necessary for the transaction of business. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman of the General Meeting shall have a second or casting vote PROVIDED always that where two (2) directors form a quorum, the Chairman of a General Meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue shall not have a casting vote. Two (2) Directors acting jointly may and the Secretary on the requisition of a Director shall at any time summon a meeting of Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from Malaysia and Singapore.



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

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**Article 120**

The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge the Company or its subsidiaries' undertaking, property and uncalled capital, or any part thereto, and to issue debentures, debenture stock and other securities whether outright or as security for any debt liability or obligation of the Company or of its related corporations only.

**Article 121**

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

**(iv) Changes in capital and variation of class rights**

The provisions in the Articles of Association of the Company as to changes in share capital and variation of class rights, which are no less stringent than those required by law, are as follows:

**Article 6**

Subject to the provisions of the Act and to these Articles, the shares in the Company shall be under the control of the Company in General Meeting. The Company may in General Meeting authorise the Board to issue, allot, place under option or otherwise deal with or dispose of them to such persons at such times and generally on such terms and conditions as they think proper but so that no shares shall be issued at a discount except in accordance with the provisions of the Act.

Provided that:

- (a) The Company shall not issue shares which will have the effect of giving a controlling interest in the Company to any person, company or syndicate without the prior approval of the members duly signified at a general meeting called for that purpose.
- (b) No Director shall participate in an issue of shares to employees unless shareholders in general meeting have approved the specific allotment to be made to such Director and unless he holds office in an executive capacity PROVIDED ALWAYS that a Director not holding office in an executive capacity may participate in an issue of shares pursuant to a public issue or public offer.
- (c) The total nominal value of issued preference shares shall not exceed the total nominal value of issued ordinary shares at any time.
- (d) The rights attaching to shares of any class other than ordinary shares shall be set out in the Memorandum or these Articles or expressed in the resolution creating the same.
- (e) The Company shall not unless with the consent of the existing preference shareholders at a class meeting or pursuant to Article 50 hereof issue further preference capital ranking in priority above preference shares already issued but may issue preference shares ranking equally therewith.

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

- (f) Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited financial statement and attending general meetings of the Company. Preference shareholders shall have the right to vote at any meeting convened for each of the following purposes and in no others:
- when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months;
  - on a proposal to reduce the Company's share capital;
  - on a proposal for the disposal of the whole of the Company's property, business and undertaking;
  - on a proposal that affects rights and privileges attached to the preference shares;
  - on a proposal to wind up the Company; and
  - during the winding up of the Company.
- (g) In the distribution of capital in a winding up of the Company, the preference shareholder shall be entitled to repayment of capital in priority to any repayment of capital to any ordinary shareholder.

**Article 45**

The Company may from time to time by Ordinary Resolution passed at a General Meeting of the Company, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully called up or not, increase its capital by the creation and issue of new shares, such aggregate increase to be of such amount and to be divided into shares of such respective amounts as the Company in such General Meeting directs and the Company may in such General Meeting direct that new shares or any of them may have such preference or priority over the then existing shares of the Company and that such right privileges be different from those of such existing shares as they may think fit, PROVIDED always that the total nominal value of the issued preference shares, if any, shall not exceed the total nominal value of the issued ordinary shares at any time.

**Article 46(1)**

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before 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. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new 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 Article.

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

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**Article 46(2)**

Subject to the provisions of the Act, the Central Depositories Act, the Listing Requirements and the Rules and notwithstanding the existence of a resolution pursuant to section 132D of the Act, the Company must ensure that it shall not issue any ordinary shares or securities with rights of conversion to ordinary shares if the nominal value of those shares or securities, when aggregated with the nominal value of any such shares or securities issued during the preceding 12 months, exceeds ten per cent (10%) of the nominal value of the issued ordinary shares at the commencement of the said period of 12 months, except where the shares or securities are issued with the prior approval of the ordinary shareholders in general meeting of the precise terms and conditions of the issue.

**Article 47**

Subject to any directions that may be given in accordance with the power contained in the Memorandum of Association or these Articles any capital raised by the creation of new shares shall be considered as part of the original and as consisting of ordinary shares, and shall be subject to the same provisions with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as if it has been part of the original capital.

**Article 48**

All new issue of securities (which are prescribed securities) shall be made by way of crediting the securities account of the allottees with such securities save and except where it is specifically exempted from compliance with Section 38 of the Central Depositories Act. The Company shall notify the MCD of the names of the allottees together with all such particulars as may be required by the MCD to enable the MCD to make the appropriate entries in the securities accounts of such allottees.

**Article 49**

The Company shall duly observe and comply with the provisions of the Act, the Central Depositories Act, the Listing Requirements and the Rules from time to time prescribed by the Exchange, applicable to any allotment of prescribed securities. Subject to the provisions as aforesaid, the Company must allot and/or issue prescribed securities and despatch notices of allotment to the allottees subject to the respective new issue of prescribed securities of the final applications closing date for an issue of prescribed securities, or such other period as may be prescribed by the Exchange.

**Article 50(1)**

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may whether or not the Company is being wound up, be varied or abrogated with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class. To every such separate General Meeting the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 152 of the Act shall with such adaptation as are necessary apply.

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

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**Article 50(2)**

Provided always that the repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholders' rights may only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that, where the necessary majority for such a Special Resolution is not obtained at the General Meeting, consent in writing if obtained from the holders of three-fourths (3/4) of the preference capital concerned within two (2) months of the General Meeting, shall be as valid and effectual as a Special Resolution carried at the General Meeting.

**Article 50(3)**

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respect *pari passu* therewith.

**Article 51**

Without prejudice to any rights or privileges for the time being conferred on the holders of any existing shares or class of shares, any shares in the present capital of the Company and any new shares may be issued with such preferred, deferred or other rights or such restrictions, whether in regard to dividend, return of capital, voting or otherwise as the Company may from time to time by Special Resolution determine. Any share may be issued on the terms that it is, or at the option of the Company or the holder of the share is to be liable, to be deemed on such terms and in such manner as the Company may in accordance with the provisions of the Act prescribe.

**Article 52**

Subject to the provisions of the Act, the Company may by Ordinary Resolution:

- (a) cancel any shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; or
- (b) consolidate and divide any of its existing shares into shares of larger amount; upon any consolidation of fully paid-up shares into shares of larger amount, the Board may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any member shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed shall stand authorised to transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned. The net proceeds of such sale shall be distributed among the members who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests; or

### 13. ADDITIONAL INFORMATION *(Cont'd)*

- (c) sub-divide any of its existing shares into shares of smaller amount and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares may have such preferred, deferred or other special rights or be subject to any such restrictions, compared with the other share or shares, as the Company has power to attach to new shares;

and may by Special Resolution:

- (d) reduce its share capital and any capital redemption reserve fund and any share premium account in any manner authorised by the Act.

#### 13.3 DIRECTORS AND MAJOR SHAREHOLDERS

- (i) The names, addresses and occupations of the directors are set out in Section 1, Corporate Directory of this Prospectus.
- (ii) A Director is not required to hold any qualification shares in the Company unless otherwise so fixed by the Company at a general meeting.
- (iii) Save as disclosed below, none of the Directors and Major Shareholders of SHB has any interest, direct or indirect, in the promotion of or in any material assets which have, within the two (2) years preceding the date of this Prospectus, been acquired or disposed of by or leased to SHB or any of its subsidiaries or are proposed to be acquired, disposed of by or leased to SHB or any of its subsidiaries.

- (a) On 21 May 2002, SGT acquired the entire issued and paid-up share capital of Xennet from Cyril Tan Eng Wah, Tan Hooi Chee and Annie Tee Soo Chen ("Xennet Vendors") for a total purchase consideration of RM13,500,000 to be satisfied by a cash payment of RM6,750,000 and the allotment of 184,932 new ordinary shares of RM1.00 each in SGT. The transaction was completed on 19 July 2002; and

- (b) On 18 September 2002, SHB acquired the SGT Group and the Signet Group from Symphony Global Holdings Sdn Bhd a company in which:

- Dato' Mohamed Azman bin Yahya and Datin Normah binti Hashim have major shareholdings;
- Cyril Tan Eng Wah, Tan Hooi Chee and Annie Tee Soo Chen have shareholdings; and
- Dato' Mohamed Azman bin Yahya and Jasmy bin Ismail have directorships;

for a purchase consideration of RM22,499,998 to be satisfied by the allotment and issuance of 224,999,980 new SHB Shares. The transaction was completed on 11 October 2002.

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

- (iv) Save as disclosed below, there are no existing and potential related-party transactions and conflicts of interest in relation to the SHB Group and its related parties that involve the Directors, Major Shareholders and key management personnel of the SHB Group and Promoters:
- (a) As provided under a share sale and purchase agreement dated 31 May 2002 entered into between Symphony Global Holdings Sdn Bhd as Purchaser and Lim Phooi Kee and Lee Seng Huat as Vendors ("Signet Group Vendors") (which rights, titles, interests, benefits and entitlements to the warranties and covenants thereunder have been assigned to SHB pursuant to a letter dated 8 October 2002), the Signet Group Vendors and SHB have agreed that the accounts of Signet be dealt with, inter alia, in the following manner in order to arrive at an agreed NTA for the Signet Group as at 30 June 2002:
- (aa) the relevant amounts owing by Signet to the Signet Group Vendors shall be repaid in one (1) lump sum on 30 June 2003;
- (bb) the parties shall arrive at such amounts owing by deducting from dividends declared by Signet:
- any loans, advances or outstanding monies owing by the Signet Group Vendors to Signet;
  - any cash payments made to the Signet Group Vendors in respect of such declared dividends; and
  - at the option of SHB, all debts which recoverability has been warranted by the Signet Group Vendors.
- (b) the following transactions which are/will be entered into in the ordinary course of business:

Related party	Relationship with the SHB Group	Nature of transaction with SHB Group	Estimated value of transaction from 15 December 2002 to the tentative next AGM of SHB RM	Estimated value of transaction from the tentative next AGM of SHB to 30 June 2004 RM
Angsana Tiara	Major Shareholder of SHB	Provision of company secretarial services by Signet	1,000	2,250
Prelude Profile	Major Shareholder of SHB	Provision of company secretarial services by Signet	1,000	2,250
K-Synergy	Major Shareholder of SHB	Provision of company secretarial services by Signet	1,000	2,250
Premium Maple	Major Shareholder of SHB	Provision of company secretarial services by Signet	1,000	2,250

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

Related party	Relationship with the SHB Group	Nature of transaction with SHB Group	Estimated value of transaction from 15 December 2002 to the tentative next AGM of SHB RM	Estimated value of transaction from the tentative next AGM of SHB to 30 June 2004 RM
Prestige Access	Promoter	Provision of company secretarial services by Signet	1,000	2,250
AE Multi Holdings Berhad	Company in which Dato' Mohamed Azman bin Yahya is a Director and Major Shareholder	Provision of share registration services by SSRS	2,000	12,000
Carlsberg Brewery Malaysia Berhad	Company in which Tan Sri Datuk Asmat bin Kamaludin is a Director	Provision of share registration services by SSRS	5,000	35,000
PLUS Expressways Berhad	Company in which Dato' Mohamed Azman bin Yahya is a Director and shareholder	Provision of share registration services by SSRS	3,000	28,000

- (v) Save as disclosed in Section 13.3(iv)(a) above, there are no other contracts or arrangements subsisting as at the date of this Prospectus in which a Director or Major Shareholder of SHB is interested and which is significant in relation to the business of the SHB Group taken as a whole.

**13.4 GENERAL**

- (i) The nature of the Group's business and the names of all corporations, which are deemed to be related to the Company by virtue of Section 6 of the Companies Act, 1965 are set out in Section 7 of this Prospectus.
- (ii) Save for Xennet which was incorporated in Singapore, the Group has not established any place of business outside Malaysia.
- (iii) The manner in which copies of this Prospectus together with the Application Form may be obtained is set out in Section 14 of this Prospectus.
- (iv) The amount payable in full on application is RM0.50 per share.

### 13. ADDITIONAL INFORMATION *(Cont'd)*

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- (v) Save as disclosed in this Prospectus, the business operations and financial position of the Group are not affected by any of the following:
  - (a) Known trends, demands, commitments, events or uncertainties that have had or that the SHB Group reasonably expects to have, a material favourable or unfavourable impact on the financial performance, position and operations of the Group;
  - (b) Material commitments for capital expenditure;
  - (c) Unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the Group; and
  - (d) Known events, circumstances, commitments, trends and uncertainties that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.
- (vi) As at 15 December 2002, the Company or its subsidiaries do not have any outstanding convertible debt securities.
- (vii) The name and address of the Auditors of the Group are set out in Section 1 of this Prospectus.
- (viii) There are no properties acquired or proposed to be acquired by SHB or its subsidiaries in contemplation of the Public Issue.

#### 13.5 EXPENSES AND COMMISSIONS

- (i) The estimated amount of expenses of the Public Issue relating to the underwriting fees, brokerage fees and other expenses and fees incidental to the Listing which is estimated to be RM2 million will be borne by SHB.
- (ii) Underwriting commission is payable by the Company to the Underwriter at the rate of 2.0% of the Issue Price of the Issue Shares underwritten.
- (iii) Brokerage relating to the Public Issue will be paid by the Company at the rate of 1.0% of the Issue Price of RM0.50 per Issue Share in respect of successful applications which bear the stamps of CIMB, member companies of the MESDAQ Market, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.
- (iv) Placement fees shall be payable by the Company to the Placement Agent at the rate of 2.0% of the Issue Price of RM0.50 for placees identified and secured by the Placement Agent. For placees identified and secured by the Company, placement fees at the rate of 1.0% of the Issue Price is payable to the Placement Agent.
- (v) No commission, discounts, brokerage or other special terms have, within two (2) preceding years prior to the date of this Prospectus, been paid or granted or is payable to any Director, Promoter or proposed Director for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscription for any shares in or debentures of the Company or the Group in connection with the issue or sale of any capital of the Company or the Group.



**13. ADDITIONAL INFORMATION (Cont'd)****13.6 PUBLIC TAKE-OVERS**

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

- (i) public take-over offers by third parties in respect of the Company's shares; or
- (ii) public take-over offers by the Company in respect of other companies' shares.

**13.7 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 the Company 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.

**13.8 MATERIAL CONTRACTS**

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

- (i) SHB has entered into an Underwriting Agreement dated 3 December 2002 with CIMB for the underwriting of 5,000,000 Issue Shares at the Issue Price for an underwriting commission of 2% of the underwritten value.
- (ii) SHB has entered into Placement Agreement dated 3 December 2002 with CIMB for the placement of 20,000,000 Issue Shares at the rate of 2.0% for placees identified and secured by the Placement Agent and 1.0% of the total subscription/purchase price payable by the placees for placees identified and secured by the Company.
- (iii) SHB, as Purchaser, has entered into a Share Sale and Purchase Agreement dated 18 September 2002 with Symphony Global Holdings Sdn Bhd ("SGHSB") as Vendor for the entire issued and paid up share capital of SGT, Signet, SSRS and SNSB for the total purchase price of RM22,499,998, which shall be satisfied by the allotment and issuance of 224,999,980 new SHB Shares to SGHSB. This transaction was completed on 11 October 2002.
- (iv) Signet has entered into a Service Agreement with Lim Phooi Kee dated 16 July 2002 whereby Signet will employ him as Executive Director of Signet from 1 July 2002 to 30 June 2005, with an option to renew for a further two (2) years subject to mutual consent by both parties. Lim Phooi Kee may terminate his employment with Signet by giving six (6) months' notice in writing to Signet or by paying to Signet an amount in lieu of notice equal to his monthly salary multiplied by the number of months' of notice required. Similarly, Signet may at any time terminate Lim Phooi Kee employment by paying him compensation equivalent to RM500,000 multiplied by the unexpired number of years of the contract (including fractions of a year), or without compensation if he is found amongst others, guilty of any misconduct or serious breach of any terms/conditions (expressed or implied) of his employment.
- (v) SGT, as Purchaser, has entered into a Share Sale and Purchase Agreement dated 21 May 2002 (as supplemented by a letter dated 21 May 2002) with Cyril Tan Eng Wah, Tan Hooi Chee, and Annie Tee Soo Chen as Vendors for the entire issued and paid-up share capital of Xennet for the total purchase consideration of RM13,500,000, which shall be satisfied by a cash payment of RM6,750,000 and the allotment of 184,932 new ordinary shares of RM1.00 each in the share capital of SGT to the Vendors. This transaction was completed on 19 July 2002.

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

- (vi) Xennet has entered into a Shareholders' Agreement dated 7 August 2001 with Cyril Tan Eng Wah, Tan Hooi Chee, Annie Tee Soo Chen, Tan Keng Yao Jeremy, Sim Yee Ting, Ng Mei Ming Carolina and Ember Thai Mei Chern wherein the terms and conditions of the issue of the convertible preference shares of SGD1.00 each ("CPS") in Xennet to Tan Keng Yao Jeremy, Sim Yee Ting, Ng Mei Ming Carolina and Ember Thai Mei Chern are set out. The CPS which were issued to the above persons have however all been converted into ordinary shares of SGD1.00 each in Xennet.

**13.9 MATERIAL AGREEMENTS**

Save as disclosed below, there are no other subsisting material agreements entered into by the Company and its subsidiaries in the ordinary course of business as at the date of this Prospectus:

- (i) The subsidiaries of SHB have purchased various insurance policies such as fire insurance, professional indemnity insurance, fidelity guarantee insurance, employer's liability insurance, money insurance, public liability insurance, forged share transfer insurance, all risks insurance, fire consequential loss insurance, group personal accident insurance, group hospitalisation and surgical insurance and group term life insurance with various insurance companies with the total insured sum ranging up to RM10,000,000. The material agreements arising from the above insurance policies are as follows:
- (a) Signet and SNSB are insured under a miscellaneous professional liability policy with Hong Leong Assurance Berhad ("HLA") for all third party suits for professional negligence up to a limit of RM1,000,000 for any one (1) claim/aggregate inclusive of cost and expenses, for the duration of one (1) year effective from 28 September 2002 and expiring on 27 September 2003;
- (b) Signet and SSRS are insured under a forged share transfer policy with HLA for forged share transfer and wrong and over payment of dividend/dividend claims, rights issues and bonus issues up to the limit of RM500,000 in any one (1) event and in the aggregate, for the duration of one (1) year effective from 1 January 2002 and expiring on 31 December 2002;
- (c) Signet and its group of companies (which includes but is not limited to SNSB and SSRS) (collectively "Insured") are insured under the following insurance policies:
- (aa) a public liability policy with HLA for bodily injury or illness to any person or loss of or damage to property, happening in connection with the Insured's business and occurring upon or about the Insured's premises as within the territorial limits of Malaysia, Singapore and Brunei, for the duration of one (1) year effective from 1 January 2002 and expiring on 31 December 2002. The limit of indemnity for any one (1) accident is RM1,000,000;
- (bb) an all risks policy with HLA for all property of every description belonging to the Insured and/or held in trust or on commission, for the duration of one (1) year effective from 1 January 2002 and expiring on 31 December 2002. The total sum insured is RM836,835;

### 13. ADDITIONAL INFORMATION *(Cont'd)*

- (cc) a fire consequential loss policy with HLA for standing charges, additional increase in cost of working and auditor's fees at 13 locations, for the duration of one (1) year effective from 1 January 2002 and expiring on 31 December 2002. The total sum insured is RM2,360,000;
- (dd) a fire policy with HLA for all office furniture, fixture, fittings, reference and library books, purchase of material for the cost of rewriting of records and all other contents of every description at 13 locations, for the duration of one (1) year effective from 1 January 2002 and expiring on 31 December 2002. The total sum insured is RM809,000; and
- (ee) an employer's liability policy with HLA for all employees including principals and Directors against all sums for which the Insured shall be liable at common law up to a maximum limit of RM10,000,000 as compensation for personal injuries sustained by one (1) or more employees in any one (1) accident or occurrence, for the duration of one (1) year effective from 1 January 2002 and expiring on 31 December 2002.
- (ii) SHB has entered into a Tenancy Agreement dated 18 December 2002 with Oriland Sdn Bhd ("Oriland") whereby Oriland agreed to let to SHB the parcel of premises described as Lot 17-01, Level 17, in the building bearing the address of 8, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, for the period of three (3) years commencing 1 January 2003 at a monthly rental of RM45,284 only.
- (iii) SXS has entered into a Sale and Purchase Agreement dated 10 April 2002 with HSBC Bank Malaysia Berhad ("HSBC") whereby SXS granted HSBC a perpetual license to use a software solution developed and owned by SXS known as "Spectrum E-Advisor" ("HSBC Software Solution") (which include computer software and may include associated registration files, media, printed materials, sample documents and 'on-line' or electronic documentation). SXS also agreed to provide services for a financial planning software and maintenance services on the HSBC Software Solution. SXS and HSBC have subsequently entered into a End-User License Agreement dated 10 April 2002, whereby SXS granted HSBC a non-exclusive, unlimited number of user licenses for HSBC's employees to use the HSBC Software Solution in Malaysia.
- (iv) Signet has entered into a Tenancy Agreement dated 14 January 2002 with Pernas International Holdings Berhad ("Pernas") whereby Pernas agreed to let to Signet all the parcels of office premises more specifically outlined on the floor plan in respect of the 10<sup>th</sup> and 11<sup>th</sup> floor of the multi-storey complex known as Kompleks Antarabangsa constructed along Jalan Sultan Ismail on the land held under CT 8353 Lot 1158 situated in section 57 in the Town of Kuala Lumpur annexed to the agreement, for the period of three (3) years commencing 1 January 2002 at a monthly rental of RM32,746 only.
- (v) SGT has entered into a Technology Partner Agreement dated 3 December 2001 with GISB whereby both parties agree to co-operate and provide support to each other to ensure that they respond to the customer's request for proposal ("RFP") or any other business opportunities and subsequent procurement of contracts in connection with such RFP's or any other business opportunities effectively. GISB shall:
- assist SGT on the preparation of the response to the RFP or any tender;
  - carry out a system requirement study including a study of the specific requirement of the tender;

### 13. ADDITIONAL INFORMATION *(Cont'd)*

- provide and/or assist SGT with expertise and project management skills to implement the projects relating to the tender; and
  - assist SGT in activities including but not limited to marketing related activities and developing or exploiting any business opportunities (collectively "Services"). As consideration for the Services provided by GISB, SGT shall appoint GISB as its technology partner.
- (vi) SXS has entered into a Sale and Purchase Agreement dated 10 October 2001 with United Overseas Bank (Malaysia) Berhad ("UOB") whereby SXS granted UOB a perpetual license to use a software solution developed and owned by SXS known as "Spectrum E-Manager" ("UOB Software Solution") (which include computer software and may include associated registration files, media, printed materials, sample documents and 'on-line' or electronic documentation). SXS also agreed to provide professional services to implement and customise the UOB Software Solution to UOB's needs. UOB may install, use access, display or run the UOB Software Solution on a single computer server, computer, workstation or other digital electronic device ("Computer") and the UOB Software Solution may not be separated for use on more than one (1) Computer.
- (vii) SGT has entered into a Sub-tenancy Agreement dated 3 September 2001 with GISB whereby GISB, as the main tenant, agreed to let to SGT all the parcel of office premises more specifically outlined on the floor plan in respect of the 3<sup>rd</sup> Floor, Bangunan AHP, Jalan Tun Mohd Fuad 3, 60000 Kuala Lumpur annexed to the agreement, for the duration commencing 15 September 2001 and ending 14 May 2004 at a monthly rental of RM15,400.
- (viii) Xennet has entered into a Partner Agreement dated 25 April 2002 with Elixir Technology Pte Ltd ("Elixir") whereby Elixir granted the limited rights and license to Xennet for Xennet to distribute Elixir Products (i.e. report servers) to end users. Xennet shall pay Elixir a membership fee of SGD3,000 for the first year, SGD3,500 for the second year, SGD4,000 for the third year and fee for the subsequent year would be reviewed by Elixir. Elixir also grants to Xennet a non-exclusive, non-transferable limited license to use Elixir's trademarks and logos and the designation "Authorized Elixir Partner" in connection with Xennet's advertisement, promotion and distribution of Elixir Products.
- (ix) SXS has entered into a Solution Subscription Agreement and End-User License Agreement both dated 24 March 2001 with SBB Unit Trust Management Berhad ("SBBUT") whereby SXS granted SBBUT the rights to use the software solutions developed and owned by SXS, know as "Spectrum e-Manager" and "e-Advisor" ("SBBUT Software Solutions") (which include computer software and may include associated registration files, media, printed materials, sample documents and 'on-line' or electronic documentation) on a subscription basis. SXS also agreed to provide services for computerisation of SBBUT's third party fund distribution. SXS and SBBUT have subsequently entered into a Support Service and Maintenance Agreement dated 24 April 2001, whereby SXS is to provide its standard support service program to SBBUT for the SBBUT Software Solutions.

#### 13.10 LETTERS OF CONSENT

- (i) The written consents of the joint Company Secretaries, Solicitors, Issuing House, Principal Banker, Registrar, Adviser, Sponsor, Placement Agent and Underwriter to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

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

- (ii) The written consent of the Auditors and Reporting Accountants to the inclusion of their name, Accountants' Report and their letters relating to the proforma consolidated balance sheets as at 30 June 2002 and consolidated profit estimate and forecast after tax and pre-acquisition profits for the financial years ending 31 December 2002 and 31 December 2003 respectively in the manner and form in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

**13.11 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at the registered office of SHB during normal office hours for a period of 12 months from the date of this Prospectus:

- (i) Memorandum and Articles of Association of SHB;
- (ii) The Accountants' Report and Directors' Report referred to in Sections 11 and 12 respectively of this Prospectus;
- (iii) The material contracts and material agreements referred to in Sections 13.8 and 13.9 respectively;
- (iv) Proforma consolidated balance sheets as at 30 June 2002 included in Section 10.5 of this Prospectus;
- (v) The Reporting Accountants' Letter relating to the proforma consolidated balance sheets as at 30 June 2002 included in Section 10.6 of this Prospectus;
- (vi) The Reporting Accountants' Letter relating to the consolidated profit estimate and forecast included in Section 10.3 of this Prospectus;
- (vii) The letters of consent referred to in Section 13.10 of this Prospectus;
- (viii) The audited accounts of SGT from 10 April 2001 (date of incorporation) to 31 December 2001 and the six (6) month period ended 30 June 2002;
- (ix) The audited accounts of Xennet from 28 July 2000 (date of incorporation) to 31 December 2001 and the six (6) month period ended 30 June 2002;
- (x) The audited accounts of SXS from 30 November 1999 (date of incorporation) to 31 December 2000, the financial year ended 31 December 2001 and the six (6) month period ended 30 June 2002;
- (xi) The audited accounts of Signet for the five (5) financial years ended 31 December 2001 and the six (6) month period ended 30 June 2002;
- (xii) The audited accounts of SSRS from 25 February 2000 (date of incorporation) to 31 December 2000, the financial year ended 31 December 2001 and the six (6) month period ended 30 June 2002; and
- (xiii) The audited accounts of SNSB for the six (6) financial years ended 30 June 2002.