

7. INFORMATION ON THE SHB GROUP

7.1 HISTORY AND BACKGROUND

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.

SHB has six (6) subsidiaries, namely, SGT, Xennet, SXS, Signet, SSRS and SNSB and an associated company, namely, OSK-Signet. The principal activities of the said companies are set out in Section 7.4.

7.2 SHARE CAPITAL

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. The issued and paid-up share capital of SHB was RM25,000,000 comprising of 250,000,000 ordinary shares of RM0.10 each. Upon completion of the Public Issue, the issued and paid-up share capital of SHB will be increased to RM28,000,000 comprising of 280,000,000 ordinary shares of RM0.10 each.

As at 15 December 2002, the changes in the issued and paid-up share capital of SHB since its incorporation are as set out below:

| Date of allotment | No of ordinary shares allotted | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|--------------------------------|--------------|--|--|
| 16.09.02 | 20 | 0.10 | Cash | 2 |
| 11.10.02 | 224,999,980 | 0.10 | Issued pursuant to the acquisition of SGT, Signet, SSRS and SNSB | 22,500,000 |
| 11.10.02 | 25,000,000 | 0.10 | Cash of RM0.425 per share | 25,000,000 |

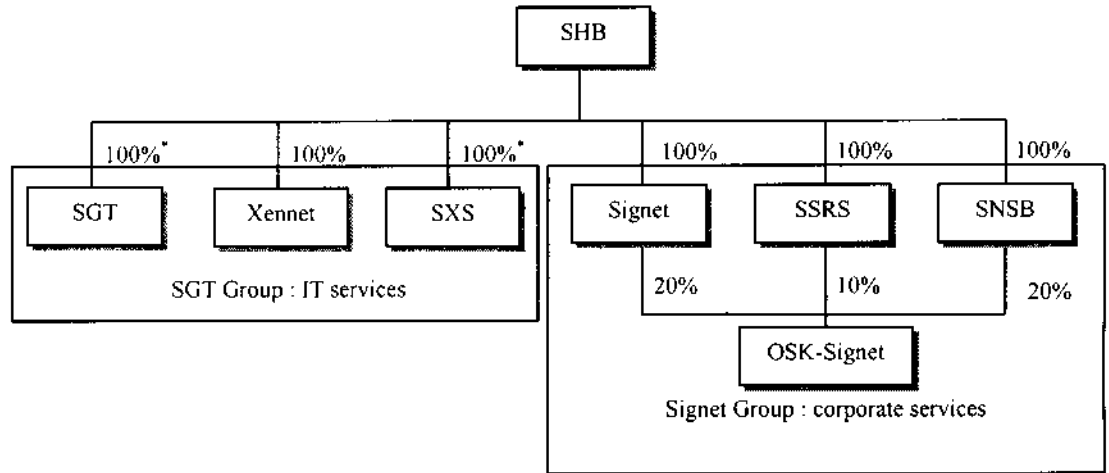
As at 15 December 2002, SHB did not have any outstanding warrants, options, convertibles or uncalled capital.

7.3 BUSINESS OVERVIEW

SHB is principally an investment holding company while the principal activities of its subsidiaries are the provision of application software development, computer solutions and IT services and provision of corporate services such as share registration, secretarial services and accounting services.

7. INFORMATION ON THE SHB GROUP (Cont'd)

The SHB Group is divided into two (2) divisions, the IT services division and corporate services division. The structure of the SHB Group is as follows:



7.3.1 IT

The IT operations of the SHB Group are carried out via SGT, Xennet and SXS.

7.3.1.1 Products and services

(i) SGT

SGT provides strategic and business process outsourcing services, IT infrastructure, systems and networking consultancy and business and systems integration.

In general, SGT identifies the needs of its clients and sources for the required solutions from its business partners and/or the general market place which provide the necessary hardware, software and technological knowledge and services to SGT, who then combines and repackages the offerings as business solutions for on-supply to the relevant clients.

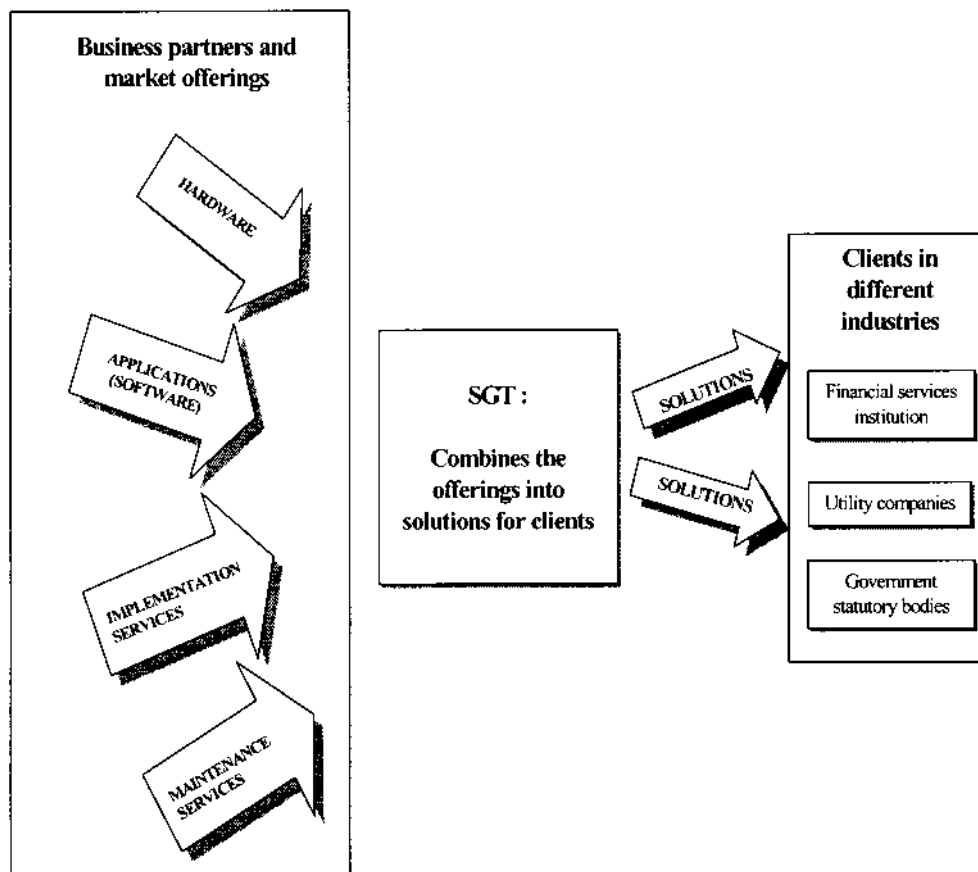
SGT's business involves:

- (a) Consulting on bridging the business to technology gap, by improving or introducing new value chain to enhance different aspects of clients' business;
- (b) Analysing and understanding the requirements and constraints of clients;
- (c) Sourcing of the best technology to meet the needs of clients;
- (d) Business modelling and prototyping the solutions;

7. INFORMATION ON THE SHB GROUP (Cont'd)

- (e) Acting as a single point of contact for customers; and
- (f) Project managing the implementation of the solutions.

The business model of SGT could be summarised as follows:



The business model of SGT allows it to offer to its clients a large range of solutions by combining the different offerings of its business partners and the general market place. Therefore, SGT has the flexibility to offer different combinations of solutions in different areas of businesses.

Presently SGT has four (4) business partners, namely Computer Sciences Corporation, GISB, SN Solutions Sdn Bhd and IRIS Corporation Berhad and is in the process of sourcing additional partners.

With each additional business partner, the solution offerings of SGT will increase as there would be more combinations of product and services which SGT could package as solutions to its clients.

7. INFORMATION ON THE SHB GROUP (Cont'd)

(ii) Xennet and SXS

Xennet and SXS provide internet/intranet infrastructure, solutions and tools, and value-added services including advisory services to companies in the financial services industry. The products and services of Xennet and SXS focus on the provision of an integrated service strategy that involves the provision of a total IT solution and advisory services to the financial services industry, with an emphasis towards financial planning, strategic planning and wealth management.

Both Xennet and SXS are originators and distributors of the Spectrum software suite, which comprises three (3) separate softwares that have the capability of interfacing with one another, being e-Advisor, e-Manager and e-Quant. E-Advisor and e-Manager are currently being marketed while e-Quant is currently being tested for marketability.

The Spectrum software suite is designed to provide a total end-to-end solution for the whole value chain in the financial services distribution channel.

This is because e-Manager provides back-end product management, security and operations management whilst e-Advisor, which functions as a sales toolkit, provides the front-end support.

Spectrum e-Advisor

Spectrum e-Advisor is an integrated solution that is specifically designed and developed to assist financial planners in planning, implementing investment strategies and monitoring the financial cycle. It offers a broad range of financial planning solutions and financial toolkits that are user friendly over the internet/intranet.

The table below shows the different modules included in e-Advisor and their respective functions.

| Module name | Main functions performed |
|---------------------|---|
| Financial Toolkit | Carries out financial calculations such as net worth analysis and cashflow analysis and in areas related to investment planning, retirement, education planning and home purchase. |
| Financial Planner | Registers financial planners. Support for recruitment and administration of a sales force. |
| Contact Management | Manages client relationship by tracking client's investment portfolio, financial requirements and plans. |
| Order Capture | Records the transaction entries of unit trust and insurance investment portfolio. Readily expanded to include other financial asset classes. This will support the management of accounts of clients. |
| Client Enquiry | Enables financial planners to access and determine the status of their client's investment position. |
| Investment Analysis | Performance analysis and management of client's investment portfolio. |

7. INFORMATION ON THE SHB GROUP (Cont'd)

Spectrum e-Manager

Spectrum e-Manager is a solution for the distribution channels in the financial services industry, designed to assist independent financial products distributors from sales and transaction processing to administration and management of their operations, and calculation of various incentives for their agents.

The table below shows the modules included in e-Manager and their functions.

| Module name | Main functions performed |
|-----------------------------|--|
| Registration | Processes unit trust and insurance products including the entire selling process comprising of pre-sale set-up, transaction execution procedures, processing of sale, payment and after-sales support. Includes many detailed functions and features like multi-currency and multi-lingual support, and GIRO and credit card payments. |
| Customer Information System | Maintains customer profiles. Manages account functions and account structures for customers. |
| System Security | Provides security and manages authorisation and access into the system. |
| Incentive | Manages the incentive structure paid out to agents/sales people. Tracks complex multi-tiered distribution system from sales volume to commission generated by agents on all product classes. Handles various other agents, sales status and human resource related functions. |
| Client Delivery | A simplified version of the e-Advisor program. Handles the registration of new customers, transaction order capturing and Client Enquiry (as mentioned under e-Advisor above). |

Spectrum e-Quant

Spectrum e-Quant is a fully integrated risk analytic engine. It will enable financial planners and their clients to perform important and complex portfolio management techniques. E-Quant is currently available for market testing.

7. INFORMATION ON THE SHB GROUP (Cont'd)

In complementing the Spectrum software suite, the companies provide advisory services in the areas such as financial planning, wealth management and risk management as follows:

(a) Spectrum Integrated Wealth Management Solution

The Spectrum Integrated Wealth Management Solution assists financial products distributors by providing them front-end financial planning and quantitative analysis services to back-end transaction processing system. The IT solution system consists of e-Advisor, e-Manager and e-Quant. Xennet and SXS also provide advisory services which include among others, identifying service types and level definition, structuring business and incentive structure and setting up business processes. These advisory services would be delivered in the form of customised Spectrum Integrated Wealth Management Solutions Software.

(b) Risk management

Xennet and SXS provide business risk management advisory services to financial institutions via definition or review of risk management strategies, structure, execution, monitoring and control as well as damage counter strategy and procedures. The risk management advisory services involve offering specialised and value domain knowledge of financial industry analysis. The advisory services also include planning, training and roll-out of the risk management program. The areas of business risks covered include market risk, credit risk, operational risk, portfolio risk, concentration risk, image and reputation risk as well as human resource risk. The IT solution provided here may include e-Quant, depending the needs of the customers.

(c) Business intelligence services

Xennet and SXS offer database management services to clients that have large client database. The business intelligence services provide information on the clients' own customers such as purchasing behaviour, demographic and psychographic data and information from reader-service requests. This service, also known as data mining, enables the clients of Xennet and SXS to build strong relationships with the clients' own customers by keeping track of its customers' behaviour and using the information as a valuable method of gaining business advantage.

7. INFORMATION ON THE SHB GROUP (Cont'd)

7.3.1.2 Business partners and clientele bases

(i) SGT

The following is a list of the business partners of SGT and their respective offerings:

| Business partner | Offerings | | | |
|-------------------------------|-----------|------------------------|----------------|-------------|
| | Products | | Services | |
| | Hardware | Application (software) | Implementation | Maintenance |
| Computer Sciences Corporation | - | √ | √ | √ |
| GISB | - | √ | √ | √ |
| SN Solutions Sdn Bhd | √ | √ | √ | - |
| IRIS Corporation Berhad | √ | √ | √ | - |

The present business partners of SGT provide products and services that together make a complete consulting solution package. This includes business consulting expertise, technological knowledge, business process methodologies and systems experience.

In addition, Computer Sciences Corporation is a business partner of international repute, who carries credibility, experience and strong technical knowledge in its relevant fields. It is one of the largest outsourcing companies worldwide and is expected to greatly assist SGT in securing clients because given the cost involved in setting up new business systems and the potential reliance of the operations on such systems, most potential clients would prefer suppliers of established standings.

As SGT has only been in operations for slightly over 1½ years, SGT's relationship with its business partners has been for a period of less than one (1) year, save for GISB and SN Solutions Sdn Bhd who have been the partners of SGT since May 2001.

SGT is not entirely dependent on offerings by business partners as business partners usually only provide a portion of the core competence in SGT's total value proposition to its clients. Further details on the dependence on business partners are as set out in Section 4.3(i)(c) of this Prospectus.

The pool of potential clients of SGT is large, due to the flexibility of SGT's business model to adapt the business solutions offered to clients with different needs. However, presently the target market of SGT mainly comprises of financial services institutions, utility companies and government statutory bodies.

7. INFORMATION ON THE SHB GROUP *(Cont'd)*

For the financial period ended 30 June 2002, SGT implemented three (3) projects, one (1) of which generated revenue of RM896,330. SGT carried out the project jointly, with its business partner, SN Solutions Sdn Bhd, who secured the project. Save for the abovementioned project, SHB has not implemented any project which contributed to more than 10% of the turnover of the SHB Group during the six (6) months ended 30 June 2002.

(ii) Xennet and SXS

Xennet and SXS have formed key alliances with certain companies such as the following:

| Business partner | Services provided |
|------------------------------------|--|
| Comline Systems Sdn Bhd | Provides technical development services to support the software development efforts of Xennet and SXS. |
| BPN Consulting (Australia) Pte Ltd | Supports SXS as an associate in providing risk management advisory services to the financial industry market. |
| Elixir Technology Pte Ltd | Provides report generation engine technology to enable the report generation capability in Xennet's and SXS's software solution. |

Although relatively new, Xennet and SXS have managed to secure an encouraging pool of clients in both Malaysia and Singapore over the past two (2) years. Most of the clients of Xennet and SXS are financial institutions such as United Overseas Bank (Malaysia) Berhad, HSBC Bank Malaysia Berhad and SBB Unit Trust Management Berhad. However, for the six (6) months ended 30 June 2002, there was no one (1) customer who contributed to more than 10% of the turnover of the SHB Group.

7.3.1.3 Market reception

(i) SGT

SGT is a relatively new organisation and has been in operation for just over 1½ years. Over the period, the degree of market penetration has been encouraging due to the following contributing factors:

- (a) Knowledge capital of key executives and directors in selected market segments, which are currently financial services, utilities and government statutory bodies;
- (b) Established business partners; and
- (c) Ability to formulate quality business solutions which fulfill clients' needs.

The management of SGT believes that since the commencement of its operations, SGT has managed to gain the reputation as a new major business solutions provider in specific market segments as reflected by SGT being invited and/or shortlisted for major technology initiatives with potential clients such as statutory bodies and selected commercial banks.

7. INFORMATION ON THE SHB GROUP (Cont'd)

In the areas of business integration and strategic and business process outsourcing, the competition is mainly from international participants and selected large local IT organisations. The complexity of the solution dictates the competitors and they are mainly, but not limited to companies such as Heitech Padu Berhad, Patimas Computers Berhad, SCS Computer Systems Berhad and Computer Systems Advisers (M) Berhad. Nonetheless, the Board of Directors of SHB is of the view that SGT's competitive advantage is its ability to offer flexible solutions to meet its clients' requirements and that it is able to package the different offerings of its partners to form a complete business solution.

(ii) Xennet and SXS

Xennet and SXS have presently identified Malaysia and Singapore as the target markets for its products as these are the markets with which the management of the companies are familiar. The target customers for the Spectrum software suite are financial institutions such as banks and non-financial institutions such as unit trust management companies as well as individual customers such as financial agents, independent financial planners and financial advisers. Xennet and SXS have also identified Thailand and Indonesia as being the next immediate targets.

Over the past years, the companies have been building their reputation and market share as major solution and business services providers in the financial planning industry. The management of the companies are of the view that the growth in the market presence of the companies has been encouraging as evidenced by their success in securing contracts from banks in both Malaysia and Singapore.

In addition, the management believes that Xennet and SXS also have the following advantages over their competitors:

(a) End-to-end solution

One of the key features of the products of Xennet and SXS is the ability to provide a complete solution from front-end to back-end processing system. E-Advisor functions as a sales toolkit that provides the front-end support while e-Manager provides the back-end product management, security and operations management.

(b) Proprietary developed software

The Spectrum software suite is developed internally. The front-end software is modular and designed to support financial planning services. It can be individually customised to meet each institution's front-end operation strategies. New modules can be added as financial institutions' needs grow or change. The back-end software is customisable to suit the financial institutions' needs.

7. INFORMATION ON THE SHB GROUP *(Cont'd)*

7.3.1.4 MSC Status

On 7 March 2001, SXS was awarded MSC status by MDC.

The MSC status is awarded to companies who meet certain ICT related qualifying criteria and standards. In general, MSC status companies are given incentives like tax exemptions, freedom to source capital globally, world class physical and IT infrastructure, R&D facilities and other Government operated benefits.

Such benefits are expected to assist SXS in its future undertakings in terms of tax savings and access to resources such as funding and infrastructure.

7.3.1.5 Technology

SGT does not employ specific technology to develop its solutions. The said solutions are mainly derived from business methodologies and developing new value chains.

As for Xennet and SXS, the Spectrum software suite was designed and developed 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 deployed over either 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.

The other technologies employed by Xennet and SXS are as follows:

| System Component | Products |
|-----------------------------|--|
| Operating Systems | Unix-based System (Sun Solaris, IBM AIX) Microsoft Windows Operating System |
| Database platform | Oracle, SQL Server |
| Software development tools | EJB, Java Beans, Java Servlets, Microsoft Visual Basic |
| Application server platform | Oracle IAS, WebLogic |
| Communications protocol | TCP/IP, Net BEUI |
| Middleware | COBRA, COM |
| Hardware | IBM (RISC/6000), SUN Microsystems, Intel-based servers |

7. INFORMATION ON THE SHB GROUP (Cont'd)

7.3.1.6 R&D

The R&D division of SXS comprises of five (5) personnel. The division is responsible for functions such as establishing product directions including directions of R&D in software design and developing its products vertically.

(i) New Products

Xennet and SXS continue to commit investment in the R&D of new software products to address the needs of and/or gaps in the financial market. This entails the following:

- (a) conducting market feasibility studies on opportunities and the commercial viability of developing new products; and
- (b) managing product creativity and keeping pace with market trends and evolving market conditions by forming strategic alliances with identified knowledge domain owners. This approach has been successful in developing and commercialising the Spectrum software suite.

(ii) Vertical Product Development and Re-engineering

SXS also carries out re-engineering of its existing products to develop its product vertically. To achieve this, SXS constantly and proactively monitors industry development and evolving trends in the financial market for market opportunities and competitive technologies.

(iii) Product Development Policy

The product policy of Xennet and SXS is geared towards shaping the companies as “one-stop” financial solution providers, specializing in niche and knowledge domain of risk management, financial product development, financial planning and wealth management, portfolio management and business intelligence services. These entail the provision of high knowledge domain and a comprehensive range of products and services encompassing all stages of the delivery lifecycle beginning with business aligned product recommendation and design, to customisation, installation, implementation and support of IT solutions and integrated financial consulting services.

The product development policies that are adopted to ensure focus and growth in the future are as follows:

- (a) Xennet and SXS would focus on strategic and value creation advisory solutions in emerging niche market areas relating to the financial sector;
- (b) Xennet and SXS would develop integrated value creation business applications that have premium commercial value and recurrent sales opportunity;
- (c) Collaborative commercialisation policy to ensure that the fulfillment of market gaps and needs is one of the main business drivers in developing premium and integrated software products;

7. INFORMATION ON THE SHB GROUP *(Cont'd)*

- (d) Xennet and SXS would adopt the most cost effective and current technology platforms to undertake the development of business software products; and
- (e) Emphasis and commitment to the following technical considerations:
 - Interoperability across multiple hardware platforms and computing environments;
 - Best of breed technologies for performance and efficiency in containing end-user costs;
 - Commercialisation of Xennet's and SXS's software development efforts aligned with identified market opportunities and timing; and
 - Proof of concept approach prior to full development.

To date, the R&D division has been successful in the creation of the Spectrum software suite and the relevant upgrades/modifications thereto. SXS will continue to develop new functionality and enhance the existing functionality of the Spectrum software suite. The modules which SXS intend to add into the Spectrum software suite and the timing of the introduction of the modules may be summarised as follows:

| Name of modules | Tentative timing |
|---|------------------|
| Stripped Wholesale Bond, Portfolio Builder and Financial Product Management | 2003 |
| Equity Management Module and Market Data Management | 2004 |
| Customer Value Management, Pricing Management, CEO Toolkit and Credit Risk Management Tools | 2005 |

In addition the R&D division intends to fully introduce the Spectrum e-Quant in 2004.

7.3.1.7 Marketing and distribution

SGT, Xennet and SXS market their products and services through the following methods:

- (i) Direct marketing to institutions by submitting proposals to financial services institutions, utility companies and government statutory bodies;
- (ii) Product and knowledge seminars by invitation to potential clients whereby Xennet and SXS showcase the Spectrum software suite;
- (iii) Some of the clients of Xennet and SXS choose to upgrade their purchased software with the latest version available and hence, provides an opportunity of repeat sales for Xennet and SXS; and
- (iv) The Spectrum software suite is also distributed via IT consulting companies that offer the software to its own clients.

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7.3.1.8 Operating locations

The SGT Group's operations and principal places of business are as follows:

| | | |
|----------------|---|--|
| SGT | : | Level 17, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur |
| Xennet and SXS | : | <i>Kuala Lumpur office:</i> Level 17, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur |
| | : | <i>Cyberjaya office:</i> 202L 3 rd Floor 2300 Century Square Jalan Usahawan 63000 Cyberjaya Selangor Darul Ehsan |
| | : | <i>Singapore office:</i> 32 Maxwell House, #03-20 Whitehouse Singapore 069115 |

7.3.1.9 Quality procedures

(i) SGT

The Quality Assurance ("QA") and Review Processes adopted focus on the entire lifecycle of consultation and project development as well as customer management. The QA and Review Processes relate to the following:

- (a) QA process for consultation - This QA and Review Process primarily focuses on developing the "right advice". This process addresses the following areas:
- QA on analysis and design - This is to ensure that the consultation strategy developed addresses the business and operational issues with proper functions and benefits. The QA process also examines the flexibility of the strategy for future market evolutions.
 - QA on market fluctuations - This is to ensure that the advice given are in-line to produce a smooth relation to the market trends. The approach involves the development of test strategies and cases that simulate life situations that the consultative advice would face or come across. Specific emphasis is placed on political simulations, disasters, system integration break-throughs and worst market scenarios.

7. INFORMATION ON THE SHB GROUP (Cont'd)

- (b) QA process for project implementation - SGT has adopted practical project management techniques to ensure that project issues are identified in the course of the assignment and are rapidly addressed. Specific change management processes are also adopted to ensure that the projects are successfully implemented.

(ii) Xennet and SXS

The QA and Review Processes adopted focus on the entire lifecycle of software development as well as software implementation management. The QA and Review Processes relate to the following:

- (a) QA process for product development - This QA and Review Process primarily focuses on developing the "right product". This process addresses the following areas:
- QA on analysis and design - This is to ensure that the product developed addresses the desired levels of functionalities and features. The QA process also examines the flexibility of design for future enhancements.
 - QA on software coding - This is to ensure that the software development process produces error-free codes. The approach involves the development of test strategies and cases that simulate life situations in which the software product would function. Specific emphasis is placed on program testing, module testing, integration testing, acceptance testing and volume stress testing.
- (b) QA process for project implementation - Xennet and SXS have adopted practical project management techniques to ensure that project issues are identified in the course of the assignment and are rapidly addressed. Specific change management processes are also adopted to ensure that the projects are successfully implemented.

7.3.1.10 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 |

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| 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 |

Xennet and SXS rely on the existing Malaysian and Singaporean copyright, trademark and trade secret laws, confidentiality procedures and contractual provisions to safeguard their interests. Xennet and SXS require all customers to enter into an agreement(s) for all products developed and supplied by Xennet and SXS. The key terms of the agreement(s) would include the following:

- (i) The licensing is a non-exclusive license to use the software in object code form only solely for the customer's own internal data processing operations. The customer acquires only the right to use the software and does not acquire any rights of ownership;
- (ii) All rights, titles and interests in the software and user documentation not otherwise included in the software, whether in original form or as modified by the customer shall remain the property of Xennet and SXS;
- (iii) All property and rights, whether propriety or otherwise, in respect of all software, computer programs, know-how, techniques or ideas which may be developed by Xennet and SXS during the provision of services to the customer, including any enhancement and modification made to the software shall belong solely to Xennet and SXS;
- (iv) The customer acknowledges and agrees that the copyright and all IP rights, regardless of their nature, including any modification or corrections remain the property of Xennet and SXS;
- (v) The customer shall not cause or permit the reverse assembly, reverse compilation, reverse engineering, disassembly, or decompilation of the software source codes; and
- (vi) The customer shall be responsible for protecting the software at all times from unauthorised use or damage.

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.

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7.3.2 Corporate Services

The corporate services operations of the SHB Group are carried out by Signet, SSRS and SNSB. The Signet Group is one of the most established providers of corporate services in Malaysia. Signet has the largest operation among the three (3) companies and it offers its clients corporate secretarial and financial accounting services. The share registration operations, which were previously carried out by Signet, are now carried out under SSRS. In addition, the corporate services division also provides ancillary nominee and corporate finance and advisory services.

7.3.2.1 Product offerings

The Signet Group offers a diverse range of services which may be generally classified as follows:

| Classification | Services offered |
|--------------------------------|--|
| Corporate secretarial services | <ul style="list-style-type: none"> Incorporation of companies Maintenance of statutory registers and records Drafting and maintenance of minutes of meetings of the Board of Directors of the clients Filing of statutory forms and returns with the relevant authorities General advisory on matters pertaining to the Companies Act, 1965, SC guidelines, the relevant KLSE guidelines, etc. |
| Share registration services | <ul style="list-style-type: none"> Setting up and maintenance of the Register of Members as required by the Companies Act, 1965 Registration of shares and issuance and despatch of share certificates Registration of documents such as Memorandum and Articles of Association, Letters of Administration, etc. Despatch of notices, reports to shareholders and preparation and distribution of dividends and/or rights and bonus entitlements General advisory on share registration matters |
| Accounting services | <ul style="list-style-type: none"> Maintenance of accounting records Preparation of full set of accounts Payroll services such as preparation of monthly salaries for employees, the related Employee Provident Fund contribution and/or income tax deduction |
| Other services | <ul style="list-style-type: none"> Setting up of accounting systems Preparation of working papers for loan documentation, budgets, forecasts, etc. Corporate finance and advisory services |

Generally, of the services offered above, the secretarial services contribute approximately 45% of the total gross fee income for the Signet Group, while share registration contributes approximately 40%. The remaining 15% is contributed by accounting and other services.

Since the above services offered are often related to one another, the diverse services offerings of the corporate services division allows the Signet Group to meet almost, if not all, of its customers' corporate services needs. Thus the Signet Group offers its customers the convenience getting all the required services under "one-roof", without the hassle of having separate record keeping premises.

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7.3.2.2 Market presence and operating locations

Signet is a well and long established corporate service organisation with its predecessor firm being in operation since the early 1960s.

Over the years, Signet has not only established a strong presence in Malaysia but has also built a pool of capable employees with the relevant expertise, experience and technical knowledge to support the growth of the Signet Group. In addition, the Signet Group has also built a strong brand name, which is often associated with professionalism, reliability and excellent technical capabilities. Such traits are valued by its clients as evidenced by the group having high profile and large companies in its client portfolio.

Today, the Signet Group has a network of offices in Peninsular Malaysia which offers its clients convenient access to its services as follows:



| Branch | Address |
|-------------------------------|--|
| Kuala Lumpur (Head office) | 10 th and 11 th Floor Tower Block Kompleks Antarabangsa Jalan Sultan Ismail 50250 Kuala Lumpur |
| | Level 17, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur |
| Penang | Suite 18.01 18 th Floor MWE Plaza No. 8, Lebuh Farquhar 10200 Penang |
| Ipoh | No. 35 Jalan Hussein 30250 Ipoh Perak Darul Ridzuan |
| Melaka | 116-D, 4 th Floor Wisma Datuk Haji Mohd Jalan Hang Tuah 75300 Melaka |
| Johor Bahru | Suite 6.1A, Level 6 Menara Pelangi Jalan Kuning Taman Pelangi 80400 Johor Bahru Johor Darul Takzim |

Although no official market study has been carried out, based on the experience and market knowledge of the management of the Signet Group, the management is of the view that the Signet Group is one of the leading corporate services firms in Malaysia in terms of staff size, revenue and clientele base.

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7.3.2.3 Clientele base

The Signet Group has a varied and large clientele base of over 2,500 companies, which include public listed companies, multi-national corporations, overseas investors, private companies, charitable foundations and trade associations. The large clientele ensures that the Signet Group is not overly reliant on any particular client.

The main clients of the Signet Group for the financial year ended 31 December 2001 and the length of relationship with them are as set out below.

| Client | Length of relationship (years) |
|--------------------------------|-----------------------------------|
| Maxis Communications Berhad | 1 |
| PLUS Expressways Berhad | 1 |
| Golden Hope Plantations Berhad | 4 |
| Renong Berhad | 7 |
| Mulpha International Berhad | 6 |
| Faber Group Berhad | 7 |
| OSK Holdings Berhad | 11 |
| Kumpulan Emas Berhad | 3 |
| Olympia Industries Berhad | 3 |
| PJ Development Holdings Berhad | 11 |
| Ancom Berhad | 12 |

However, for the six (6) months ended 30 June 2002, there was no one (1) client of the Signet Group who contributed to more than 10% of the turnover of the SHB Group. Certain clients of the corporate services division such as Shell Refining Company (FOM) Berhad and Malaysian Tobacco Company Berhad have been clients of the Signet Group for 37 years.

The loyalty of its customers and the ability of the Signet Group to attract new high profile customers may be the evidence of the trust and strong reputation that the corporate services division commands in the corporate services market.

7.3.2.4 Scale of operations

Due to the number of clients which the corporate services division has and the scale of the operations of the Signet Group, the management is of the view that the corporate services division has reached the relevant size to achieve economies of scale.

7. INFORMATION ON THE SHB GROUP (Cont'd)

For instance, the corporate services division is able to invest in the best infrastructure required for the operations of the Signet Group, such as a custom-made computerised share registration system, as it has the necessary volume of business to spread the cost of its investments thereby resulting in the minimal additional cost per customer. This allows the corporate services division to offer better services to its clients at relatively the same price, thereby enhancing its competitiveness in the market.

Alternatively, economies of scale also allows the corporate services division to price its products competitively in respect of the market as it has a larger customer base to spread its fixed costs.

In addition to its large size and established reputation in the industry, the management expects the corporate services division to be able to attract top professionals to join its workforce. With a large workforce of 132 staff, the Signet Group is able to invest in professional education and training programs to ensure its staff are well equipped to service its varied clientele.

7.3.2.5 Technology

SSRS uses a custom-made computerised share registration system for its share registration services using an in-house developed software. This allows SSRS to save time and cost and is an efficient method of providing its share registration services to its clients.

7.3.2.6 Marketing and distribution

The management of SHB is of the view that the corporate services division has a competitive advantage over most of its competitors because of its established brand name and large scale of operations. The brand name results in the ability to attract new customers and employees as well as retain the existing ones. The large scale of operations, on the other hand ensure that the Signet Group remains competitive in terms of pricing, delivery, products and customer service.

However, regardless of its market presence, the Signet Group will continue to actively market its services via direct marketing to companies.

7.3.2.7 Demand for the services of the corporate services division

The demand for corporate services offered by Signet is largely inelastic as corporate services are essential services needed by all companies. Thus, the corporate services of Signet provide the Signet Group with a relatively steady stream of income, although as in the past, during economic downturn, the Signet Group's customers tend to request for a certain fee reduction. Nonetheless, in the past 15 years, despite the economic downturns experienced, the corporate services division has always been profitable. For instance, in 1998, one of the worst years during the most recent economic crisis, the corporate services division had recorded a profit of RM1.5 million.

In addition, its contracts with its clients are largely open ended and on-going, therefore, most of the fee income for corporate services is fixed on a retainer basis.

However, the demand for certain share registration services is dependent on the level of fund raising activities in the equity market, which is largely dependent on the prevailing market sentiment.

7. INFORMATION ON THE SHB GROUP (Cont'd)

7.3.2.8 Competition

The competitors of the Signet Group comprise of a few large corporate and share registration services companies such as PFA Registration Services Sdn Bhd and M&C Services Sdn Bhd and numerous other smaller firms.

However, the management of SHB is of the view that the size of its operations which translates to economies of scale and efficiency and the strong reputation of the Signet Group augur well for the competitiveness of the Signet Group in comparison with most of its competitors.

7.4 SUBSIDIARIES AND ASSOCIATED COMPANY

(i) SGT

SGT, a subsidiary of SHB was incorporated in Malaysia under the Companies Act, 1965 on 10 April 2001 as a subsidiary of SHB, private limited company. The principal activity of SGT is providing strategic and business process outsourcing, IT infrastructure, systems and networking consultancy and business and systems integration services.

As at 15 December 2002, the authorised share capital of SGT was RM10,000,000 comprising of 10,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of SGT was RM1,184,932 comprising of 1,184,932 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of SGT since its incorporation are provided below:

| Date of allotment | No of ordinary shares allotted | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|--------------------------------|--------------|--|--|
| 10.04.01 | 2 | 1.00 | Cash | 2 |
| 20.11.01 | 9,998 | 1.00 | Cash | 10,000 |
| 17.05.02 | 990,000 | 1.00 | Cash | 1,000,000 |
| 21.05.02 | 184,932 | 1.00 | Issued pursuant to the acquisition of Xennet | 1,184,932 |

As at 15 December 2002, SGT did not have any outstanding warrants, options, convertibles or uncalled capital. In addition, SGT has no subsidiaries or associated companies.

(ii) Xennet

Xennet, a subsidiary of SHB was incorporated in Singapore under the Companies Act, 1950 of Singapore on 28 July 2000 as a private limited company. The principal activity of Xennet is the provision of application software development, computer solutions and IT services.

As at 15 December 2002, the authorised share capital of Xennet was SGD500,000 comprising of 500,000 ordinary shares of SGD1.00 each. The issued and paid-up share capital of Xennet was SGD272,984 comprising of 272,984 ordinary shares of SGD1.00 each.

7. INFORMATION ON THE SHB GROUP (Cont'd)

The changes in the issued and paid-up share capital of Xennet since its incorporation are provided below:

| Date of allotment | No of ordinary shares allotted | No of convertible preference shares allotted | Par value SGD | Consideration | Cumulative issued and paid-up share capital SGD |
|-------------------|--------------------------------|--|---------------|--|---|
| 28.07.00 | 2 | - | 1.00 | Cash | 2 |
| 07.08.01 | 110,398 | - | 1.00 | Issued pursuant to acquisition of SXS | 110,400 |
| 07.08.01 | - | 1,103 | 1.00 | Cash | 111,503 |
| 17.05.02 | 161,481 | - | 1.00 | Issued as settlement for amount owing by Xennet to the Directors | 272,984 |
| 19.06.02 | 1,103 | - | 1.00 | Issued pursuant to conversion of the convertible preference shares | 272,984 |

As at 15 December 2002, Xennet did not have any outstanding warrants, options, convertibles or uncalled capital. In addition, Xennet has no subsidiaries or associated companies.

(iii) SXS

SXS, a subsidiary of SHB, was incorporated in Malaysia under the Companies Act, 1965 on 30 November 1999 as a private limited company under the name of Xen.com Sdn Bhd. On 13 December 2002 it assumed its present name. The principal activity of SXS is the provision of application software development, computer solutions and IT consultancy services.

As at 15 December 2002, the authorised share capital of SXS was RM500,000 comprising of 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of SXS was RM500,000 comprising of 500,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of SXS since its incorporation are provided below:

| Date of allotment | No of ordinary shares allotted | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|--------------------------------|--------------|---------------|--|
| 30.11.99 | 2 | 1.00 | Cash | 2 |
| 22.08.00 | 499,998 | 1.00 | Cash | 500,000 |

As at 15 December 2002, SXS did not have any outstanding warrants, options, convertibles or uncalled capital. In addition, SXS has no subsidiaries or associated companies.

7. INFORMATION ON THE SHB GROUP (Cont'd)

(iv) Signet

Signet, a subsidiary of SHB, was incorporated in Malaysia under the Companies Act, 1965 on 21 April 1984 as a private limited company. The principal activity of Signet is the provision of corporate secretarial and accounting services.

As at 15 December 2002, the authorised share capital of Signet was RM1,000,000 comprising of 1,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of Signet was RM100,000 comprising of 100,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of Signet since its incorporation are provided below:

| Date of allotment | No of ordinary shares allotted | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|--------------------------------|--------------|---------------|--|
| 21.04.84 | 2 | 1.00 | Cash | 2 |
| 03.07.97 | 9,998 | 1.00 | Cash | 10,000 |
| 28.04.01 | 90,000 | 1.00 | Cash | 100,000 |

As at 15 December 2002, Signet did not have any outstanding warrants, options, convertibles or uncalled capital. In addition, Signet has an associated company, OSK-Signet, in which Signet has a 20% interest.

(v) SSRS

SSRS, a subsidiary of SHB, was incorporated in Malaysia under the Companies Act, 1965 on 25 February 2000 as a private limited company. The principal activity of SSRS is the provision of share registration services.

As at 15 December 2002, the authorised share capital of SSRS was RM100,000 comprising of 100,000 ordinary shares at RM1.00 each. The issued and paid-up share capital of SSRS was RM100,000 comprising of 100,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of SSRS since its incorporation are provided below:

| Date of allotment | No of ordinary shares allotted | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|--------------------------------|--------------|---------------|--|
| 25.02.00 | 2 | 1.00 | Cash | 2 |
| 14.05.02 | 998 | 1.00 | Cash | 1,000 |
| 13.12.02 | 99,000 | 1.00 | Bonus issue | 100,000 |

As at 15 December 2002, SSRS did not have any outstanding warrants, options, convertibles or uncalled capital. In addition, SSRS has no subsidiaries and associated companies.

7. INFORMATION ON THE SHB GROUP (Cont'd)

(vi) SNSB

SNSB, a subsidiary of SHB, was incorporated in Malaysia under the Companies Act, 1965 on 25 April 1985 as a private limited company. The principal activity of SNSB is the provision of nominee services.

As at 15 December 2002, the authorised share capital of SNSB was RM25,000 comprising of 25,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of SNSB was RM25,000 comprising of 25,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of SNSB since its incorporation are provided below:

| Date of allotment | No of ordinary shares allotted | Par value RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|--------------------------------|--------------|---------------|--|
| 25.04.85 | 2 | 1.00 | Cash | 2 |
| 13.12.02 | 24,998 | 1.00 | Bonus Issue | 25,000 |

As at 15 December 2002, SNSB did not have any outstanding warrants, options, convertibles or uncalled capital. In addition, SNSB has an associated company, namely OSK-Signet, in which SNSB has a 20% equity interest.

(vii) OSK-Signet

OSK-Signet, an associated company of SHB, was incorporated in Malaysia under the Trust Companies Act 1949 on 6 March 2002 as a trust company. The principal activity of OSK-Signet is the provision of trustee services.

As at 15 December 2002, the authorised share capital of OSK-Signet was RM1,000,000 comprising of 100,000 ordinary shares of RM10.00 each. The issued share capital of OSK-Signet was RM1,000,000 comprising of 100,000 ordinary shares of RM10.00 each of which 50,000 ordinary shares had been fully paid-up.

The changes in the issued and paid up share capital of OSK-Signet since its incorporation are provided below:

| Date of allotment | No of ordinary shares allotted | Par value RM | Call up on each share RM | Consideration | Cumulative issued and paid-up share capital RM |
|-------------------|--------------------------------|--------------|--------------------------|---------------|--|
| 06.03.02 | 50,000 | 10.00 | 5.00 | Cash | 25,000 |
| 18.04.02 | 50,000 | 10.00 | 5.00 | Cash | 50,000 |

As at 15 December 2002, the shareholders of OSK-Signet were as follows:

| Shareholders | Direct Shareholding | |
|---------------------|---------------------|------|
| | No. of share | % |
| Signet | 20,000 | 20.0 |
| SSRS | 10,000 | 10.0 |
| SNSB | 20,000 | 20.0 |
| OSK Holdings Berhad | 20,000 | 20.0 |

7. INFORMATION ON THE SHB GROUP (Cont'd)

| Shareholders | Direct Shareholding | |
|---------------------------------|---------------------|------|
| | No. of share | % |
| OSK Securities Berhad | 20,000 | 20.0 |
| OSK Nominees (Tempatan) Sdn Bhd | 10,000 | 10.0 |

As at 15 December 2002, OSK-Signet did not have any outstanding warrants, options or convertibles. However, 50,000 ordinary shares of RM10.00 each have been issued but not called.

7.5 DIRECTORS

(i) Directors' profile

The profiles of the Directors of SHB are as set out below:

Tan Sri Datuk Asmat bin Kamaludin, Malaysian, aged 58, was appointed as the Chairman of SHB on 3 December 2002. He graduated with a degree in Economics from the University of Malaya and also holds a Diploma in European Economic Integration from the University of Amsterdam. Over 35 years, he amassed vast experience in various capacities in the public service and his last post in the public service was that of Secretary General of the MITI, a position he held between 1992 and 2001.

He has also served as Economic Counsellor for Malaysia at the Mission of Malaysia to the European Commission in Brussels, a post he held for the period between 1973 and 1976. His service in Malaysia saw him dealing principally with Malaysian trade matters both at the domestic and international levels where he represented Malaysia at meetings of several international bodies such as ASEAN, the World Trade Organisation and Asia-Pacific Economic Corporation. In addition, he has been actively involved as MITI's representative in several national organisations such as Permodalan Nasional Berhad, Johor Corporation, the Small and Medium Scale Industries and Malaysia External Trade Development Corporation.

He is currently the Group Chairman of UMW Holdings Berhad and also the vice-chairman of YTL Cement Berhad and the Chairman of Matsushita Electric Company (Malaysia) Berhad. For the past two (2) years preceding 15 December 2002, his directorships and major shareholdings in other public companies are as follows:

| Company | Directorship | | Shareholdings | | | |
|-------------------------------------|----------------|---------------|---------------|---|----------------------|---------------|
| | Date appointed | Date resigned | Direct | % | Indirect | % |
| Permodalan Nasional Berhad | 08.05.92 | - | - | - | - | - |
| Malaysian Pacific Industries Berhad | 01.02.01 | - | - | - | - | - |
| Hong Leong Properties Berhad | 01.02.01 | 15.12.02 | - | - | - | - |
| Carlsberg Brewery Malaysia Berhad | 01.02.01 | - | - | - | 4,000 ^{*1} | ^{*2} |
| UMW Holdings Berhad | 20.02.01 | - | - | - | - | - |
| Shangri-La Hotels Malaysia Berhad | 26.02.01 | - | - | - | 17,000 ^{*3} | ^{*2} |
| Lion Land Berhad | 26.02.01 | - | - | - | - | - |
| YTL Cement Berhad | 19.03.01 | - | - | - | - | - |
| Commerce Asset-Holding Berhad | 14.06.01 | - | - | - | 30,000 ^{*1} | ^{*2} |

7. INFORMATION ON THE SHB GROUP (Cont'd)

| Company | Directorship | | Shareholdings | | | |
|---|----------------|---------------|----------------|---|----------|---|
| | Date appointed | Date resigned | as at 15.12.02 | | | |
| | | | Direct | % | Indirect | % |
| Matsushita Electric Company (Malaysia) Berhad | 29.08.01 | - | - | - | - | - |

Notes:

*1 Deemed interest through his spouse's shareholding.

*2 Negligible.

*3 Deemed interest through his children's shareholding.

Dato' Mohamed Azman bin Yahya, Malaysian, aged 38, was appointed as Group Chief Executive of SHB on 16 October 2002. He graduated with a First Class Honours Degree in Economics from the London School of Economics and Political Science of the University of London, United Kingdom in 1985, and is a member of the Malaysian Institute of Accountants and the Institute of Chartered Accountants in England and Wales and a fellow of the Malaysian Institute of Banks. He started his career with Messrs KPMG in London in 1985. Upon his return to Malaysia in 1989, he joined Island & Peninsular Berhad, a public listed property and plantations group and his last position was Assistant General Manager heading the Finance Department. In 1990, he joined Bumiputera Merchant Bankers Berhad and was subsequently promoted as Head of Corporate Finance Department. In 1994, he was appointed as Executive Director of Amanah Merchant Bank Berhad and later assumed the position of Group Executive Director of Amanah Capital Group ("Amanah Capital"), a financial services and property group involved in, among others, investment banking, money and futures broking, finance company, discount house operations and fund management. He left Amanah Capital in 1998 to serve as Managing Director of Pengurusan Danaharta Nasional Berhad ("Danaharta"), the national asset management company of Malaysia.

He is currently the Chairman of Danaharta, AE Multi Holdings Berhad and Pharmaniaga Berhad. He also sits on the advisory panels for the Malaysian Financial Sector Masterplan, the SC Capital Market Advisory Council and the Malaysian Venture Capital Management Berhad. For the past two (2) years preceding 15 December 2002, his directorships and major shareholdings in other public companies are as follows:

| Company | Directorship | | Shareholdings | | | |
|---------------------------------|----------------|---------------|----------------|------|----------|----|
| | Date appointed | Date resigned | as at 15.12.02 | | | |
| | | | Direct | % | Indirect | % |
| Danaharta | 20.06.98 | - | - | - | - | - |
| Sime Darby Berhad | 16.11.98 | - | - | - | - | - |
| United Engineers (M) Berhad | 27.09.01 | 01.04.02 | - | - | - | - |
| Renong Berhad | 05.10.01 | 05.04.02 | - | - | - | - |
| Pharmaniaga Berhad | 15.11.01 | - | - | - | 5,000*1 | *2 |
| Malaysian Airline System Berhad | 01.12.01 | - | - | - | - | - |
| Island & Peninsular Berhad | 13.12.01 | - | 5,000 | *2 | - | - |
| PLUS Expressways Berhad | 03.05.02 | - | 40,000 | *2 | - | - |
| AE Multi Holdings Berhad | 09.05.02 | - | 14,439,998 | 18.0 | - | - |

7. INFORMATION ON THE SHB GROUP (Cont'd)

Notes:

*1 Deemed interest through his spouse's shareholding.

*2 Negligible.

He represents Angsana Tiara and Prelude Profile on the Board of Directors of SHB.

Krishnan a/l C K Menon, Malaysian, aged 53, was appointed as Independent Non-Executive Director of SHB on 25 November 2002. He is a fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. From 1975 to 1987, he spent 13 years in public practice at Messrs Hanafiah Raslan & Mohamad, seven (7) years of which as a Partner. He joined Public Bank Berhad in January 1989 as General Manager and was subsequently promoted to Executive Vice-President. After working with two (2) public listed companies, namely Kampong Lanjut Tin Dredging Berhad (now known as Avenue Assets Berhad) as Executive Director and Idris Hydraulic (Malaysia) Berhad as Managing Director, he was the Chief Operating Officer of Putrajaya Holdings Sdn Bhd between 1997 and 2000. He is presently a consultant for AKN Capital Sdn Bhd.

For the past two (2) years preceding 15 December 2002, his directorships and major shareholdings in other public companies are as follows:

| Company | Directorship | | ----- Shareholdings----- as at 15.12.02 | | | |
|---|----------------|---------------|--|------|----------|---|
| | Date appointed | Date resigned | Direct | % | Indirect | % |
| Malaysia International Shipping Corporation Bhd | 30.08.01 | - | - | - | - | - |
| SPK Sentosa Corporation Bhd | 26.03.02 | - | - | - | - | - |
| MESB Bhd | 01.07.02 | - | - | - | - | - |
| AKN Messaging Technologies Bhd | 21.06.02 | - | 250,000 | 0.37 | - | - |

Khairil Anuar bin Abdullah, Malaysian, aged 51, was appointed as Independent Non-Executive Director of SHB on 25 November 2002. He is presently the Associate Director, ASEAN of A.T. Kearney, Inc. He was educated at the Malaysian Royal Military College and obtained Bachelor of Economics from the University of Malaya. He obtained a Masters in Business Administration from Harvard Business School, US. He is a fellow of the Malaysian Institute of Banks and has been involved in the activities of the National IT Committee.

He served as executive chairman of Malaysian Exchange of Securities Dealing & Automated Quotation Bhd, Malaysia's securities exchange catering to growth companies which he helped to found in 1997 until it merged with the KLSE in 2002.

In 1993, he joined the SC at its inception where he was director for policy and development from 1993 to 1997. His portfolio included regulations and law reform, product development, economic research, IT, the Securities Industry Development Centre, accounting standards and Islamic capital market development. He also served on the advisory committee of the MCD and the board of the Labuan Offshore Financial Services Authority. From 1995 to 1997, he chaired a working group on the regulation of secondary markets of the Emerging Markets Committee of the International Organization of Securities Commission ("IOSCO"). In 1996, he was a member of the Bank of International Settlement/IOSCO Task Force on clearing and settlement.

7. INFORMATION ON THE SHB GROUP (Cont'd)

Between 1988 to 1992, as Executive Director of Batu Lintang Rubber Company Berhad, he led the turn around of the company, resulting in its eventual re-listing on the KLSE as Advance Synergy Berhad. During that period, he also consulted for Arthur D Little in the areas of privatisation, organisation design, telecommunications demand forecasting and IT within the East Asian region.

From 1983 to 1987, he was company secretary, corporate planner and assistant to the chairman at the Guthrie Group, an international agribusiness company with operations in Malaysia, the US, the United Kingdom, Liberia, Philippines and People's Republic of China.

Between 1973 to 1982, he served in the Economic Planning Unit of the Prime Minister's Department, with assignments in human resources planning, econometrics and macroeconomic forecasting.

Dr. Tawfiq Ayman, Malaysian, aged 56, was appointed as Independent Non-Executive Director of SHB on 25 November 2002. He graduated with a Bachelor of Economics from the University of Malaya and obtained a Master of Arts in Finance, Master of Arts in Economics and Ph.D in Finance from the Wharton Business School, University of Pennsylvania, US. He started his career with Citibank Bhd from 1978 to 1980 whereby he rose to the position of Financial Controller. From 1980 to 1985, he was the Head of Credit of Bank Industri Bhd. At United Malayan Banking Corporation Berhad he held various positions including Head of UK Operations and Head of Corporate Banking from 1986 to 1994. He is currently the Chairman of PGL Sdn Bhd, Managing Director of Ayman Capital Sdn Bhd and a Director of Goaz Development Sdn Bhd.

(ii) Directors' shareholdings

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

| Name | -----Before the Public Issue----- | | | | -----After the Public Issue----- | | | |
|-----------------------------------|-----------------------------------|----------|---------|--------------------|----------------------------------|--------------------|---------|--------------------|
| | No. of SHB Shares held | | | | No. of SHB Shares held | | | |
| | Direct | Indirect | Direct | Indirect | Direct | Indirect | Direct | Indirect |
| | 000 | % | 000 | % | 000 | % | 000 | % |
| Tan Sri Datuk Asmat bin Kamaludin | - | - | - | - | 100 | 0.04 ^{*1} | - | - |
| Dato' Mohamed Azman bin Yahya | - | - | 136,663 | 54.7 ^{*2} | - | - | 136,663 | 48.8 ^{*2} |
| Krishnan a/l C K Mnon | - | - | - | - | 100 | 0.04 ^{*1} | - | - |
| Khairil Anuar bin Abdullah | - | - | - | - | 100 | 0.04 ^{*1} | - | - |
| Dr. Tawfiq Ayman | - | - | - | - | 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.

7. INFORMATION ON THE SHB GROUP (Cont'd)

(iii) Directors' remuneration and benefits

No fees have been paid to the Directors of the Company since incorporation. The aggregate remuneration and benefits (excluding performance bonus) proposed for the Directors of the Company by way of emoluments for the financial year ending 31 December 2002 and 31 December 2003 are RM15,000 and RM200,000 respectively as follows:

| | -----Financial years ending----- | | | | | |
|-------------------------|----------------------------------|--------------------------------|-------|----------------------------|--------------------------------|-------|
| | -----31 December 2002----- | | | -----31 December 2003----- | | |
| | Executive Directors | Non- Executive Directors | Total | Executive Directors | Non- Executive Directors | Total |
| Below RM20,000 | - | 4 | 4 | - | - | - |
| RM20,000 to RM50,000 | - | - | - | - | 4 | 4 |
| RM50,000 and above | - | - | - | 1 | - | 1 |

(iv) Other Directorships and Major Shareholdings

Save for Tan Sri Datuk Asmat bin Kamaludin, Dato' Mohamed Azman bin Yahya and Krishnan a/l C K Menon, whose directorships and major shareholdings in other public companies are disclosed in (i) above, none of the other Directors of SHB has other directorships and/or major shareholdings in public companies incorporated in Malaysia other than SHB for the past two (2) years up to 15 December 2002.

(v) Declaration

None of the Directors is or was involved in the following events, whether in or outside Malaysia:

- A petition under any bankruptcy or insolvency laws filed against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- Conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- The subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or government body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

7.6 AUDIT COMMITTEE

The composition of the Audit Committee is as follows:

| Name | Responsibility | 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 |

7. INFORMATION ON THE SHB GROUP (Cont'd)

7.7 PROMOTERS

The Promoters are as follows:

- 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.

(i) Profile

The profile of Dato' Mohamed Azman bin Yahya is set out in Section 7.5 above, whereas the profiles of Jasmy bin Ismail, Cyril Tan Eng Wah, Tan Hooi Chee and Annie Tee Soo Chen are set out in Section 7.9 below. The profiles of the other Promoters are set out below.

Angsana Tiara

Angsana Tiara was incorporated in Malaysia under the Companies Act, 1965 on 9 August 2002 as a private limited company. The authorised share capital of Angsana Tiara was RM100,000 comprising of 100,000 ordinary shares of RM1.00 each, of which RM1,000 have been issued and fully paid-up as at 15 December 2002. The principal activity of Angsana Tiara is investment holding.

The details of the Directors of Angsana Tiara as at 15 December 2002 were as follows:

| Name | -----No. of shares held----- | | | |
|-------------------------------|------------------------------|---|----------|---------------------|
| | Direct | % | Indirect | % |
| Dato' Mohamed Azman bin Yahya | - | - | 1,000 | 100.0 ^{*1} |
| Datin Normah binti Hashim | - | - | 1,000 | 100.0 ^{*1} |

Note:

^{*1} Deemed interest by virtue of interest in Arena Kembara pursuant to Section 6A of the Companies Act, 1965.

As at 15 December 2002 the details of the Major Shareholders of Angsana Tiara were as follows:

| Name | -----No. of shares held----- | | | |
|-------------------------------|------------------------------|-------|----------|---------------------|
| | Direct | % | Indirect | % |
| Arena Kembara | 1,000 | 100.0 | - | - |
| Dato' Mohamed Azman bin Yahya | - | - | 1,000 | 100.0 ^{*1} |
| Datin Normah binti Hashim | - | - | 1,000 | 100.0 ^{*1} |

Note:

^{*1} Deemed interest by virtue of interest in Arena Kembara pursuant to Section 6A of the Companies Act, 1965.

7. INFORMATION ON THE SHB GROUP (Cont'd)

Prelude Profile

Prelude Profile was incorporated in Malaysia under the Companies Act, 1965 on 9 July 2002 as a private limited company. The authorised share capital of Prelude Profile is RM100,000 comprising of 100,000 ordinary shares of RM1.00 each, of which RM1,000 have been issued and fully paid-up as at 15 December 2002. The principal activity of Prelude Profile is investment holding.

The details of the Directors of Prelude Profile as at 15 December 2002 were as follows:

| Name | -----No. of shares held ----- | | | |
|-------------------------------|-------------------------------|------|----------|--------------------|
| | Direct | % | Indirect | % |
| Datin Normah binti Hashim | 998 | 99.8 | 2 | 0.2 ^{*1} |
| Dato' Mohamed Azman bin Yahya | 2 | 0.2 | 998 | 99.8 ^{*1} |

Note:

^{*1} Deemed interest through spouse's shareholding.

As at 15 December 2002 there were two (2) Major Shareholders of Prelude Profile, being Datin Normah binti Hashim and Dato' Mohamed Azman bin Yahya, whose shareholdings in Prelude Profile are as set out above.

Premium Maple

Premium Maple was incorporated in Malaysia under the Companies Act, 1965 on 11 June 2002 as a private limited company. The authorised share capital of Premium Maple was RM100,000 comprising of 100,000 ordinary shares of RM1.00 each of which RM1,000 have been issued and fully paid-up as at 15 December 2002. The principal activity of Premium Maple is investment holding.

The details of the Directors of Premium Maple as at 15 December 2002 were as follows:

| Name | -----No. of shares held ----- | | | |
|-------------------------|-------------------------------|------|----------|---|
| | Direct | % | Indirect | % |
| Jasmy bin Ismail | 998 | 99.8 | - | - |
| Kamariah binti Mohd Ali | 2 | 0.2 | - | - |

As at 15 December 2002, Jasmy bin Ismail was the only Major Shareholder of Premium Maple. His shareholding in Premium Maple is as set out above.

K-Synergy

K-Synergy was incorporated in Malaysia under the Companies Act, 1965 on 9 August 2002 as a private limited company. The authorised share capital of K-Synergy was RM100,000 comprising of 100,000 ordinary shares of RM1.00 each of which RM999 have been issued and fully paid-up as at 15 December 2002. The principal activity of K-Synergy is investment holding.

7. INFORMATION ON THE SHB GROUP (Cont'd)

The details of the Directors of K-Synergy as at 15 December 2002 were as follows:

| Name | -----No. of shares held ----- | | | |
|--------------------|-------------------------------|------|----------|---|
| | Direct | % | Indirect | % |
| Cyril Tan Eng Wah | 333 | 33.3 | - | - |
| Tan Hooi Chee | 333 | 33.3 | - | - |
| Annie Tee Soo Chen | 333 | 33.3 | - | - |

As at 15 December 2002, there were three (3) Major Shareholders of K-Synergy being Cyril Tan Eng Wah, Tan Hooi Chee and Annie Tee Soo Chen, whose shareholdings in K-Synergy are as set out above.

Prestige Access

Prestige Access was incorporated in Malaysia under the Companies Act, 1965 on 9 August 2002 as a private limited company. The authorised share capital of Prestige Access was RM100,000 comprising of 100,000 ordinary shares of RM1.00 each of which RM1,000 have been issued and fully paid-up as at 15 December 2002. The principal activity of Prestige Access is investment holding.

The details of the Directors of Prestige Access as at 15 December 2002 were as follows:

| Name | -----No. of shares held ----- | | | |
|-------------------------|-------------------------------|------|----------|--------------------|
| | Direct | % | Indirect | % |
| Kamaluddin bin Abdullah | 998 | 99.8 | 2 | 0.2 ^{*1} |
| Azrene binti Abdullah | 2 | 0.2 | 998 | 99.8 ^{*1} |

Note:

^{*1} Deemed interest through spouse's shareholding.

As at 15 December 2002, there were two (2) Major Shareholders of Prestige Access, being Kamaluddin bin Abdullah and Azrene binti Abdullah, whose shareholdings in Prestige Access are as set out above.

Kamaluddin bin Abdullah, Malaysian, aged 35, graduated with a Bachelor of Arts (Honours) in Law from University of Cambridge, United Kingdom and is a Barrister-at-Law, Middle Temple, United Kingdom. He began his career with the Sime Darby group as Assistant to the Divisional Director from 1990 to 1991. He subsequently became the Group Manager, Human Resource and Corporate Affairs from 1991 to 1993 and the Marketing Controller, Latex Products Division from 1993 to 1994. He was the Group Executive Director of Dewina Berhad from 1994 to 2000. For the past two (2) years preceding 15 December 2002, he was a Major Shareholder of Dewina Berhad but his shareholding was subsequently diluted and as at 15 December 2002, he holds 2,964,000 shares (0.3%) and 1,482,000 warrants in Dewina Berhad.

7. INFORMATION ON THE SHB GROUP (Cont'd)

(ii) Promoters' shareholdings

The shareholdings of the Promoters in SHB before and after the Public Issue, based on their shareholdings as at 15 December 2002 are as follows:

| | -----Before the Public Issue----- | | | | -----After the Public Issue----- | | | |
|-------------------------------|-----------------------------------|------|------------------------|--------------------|----------------------------------|-------------------|------------------------|--------------------|
| | No. of SHB Shares held | | No. of SHB Shares held | | No. of SHB Shares held | | No. of SHB Shares held | |
| | Direct | % | Indirect | % | Direct | % | Indirect | % |
| | 000 | | 000 | | 000 | | 000 | |
| Angsana Tiara | 116,250 | 46.5 | - | - | 116,250 | 41.5 | - | - |
| Prelude Profile | 20,413 | 8.2 | - | - | 20,413 | 7.3 | - | - |
| Premium Maple | 21,275 | 8.5 | - | - | 21,275 | 7.6 | - | - |
| K-Synergy | 16,200 | 6.5 | - | - | 16,200 | 5.8 | - | - |
| Prestige Access | 8,613 | 3.4 | - | - | 8,613 | 3.1 | - | - |
| Dato' Mohamed Azman bin Yahya | - | - | 136,663 | 54.7 ^{*1} | - | - | 136,663 | 48.8 ^{*1} |
| Jasmy bin Ismail | - | - | 21,275 | 8.5 ^{*2} | 300 | 0.1 ^{*3} | 21,275 | 7.6 ^{*2} |
| Cyril Tan Eng Wah | - | - | 16,200 | 6.5 ^{*4} | 200 | 0.1 ^{*3} | 16,200 | 5.8 ^{*4} |
| Tan Hooi Chee | - | - | 16,200 | 6.5 ^{*4} | 150 | 0.1 ^{*3} | 16,200 | 5.8 ^{*4} |
| Annie Tee Soo Chen | - | - | 16,200 | 6.5 ^{*4} | 150 | 0.1 ^{*3} | 16,200 | 5.8 ^{*4} |
| Kamaluddin bin Abdullah | - | - | 8,613 | 3.4 ^{*5} | - | - | 8,613 | 3.1 ^{*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} Deemed interest by virtue of interest in Premium Maple pursuant to Section 6A of the Companies Act, 1965.

^{*3} Assuming full subscription of the SHB Shares offered to the eligible Directors and employees of the SHB Group under the Public Issue.

^{*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.

(iii) Other directorships and major shareholdings

Save for Dato' Mohamed Azman bin Yahya, whose directorships and major shareholders in other public companies are disclosed in Section 7.5(i) above and Kamaluddin bin Abdullah, whose directorships and major shareholdings in other public companies are disclosed in Section 7.7(i) above, none of the other Promoters has other directorships and/or major shareholdings in public companies incorporated in Malaysia other than SHB for the past two (2) years up to 15 December 2002.

7. INFORMATION ON THE SHB GROUP (Cont'd)

(iv) Benefits to Promoters

None of the Promoters have received any amounts or benefits paid or given by the Company other than by virtue of their directorships, employment and shareholdings within the two (2) years up to 15 December 2002, or intended to be so paid or given.

7.8 MAJOR SHAREHOLDERS

The Major Shareholders of SHB after the Public Issue are as follows:

- Angsana Tiara
- Prelude Profile
- Premium Maple
- K-Synergy
- Arena Kembara
- Dato' Mohamed Azman bin Yahya
- Datin Normah binti Hashim
- Jasmy bin Ismail
- Cyril Tan Eng Wah
- Tan Hooi Chee
- Annie Tee Soo Chen

(i) Profile

The profiles of Angsana Tiara, Prelude Profile, Premium Maple and K-Synergy are set out in Section 7.7, whereas the profile of Dato' Mohamed Azman bin Yahya is set out in Section 7.5. In addition, the profiles of Jasmy bin Ismail, Cyril Tan Eng Wah, Tan Hooi Chee and Annie Tee Soo Chen are set out in Section 7.9. The profiles of the other Major Shareholders of SHB are as set out below.

Arena Kembara

Arena Kembara was incorporated in Malaysia under the Company Act, 1965 on 25 March 2002 as a private limited company. The authorised share capital of Arena Kembara was RM500,000 comprising of 500,000 ordinary shares of RM1.00 each, of which RM500,000 have been issued and fully paid-up as at 15 December 2002. The principal activity of Arena Kembara is investment holding.

The details of the Directors of Arena Kembara as at 15 December 2002 were as follows:

| Name | -----No. of shares held----- | | | |
|-------------------------------|------------------------------|------|-----------------|--------------------|
| | Direct 000 | % | Indirect 000 | % |
| Dato' Mohamed Azman bin Yahya | 424,999 | 85.0 | 75,001 | 15.0 ^{*1} |
| Datin Normah binti Hashim | 75,001 | 15.0 | 424,999 | 85.0 ^{*1} |

Note:

^{*1} Deemed interest through spouse's shareholdings.

7. INFORMATION ON THE SHB GROUP (Cont'd)

As at 15 December 2002, there were two (2) Major Shareholders of Arena Kembara, being Dato' Mohamed Azman bin Yahya and Datin Normah binti Hashim, whose shareholdings in Arena Kembara are as set out above.

Datin Normah binti Hashim, Malaysian, aged 39, graduated with a Bachelor of Science (Economics) from the London School of Economics and Political Science of the University of London, United Kingdom and has a Dealer's Representative licence. Upon graduation, she joined Messrs KPMG, London as a trainee accountant and rose to the rank of an Audit Senior before leaving in 1988. Subsequently in 1990, she served with Malaysian Airline System Berhad as a treasury accountant. In 1992, she joined Island & Peninsular group of companies as a treasury manager. She is presently working with CIMB Securities Sdn Bhd as a licensed Dealer's Representative. For the two (2) years preceding 15 December 2002, she has no directorships and major shareholdings in other public companies except for United Kotak Berhad, a public company in which she is a Director and holds 1,577,396 shares representing 3.9% of the enlarged and issued share capital of United Kotak Berhad as at 15 December 2002.

(ii) Major Shareholders' shareholdings

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

| Shareholder | -----Before the Public Issue----- | | | | -----After the Public Issue----- | | | |
|-------------------------------|-----------------------------------|------|------------------------|--------------------|----------------------------------|-------------------|------------------------|--------------------|
| | No. of SHB Shares held | | No. of SHB Shares held | | No. of SHB Shares held | | No. of SHB Shares held | |
| | Direct 000 | % | Indirect 000 | % | Direct 000 | % | Indirect 000 | % |
| Angsana Tiara | 116,250 | 46.5 | - | - | 116,250 | 41.5 | - | - |
| Prelude Profile | 20,413 | 8.2 | - | - | 20,413 | 7.3 | - | - |
| Premium Maple | 21,275 | 8.5 | - | - | 21,275 | 7.6 | - | - |
| K-Synergy | 16,200 | 6.5 | - | - | 16,200 | 5.8 | - | - |
| Arena Kembara | - | - | 116,250 | 46.5 ^{*1} | - | - | 116,250 | 41.5 ^{*1} |
| Dato' Mohamed Azman bin Yahya | - | - | 136,663 | 54.7 ^{*2} | - | - | 136,663 | 48.8 ^{*2} |
| Datin Normah binti Hashim | - | - | 136,663 | 54.7 ^{*3} | - | - | 136,663 | 48.8 ^{*3} |
| Jasmy bin Ismail | - | - | 21,275 | 8.5 ^{*4} | 300 | 0.1 ^{*5} | 21,275 | 7.6 ^{*4} |
| Cyril Tan Eng Wah | - | - | 16,200 | 6.5 ^{*6} | 200 | 0.1 ^{*5} | 16,200 | 5.8 ^{*6} |
| Tan Hooi Chee | - | - | 16,200 | 6.5 ^{*6} | 150 | 0.1 ^{*5} | 16,200 | 5.8 ^{*6} |
| Annie Tee Soo Chen | - | - | 16,200 | 6.5 ^{*6} | 150 | 0.1 ^{*5} | 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 interests in Arena Kembara and Prelude Profile pursuant to Section 6A of the Companies Act, 1965.

^{*4} Deemed interest by virtue of interest in Premium Maple pursuant to Section 6A of the Companies Act, 1965.

7. INFORMATION ON THE SHB GROUP (Cont'd)

^{*5} Assuming full subscription of the SHB Shares offered to the eligible Directors and employees of the SHB Group under the Public Issue.

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

(iii) Changes in major shareholdings

The changes in the major shareholdings of SHB since its incorporation to 15 December 2002 are as follows:

| Shareholder | -----As at incorporation----- | | | | After the restructuring and of -----private placement ^{*1} ----- | | | | After the transfers ^{*2/} -----before the Public Issue----- | | | |
|-------------------------------|-------------------------------|------|----------|---|--|------|----------|--------------------|---|------|----------|--------------------|
| | No. of SHB Shares held | | Indirect | | No. of SHB Shares held | | Indirect | | No. of SHB Shares held | | Indirect | |
| | Direct | % | Direct | % | Direct | % | Indirect | % | Direct | % | Indirect | % |
| Leong Oi Wah | 10 | 50.0 | - | - | - | - | - | - | - | - | - | - |
| Ng Yim Kong | 10 | 50.0 | - | - | - | - | - | - | - | - | - | - |
| Angsana Tiara | - | - | - | - | 116,250 | 46.5 | - | - | 116,250 | 46.5 | - | - |
| Prelude Profile | - | - | - | - | 21,375 | 8.6 | - | - | 20,413 | 8.2 | - | - |
| Premium Maple | - | - | - | - | 20,475 | 8.2 | - | - | 21,275 | 8.5 | - | - |
| K-Synergy | - | - | - | - | 16,200 | 6.5 | - | - | 16,200 | 6.5 | - | - |
| Arena Kembara | - | - | - | - | - | - | 116,250 | 46.5 ^{*3} | - | - | 116,250 | 46.5 ^{*3} |
| Dato' Mohamed Azman bin Yahya | - | - | - | - | - | - | 137,625 | 55.1 ^{*4} | - | - | 136,663 | 54.7 ^{*4} |
| Datin Normah binti Hashim | - | - | - | - | - | - | 137,625 | 55.1 ^{*5} | - | - | 136,663 | 54.7 ^{*5} |
| Jasmy bin Ismail | - | - | - | - | - | - | 20,475 | 8.2 ^{*6} | - | - | 21,275 | 8.5 ^{*6} |
| Cyril Tan Eng Wah | - | - | - | - | - | - | 16,200 | 6.5 ^{*7} | - | - | 16,200 | 6.5 ^{*7} |
| Tan Hooi Chee | - | - | - | - | - | - | 16,200 | 6.5 ^{*7} | - | - | 16,200 | 6.5 ^{*7} |
| Annie Tee Soo Chen | - | - | - | - | - | - | 16,200 | 6.5 ^{*7} | - | - | 16,200 | 6.5 ^{*7} |

Notes:

^{*1} SHB carried out a restructuring exercise which was completed on 11 October 2002, whereby it acquired SGT Group and Signet Group from Symphony Global Holdings Sdn Bhd. On 11 October 2002, Angsana Tiara also completed the disposal of 30,000,000 SHB Shares and SHB completed the private placement of 25,000,000 SHB Shares to identified investors who own less than 5% of the share capital before the Public Issue.

^{*2} On 16 October 2002, certain of the Major Shareholders affected certain share transfers which resulted in the shareholding structure as at 15 December 2002.

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

^{*4} 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.

^{*5} Deemed interest by virtue of interest in Arena Kembara and Prelude Profile pursuant to Section 6A of the Companies Act, 1965.

7. INFORMATION ON THE SHB GROUP (Cont'd)

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

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

(iv) Other directorships and major shareholdings

Save for Dato' Mohamed Azman bin Yahya, whose directorships and major shareholdings in other public companies are disclosed in Section 7.5(i) above and Datin Normah binti Hashim, whose directorship and major shareholding in other public company are disclosed in Section 7.8(i) above, none of the other Major Shareholders of SHB (after the Public Issue) has other directorships and/or major shareholdings in public companies incorporated in Malaysia other than SHB for the past two (2) years up to 15 December 2002.

7.9 KEY MANAGEMENT AND EMPLOYEES

(i) Profiles

Other than Dato' Mohamed Azman bin Yahya, the key management personnel of SHB comprises of the following:

Lim Phooi Kee, Malaysian, aged 48, is the Executive Director and Chief Executive Officer of the Signet Group. He qualified as a Chartered Accountant (Institute of Chartered Accountants in England and Wales) in 1981 and has been a member of the Malaysian Institute of Accountants since 1982.

He started his career in 1977 as an Audit Trainee with Messrs G M Graff & Co, a medium size accounting firm in London. In 1982, he returned to Malaysia and joined Messrs Price Waterhouse as an Audit Senior. He left Messrs Price Waterhouse in 1983 and became the General Manager of Atacs Management Services Sdn Bhd, which is a company which offers accounting, secretarial and taxation services. In 1988, he joined Signet as a Manager and was subsequently promoted to a Senior Manager. In 1995, he was appointed as an Executive Director of Signet, a position he holds till this date.

He is a Director of OSK-Signet, Masteron Asia Bhd, Pathlabs Holdings Berhad and Sigmaworth Berhad. With the exception of OSK-Signet (the share capital and shareholdings of which are set out in Section 7.4(vii) of this Prospectus), the abovementioned companies have an issued and paid-up share capital of RM2 comprising of two (2) ordinary shares of RM1.00 each. He owns one (1) ordinary share of RM1.00 each in each of the abovementioned companies, except for OSK-Signet.

Presently, as Executive Director and Chief Executive Officer of the Signet Group, he is mainly responsible for the overall day-to-day operations of the Signet Group which includes conducting the business affairs of the group, servicing major clients, marketing and managing the administration aspects of the group.

Jasmy bin Ismail, Malaysian, aged 39, is the Chief Executive Officer of SGT. He obtained his Masters of Science in Transport Planning and Management from City University, United Kingdom in 1987.

7. INFORMATION ON THE SHB GROUP (Cont'd)

He started his career in 1988 as a Marketing Representative with IBM World Trade Corporation (Malaysian Branch) ("IBM") (*now known as IBM Malaysia Sdn Bhd*). During his seven (7) years with IBM, he received several awards, including three (3) Hundred Percent Club Awards and was also promoted several times. Prior to leaving IBM, he was the Executive Assistant to the Chief Executive Officer of IBM. In 1996 he joined CCAAP Technologies Sdn Bhd ("CCAAP") as a General Manager, where he was part of the team representing CCAAP which succeeded in the bid for the supply and installation of equipment for the first subscription based television service in Malaysia. Subsequently, he participated in the management buy-out of HMO Pacific Sdn Bhd (*now known as Pantai Medicare Sdn Bhd*), which was the first company which offers managed-healthcare services to corporate and retail markets. Then, in 1998, he joined New Technology & Innovation Sdn Bhd ("NTI"), where he assumed several positions including being a member of the Board of Directors of NTI and the Executive Director who was responsible for sales operations.

He joined SGT as Chief Executive Officer in April 2001 and is mainly responsible for the day-to-day operations of SGT in addition to the formulation and implementation of the business plans and marketing strategies of the SGT Group.

Cyril Tan Eng Wah, Malaysian, aged 35, is one of the founders of Xennet and SXS. He graduated with a Bachelor of Economics and Commerce from La Trobe University, Australia in 1991.

He started his career in 1990 as a Fund Administrator with CSA Consulting Pte Ltd (Australia). In 1992, he returned to Malaysia and joined Ernst & Young Consultants Sdn Bhd as a Consultant and was later promoted to Senior Consultant. Between 1994 and 1999 he held various position in CCAAP, Qualcomm ASEAN Pte Ltd and Qualcomm System (M) Sdn Bhd (collectively "Qualcomm"). As a Vice President and General Manager of CCAAP, he was responsible for seeking and securing investments for the company. In Qualcomm, he was responsible for the development and sales of Qualcomm's technologies and solutions in the Asia Pacific region and the development for the internal and e-commerce strategies of Qualcomm. In 1999 he left CCAAP to set up Xennet and SXS.

Presently, as the Chief Executive Officer of Xennet and SXS, he is mainly responsible for formulating and implementing strategies for the market expansion of Xennet and SXS into the ASEAN countries.

Tan Hooi Chee, Malaysian, aged 41, is one of the founders of Xennet and SXS. She graduated with a Bachelor of Economics (Accounting) from Macquarie University, Australia in 1985. She subsequently obtained a Master of Commerce (Information Technology) degree from the University of New South Wales, Australia in 1989.

She started her career in 1985 with Genting Australia Pty Ltd as an Accountant. In 1987, she joined Esso Australia Ltd as a Financial Analyst and later became a Financial Systems Project Analyst. Between 1990 and 1991, she worked for Telstra Australia Ltd as a Systems Accountant. In 1991, she returned to Malaysia and joined Ernst & Young Consultants Sdn Bhd as a Consulting Manager for the Information Systems Consulting Division. Subsequently in 1994, she joined the Xylog Computer Systems Sdn Bhd ("Xylog") as a Consulting Director and was later promoted to the position of General Manager for Operations. Her responsibilities include formulating and implementing technical and operational activities of Xylog and its related companies including human resource development and product development strategy and activities. She had successfully oversee a team of people in the implementation of various unit trust, investment management and consulting assignment projects. In 1999 she left the Xylog to set up Xennet and SXS.

7. INFORMATION ON THE SHB GROUP (Cont'd)

Presently, as the Chief Operating Officer of Xennet and SXS, she is mainly responsible for running the day-to-day operations of the companies which includes the execution of the strategies, marketing of the products, management of resources, human resource development, finance and administration.

Annie Tee Soo Chen, Malaysian, aged 39, is one of the founders of Xennet and SXS. She graduated with a Bachelor of Economics (Accounting) from La Trobe University, Australia in 1985.

She started her career in 1985 with Messrs Deloitte Haskins & Sells as a Semi-senior Assistant Accountant and was subsequently promoted to a Senior Assistant Accountant. From 1988 to 1995, she worked in various internal audit positions in the ANZ Banking Group, Commonwealth Bank of Australia and JP Morgan (Singapore), whereby she was involved in, amongst other responsibilities, risk-related measurement, reporting, control and management. In 1995, she joined Citibank N.A. Singapore as a Risk Manager. Then, in 1996, she returned to Malaysia and became the Consulting Director of First-Int'l Consulting Sdn Bhd. Her responsibilities include R&D for business solutions, resource management and operations and business infrastructure establishment. She left the said company in 1999 to set up Xennet and SXS.

Presently, as the Chief Product Officer of Xennet and SXS, she is mainly responsible for understanding and identifying the market needs for the products of Xennet and SXS and thereafter designing, assembling and repackaging the services provided by both the companies to better meet the requirements of the potential clients.

Suhaimi bin Hashim, Malaysian, aged 40, is the Director of Business Development of SGT. He graduated from the Mara Institute of Technology, Malaysia with a Diploma in Computer Science in 1987.

Upon graduation, he started his career as a Systems Programmer with Maybank Berhad. In 1989, he was promoted to head the Storage Management Unit which oversees the entire Maybank's computer storage system. Subsequently in 1992, he joined Teliti Computers Sdn Bhd as the head of the Large Systems Division and was in charge of the Sales and Marketing of IBM PCM mainframes. In 1996, he joined GISB, as Director of Business Development and was mainly responsible for developing new business opportunities in the banking and finance sector with a primary focus on solutions for the main back-end systems and various delivery channels.

Presently, as the Director of Business Development of SGT, he is mainly responsible for developing new business areas and maintaining client relationships for utility companies and government statutory bodies.

Ahmad Zulqarnain bin Che On, Malaysian, aged 30, is the Manager of Corporate Services of SHB. He graduated with a Bachelor of Arts in Economics from Harvard University, US in 1996. He began his career as an Investment Analyst with UBS Warburg (Malaysia) Sdn Bhd and in 1999 joined Danabarta in the Corporate Services Division. From 2001 until August 2002, he was a Manager in the Investment Banking Department of CIMB, during which he was seconded to the Corporate Debt Restructuring Committee of Bank Negara Malaysia for a period of 12 months until its closure. He joined SHB in October 2002.

7. INFORMATION ON THE SHB GROUP (Cont'd)

Fong Jin Ming, Malaysian, aged 28, is the Finance Manager of SHB. She graduated from the University of Malaya with a First Class Honours degree in Accounting in 1998, and is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. She started her career in 1998 with Messrs. Arthur Andersen and was double promoted to Semi Senior in 1999. She was subsequently promoted to Senior and Experienced Senior Auditor in 2000 and 2001 respectively. Prior to joining SHB in October 2002, she was an accountant with Perfecseal (Asia Pacific) Sdn Bhd.

Leong Oi Wah, Malaysian, aged 42, is the Associate Director of Signet. She is an Associate Member of the Malaysian Association of the Institute of Chartered Secretarial and Administrators. She started her career as a secretarial assistant in TGI Management Services Sdn Bhd from 1984 to 1987. She then joined Messrs Wong Yoon Thim & Co and held the position of Tax & Secretarial Assistant from 1987 to 1988. She worked in PFA Corporate Services Sdn Bhd as a Secretarial Assistant and Senior Secretarial Assistant from 1988 to 1991. From 1991 to 1995, she was a Corporate Affairs Executive in Larut Consolidated Berhad (now known as Europlus Berhad). She then joined Signet in 1995 as Manager and was appointed as Associate Director in 1999.

Leong Wong Chin, Malaysian, aged 55, is the Director of SSRS and heads the shares registration operations of SSRS. She started her career as a secretarial assistant in Messrs Ong, Teh, Chan & Co from 1970 to 1971. She worked as a Secretarial Assistant in Turquands Young from 1972 to 1973. Subsequently she joined Exelsior Services (Ipoh) Sdn Bhd as a Manager and was appointed as Director of the company in December 1990. She was then posted to the Kuala Lumpur share registration division of Signet in 1996 as senior manager after the merger of Exelsior Services (Ipoh) Sdn Bhd with Signet in 1994. She was appointed as Director of SSRS in October 2000.

Yong Chee Leong, Malaysian, aged 34, is the Head of Accounting and Payroll of Signet. He is a fellow member of the Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants and an associate member of the Malaysian Institute of Taxation. He started his career in April 1989 in Messrs Ernst & Young and rose to the rank of Audit Senior. He left the firm to join Amtek Holdings Berhad as the Group Accountant from November 1995 to June 1999. From July 1999 to January 2001, he was the Manager of the Financial Accounting Services Division of PFA Corporate Services Sdn Bhd. He joined Signet in February 2001 as Senior Manager.

(ii) Key management personnel's shareholding

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

| Designation | -----Before the Public Issue----- | | | | -----After the Public Issue----- | | | | |
|-------------------------------|--|---|-----------------|---------|----------------------------------|-----|-------------------|---------|--------------------|
| | No. of SHB Shares held | | | | No. of SHB Shares held | | | | |
| | Direct 000 | % | Indirect 000 | % | Direct 000 | % | Indirect 000 | % | |
| Dato' Mohamed Azman bin Yahya | Group Chief Executive | - | - | 136,663 | 54.7 ^{*1} | - | - | 136,663 | 48.8 ^{*1} |
| Lim Phooi Kee | Executive Director and Chief Executive Officer of the Signet Group | - | - | - | - | 200 | 0.1 ^{*2} | - | - |

7. INFORMATION ON THE SHB GROUP (Cont'd)

| | Designation | -----Before the Public Issue----- | | | | -----After the Public Issue----- | | | |
|-----------------------------|---|-----------------------------------|---|-----------------|-------------------|----------------------------------|-------------------|-----------------|-------------------|
| | | No. of SHB Shares held | | | | No. of SHB Shares held | | | |
| | | Direct 000 | % | Indirect 000 | % | Direct 000 | % | Indirect 000 | % |
| Jasmy bin Ismail | Chief Executive Officer of SGT | - | - | 21,275 | 8.5 ^{*3} | 300 | 0.1 ^{*2} | 21,275 | 7.6 ^{*3} |
| Cyril Tan Eng Wah | Chief Executive Officer of Xennet and SXS | - | - | 16,200 | 6.5 ^{*4} | 200 | 0.1 ^{*2} | 16,200 | 5.8 ^{*4} |
| Tan Hooi Chee | Chief Operating Officer of Xennet and SXS | - | - | 16,200 | 6.5 ^{*4} | 150 | 0.1 ^{*2} | 16,200 | 5.8 ^{*4} |
| Annie Tee Soo Chen | Chief Product Officer of Xennet and SXS | - | - | 16,200 | 6.5 ^{*4} | 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} | - | - |
| Lcong Wong Chin | Head of Share Registration | - | - | - | - | 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.
- ^{*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.

7. INFORMATION ON THE SHB GROUP (Cont'd)

(iii) Declaration

None of the key management personnel is or was involved in the following events, whether in or outside Malaysia:

- (a) A petition under any bankruptcy or insolvency laws filed against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (b) Conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (c) The subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or government body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

(iv) Service Agreement

Save for a three (3)-year fixed term contract between Signet and Lim Phooi Kee which is subject to early termination provisions and contains confidentiality provisions, the Group has not entered or propose to enter into any service agreement with any of its key management personnel which is not terminable by notice without payments or compensations (other than statutory notice) within one (1) year. The salient terms of the contract are as set out in Section 13.8 of this Prospectus.

(v) Other information

The Directors of SHB are supported by a team of qualified management staff.

The SGT Group is managed by its founders and as such, the management is very committed to continue to build the branding of its products as well as its client base to ensure the success of the SGT Group. Each of the founders carry with him significant IT experience and knowledge in the relevant fields. For instance, the founders of Xennet and SXS were responsible for the creation of the Spectrum software suite.

The management of the Signet Group has many years of working experience in the corporate services industry. In addition, they have been largely responsible for the expansion of the Signet Group in the past decade and is expected to spearhead the future expansion of the Signet Group as they did in the past.

As at 15 December 2002, the Group has a workforce of 159 employees. None of the employees of the Group belong to any labour union and the Group enjoys a cordial relationship with the employees.

7. INFORMATION ON THE SHB GROUP *(Cont'd)*

Its employees can be generally segregated into the following categories:

| Category | Number of employees | Approximate average years of service |
|----------------------------|---------------------|--------------------------------------|
| Managerial | 25 | 6.5 |
| Technical | 95 | 4.0 |
| Finance and administration | 29 | 6.7 |
| Others | 10 | 5.7 |
| Total | <u>159</u> | |

The Signet Group currently has professional education and technical programs to ensure its staff are well equipped to service its varied clientele.

7.10 FAMILY RELATIONSHIPS

Dato' Mohamed Azman bin Yahya is the spouse of Datin Normah binti Hashim. Save as disclosed, there are no other family relationships amongst the Directors, Promoters, Major Shareholders and key management personnel of the SHB Group.