

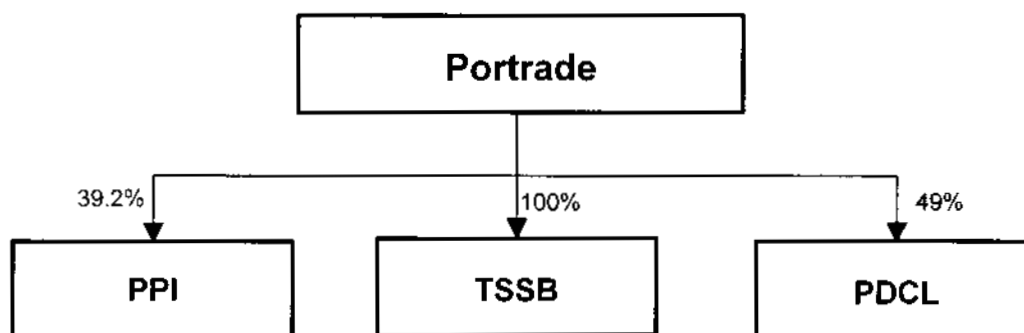
4. INFORMATION ON PORTRADE GROUP

4.1 Background Information

Portrade is a MSC Status company and was incorporated in Malaysia under the Act on 20 June 2000 as a private limited company under the name Portrade dotcom Sdn Bhd. Subsequently on 12 December 2001, it was converted to a public limited company and assumed its current name. Portrade was accorded the MSC Status on 31 October 2000 and has registered with the CMC as an ASP Class Licence holder since 3 July 2002.

Portrade has a wholly owned subsidiary, TSSB and two (2) associated companies, namely PDCL and PPI. The principal activities of Portrade Group are in the provision of IT-related products and services for the maritime port, shipping and logistics industry and co-operatives which include but not limited to consultancy, design, research, development, and implementation of business application software solutions, providing sales of software and maintenance services.

The Group's corporate structure is as follows :



The primary objectives of the Group are to provide the following :-

- * Web-enabled port applications for maritime port operators in Malaysia and neighbouring countries;
- * Web-enabled shipping and logistic applications to all maritime port user communities in Malaysia and neighbouring countries; and
- * Connect port operators and port users via a digital portal thereby assisting the Malaysian Government to create an efficient maritime port trading process leveraging on the communities' value chain.

4.2 Development of the Group

Certain Promoters have been involved in the provision of IT related products and services to the ports for the past fifteen (15) years. The port IT business was first initiated back in 1985 through MSB. MSB and its subsidiaries were involved in the provision of IT services such as computerisation projects, networking and reseller of third party software and hardware. Subsequently in 1997, an internal restructuring of the MSB group resulted in the creation of a new holding company for the MSB group namely, MRSB. MSB and TSSB were then the subsidiaries of MRSB.

With the fast development of the new Web-based and Web-enabled technologies, the Promoters decided to form Portrade to specialise in emerging Web technologies to further enhance its port applications and to capitalise on the opportunities arising from the Internet and ASP technology. In line with this development, Portrade acquired TSSB from MRSB in the year 2001.

The Group aims to be an ASP service provider of port application software for the ports in the ASEAN and Asia-Pacific region and has been actively expanding its operations abroad. In January 2001, Portrade entered into a joint venture agreement for the formation of PDCL in Thailand with a view of providing its IT-related products and services to the ports in Thailand. PPI was incorporated in October 2002 to facilitate the business venture of the Group in the Philippines. Portrade has in November 2002 entered into a subcontract agreement with Unisys Australia Limited (Philippines Branch) to undertake the implementation of the Philippines Ports Authority IT project. In the long run, the Group also plans to venture into Indonesia, Hong Kong, China and other ports in the Asia-Pacific region.

4. INFORMATION ON PORTRADE GROUP (cont'd)

To date, the Promoters, through MSB, MRSB, TSSB and Portrade have successfully implemented/ implementing the following applications for the ports in Malaysia :-

| Applications | Customer | Vendor | Year Implemented |
|--|--|----------|------------------|
| 1. Port Management System (earlier version of VSS) | <input type="checkbox"/> Kuching Port Authority, Sarawak | MSB | 1985 |
| | <input type="checkbox"/> Lumut Maritime Sdn Bhd, Perak | MSB | 1995 |
| 2. CTS | <input type="checkbox"/> Kuching Port Authority, Sarawak | MSB | 1996 |
| | <input type="checkbox"/> Rajang Port Authority, Sarawak | TSSB | 1997 |
| | <input type="checkbox"/> Bintulu Port Sdn Bhd, Sarawak | MRSB | 1999 |
| | <input type="checkbox"/> Sabah Ports Authority, Sabah | Portrade | In-progress |
| 3. VSS | <input type="checkbox"/> Lumut Maritime Sdn Bhd, Perak | MSB | 1995 |
| | <input type="checkbox"/> Kuching Port Authority, Sarawak | MRSB | 1999 |
| | <input type="checkbox"/> Penang Port Sdn Bhd, Penang | MRSB | 2000 |
| | <input type="checkbox"/> Sabah Ports Authority, Sabah | Portrade | In-progress |

Portrade aspires to be a major ASP for the maritime port trade community in Malaysia and potentially ASEAN. Details of the Group's products and services are set out in Section 6.2 of this Prospectus.

The Group's operations are located at its head office in Cyberjaya which also houses its R&D team. The Group is also currently setting up its data centre facility with its IT vendors and the data centre will be utilised to provide application software and Web hosting for port operators and port user community.

4.3 Details of significant acquisition of securities/ assets made within the past two (2) years

Portrade acquired the following assets during the past two (2) years :-

4.3.1 Acquisition of TSSB from MRSB

On 30 October 2001, Portrade entered into a sale and purchase agreement with MRSB to acquire the entire issued and paid-up share capital of TSSB comprising 250,000 ordinary shares of RM1.00 each for a purchase consideration of RM6,500,000 based on the NTA of TSSB of approximately RM800,000, the future prospects of TSSB and the benefits from synergies of business between Portrade and TSSB.

The purchase consideration was/ is to be satisfied via :-

- (i) Cash payments totalling RM4.26 million paid by 15 August 2001; and
- (ii) Cash payment of RM2.24 million to be paid three (3) years after the date of the sale and purchase agreement.

The sale and purchase agreement was signed on 30 October 2001 on the basis that the acquisition of TSSB was effected on 16 July 2001 and that the shares in TSSB were held in trust by MRSB pending legal transfer of the said shares to Portrade. The shares of TSSB were transferred to Portrade on 31 October 2001.

In arriving at the purchase consideration of RM6.5 million, the Directors of Portrade have taken into consideration of the following :-

| | | |
|----|---|-------------|
| A. | <i>Expected cashflow from consultancy and implementation of Phase 2 of Sabah Ports Authority project and maintenance works for first year</i> | RM5,700,000 |
| B. | <i>Estimated NTA of TSSB as at 30.6.2001</i> | RM800,000 |
| | <i>Total consideration</i> | RM6,500,000 |

4. INFORMATION ON PORTRADE GROUP (cont'd)

As at to-date, Portrade has completed and collected substantial portion of the contract sum (RM5.8 million) from the consultancy and implementation of Phase 2 of the Sabah Ports project. The project is expected to be completed by first quarter of 2003 and Portrade expects the remaining portion of the consultancy and implementation fees to be fully collected in 2003. The project also entitles the Group to recurrent maintenance income, which barring unforeseeable circumstances, are expected to be in force for at least five (5) years with effect from six (6) months after full implementation of the said IT project. In addition, Portrade also benefits from other on-going maintenance projects, such as the maintenance works for SESCO., Koperasi Pekerja-Pekerja Kerajaan Sabah Berhad and Koperasi Pekerja Kerajaan Sarawak Berhad as set out in Section 11.1.2 of this Prospectus.

A Supplemental Agreement was subsequently entered into between MRSB and Portrade on 14 October 2002 to make amendments to the wordings in certain clause of the sale and purchase agreement dated 30 October 2001.

In view of the on-going contracts secured by TSSB, the Directors of Portrade are of the view that the acquisition of TSSB is and will continue to be financially beneficial to Portrade. In addition, Portrade also has ready access to existing customers of TSSB and secured maintenance income.

The Company's Solicitors, Messrs Jeff Leong, Poon & Wong has on 18 July 2002 furnished a legal opinion that the acquisition of TSSB from MRSB does not contravene Section 132G of the Act, an extract of which is as follows:-

"3.3 Based on the information furnished to us by Portrade as at 30 October 2001, the date the acquisition of TSSB was entered into :-

3.3.1 Tan Tiong Liang @ Tan Chung Liang, Nobel Pang Paul Gen, APSB and PPSB each hold substantial shareholdings of 16.96% of the shares in Portrade respectively. Ong Lam Hoe holds 50% of the shares in APSB, Tan Tiong Liang @ Tan Chung Liang, Nobel Pang Paul Gen and Ong Lam Hoe are also directors of Portrade.

3.3.2 MRSB holds 100% of the shares in TSSB. Further, MRSB is wholly owned by Site Capital Sdn Bhd ("SCSB"). Tan Tiong Liang @ Tan Chung Liang, Nobel Pang Paul Gen, Ong Lam Hoe and PPSB, each holds substantial shareholding of 17.5% of the shares in SCSB respectively whilst Cambridge Capital Sdn Bhd ("CCSB") holds 30% of the shares in SCSB. Tan Tiong Liang @ Tan Chung Liang and Nobel Pang Paul Gen each holds 25% of the shares in CCSB.

3.3.3 We are instructed that Tan Tiong Liang @ Tan Chung Liang and Nobel Pang Paul Gen effectively controls 65% of SCSB through their direct holdings of 17.5% each in SCSB and indirect holdings of 30% in SCSB through CCSB.

3.4 Section 132G provides that the acquisition or transaction of shares would not be void if the transaction was entered into three (3) years after the shareholder, director or connected person first held the shares in the other company.

3.5 In the case of Actacorp Holdings & Anor (1993) ("Actacorp") ("the Actacorp Case") which represents the only case law in Malaysia on Section 132G to date, Abdul Aziz Mohd J observed as follows:-

"It is clear to me that the 'mischief' for which S 132G was intended to prevent arose from substantial shareholdings in target companies by directors of acquiring companies or persons connected to such directors. Therefore the period of three years specified by sub-s (1) should be from the date on which the mischief happened, i.e the date on which the substantial shareholding was first held".

The Actacorp Case involved shares of a target company that were directly held by a director of Actacorp as registered shareholder.

3.6 Firstly, we are of the view that the phrase first held the shares in the other company, as in the Actacorp Case, refers to the direct holding of substantial holding shares in the target company as registered shareholder. On this ground, we are of the view that there is no breach of Section 132G as none of the directors and shareholders of Portrade or

4. INFORMATION ON PORTRADE GROUP (cont'd)

persons connected to them directly hold any shares in MCSB as registered shareholder, whether as substantial shareholder or otherwise, as the shares were 100% held directly by MRSB.

- 3.7 Section 6A(4) of the Act provides that a person shall be deemed to have an interest in a share where a body corporate has an interest in shares and that person is entitled to exercise or control the exercise of not less than 15% of the votes attached to the voting shares in the body corporate. It is important to note that the section refers to the deeming of an "interest in shares" and not the holding of shares. There is no decided case precedent in which the deeming provisions of Section 6A(4) has been applied for the purpose of determining whether the directors and substantial shareholders of the acquiring company and persons connected to them first held the shares in the other company (i.e target company) within the meaning of Section 132G. As the section is penal in nature, we are of the view that a narrow meaning ought to be given and the ambiguities construed against the statute, in line with established rules of statutory interpretation.
- 3.8 Secondly, even if a purposive approach is adopted to interpret the meaning of the phrase first held the shares in the other company and Section 6A(4) is used to deem Tan Tiong Liang @ Tan Chung Liang and Nobel Pang Paul Gen as having a substantial shareholding in MCSB through their 17.5% shareholding in SCSB which in turn owns 100% of MRSB which holds 100% of the shares in MCSB, we are of the view that there is no breach of S 132G for the following reasons:-
- 3.8.1 The Actacorp Case has been interpreted by textbook writers to the effect that so long as at the date of the proposed acquisition the relevant person is a substantial shareholder and this capacity is traceable back to a time three years ago without a break in the chain of substantial shareholding, the exception applies;
- 3.8.2 There is no break in the chain of substantial shareholding held by Tan Tiong Liang @ Tan Chung Liang and Nobel Pang Paul Gen as their substantial shareholdings in MRSB since 26 February 1998 were instantaneously continued when they were swapped into SCSB in return for shares in SCSB on 5 October 1999. Therefore, the exception continues to apply and there is no breach of Section 132G.
- 3.9 Even though Ong Lam Hoe (an indirect substantial shareholder and director of Portrade), PPSB (a substantial shareholder of Portrade) and SCSB (a person connected to directors and substantial shareholders of Portrade) have respectively held shares in MRSB for less than three (3) years, we are of the view that there is no breach of Section 132G for the following reasons:-
- 3.9.1 In the Actacorp Case, Abdul Aziz Mohd J was, inter alia, of the following views:-
- (1) "It is not difficult to understand why Parliament thought it necessary to restrict transactions between the acquiring company and a target company and where a third company has a substantial shareholding in the target company and that third company is controlled or likely to be controlled by the director of the acquiring company and other persons, for example, relatives, trustees or business partners, connected to it";
 - (2) "Section 132G also involves three entities. The first and second are the acquiring company and target company. The third is the director of the acquiring company or persons connected with him. The prohibition in the section arises where there is a connection between the first and the second entity by means of the third entity because the third entity has a substantial shareholding in the second entity";
 - (3) "The evil to be avoided by Section 132G is not merely that the first entity (i.e the acquiring company) acquires shares from the second entity (i.e the target company). The evil is that the acquisition is at a time when there was such a said connection. The mischief arises from such a connection, something which puts a question mark on

4. INFORMATION ON PORTRADE GROUP (cont'd)

the integrity of the transaction and results in a possible conflicts of interest situation".

3.9.2 *Although Actacorp was a High Court decision, we are of the view that the above passages of the judgment in the Actacorp Case, although not binding, are of persuasive authority to Malaysian courts.*

3.9.3 *As explained above, both Tan Tiong Liang @ Tan Chung Liang and Nobel Pang Paul Gen (who are directors and substantial shareholders of Portrade) have held shares in MRSB for more than three (3) years and effectively control SCSB. As the third company (SCSB) is controlled by directors and substantial shareholders of the acquiring company (Portrade) who have held indirect shares in the target company (MCSB) for more than three years, we are of the view that there is no mischief "which puts a question mark on the integrity of the transaction and results in a possible conflicts of interest situation" falling within the ambit of Section 132G. Consequently, there is no breach of the section."*

4.3.2 Acquisition of Port Systems for CTS and VSS from MSB

On 28 February 2001, Portrade acquired the port systems for CTS and VSS from MSB for a purchase consideration of RM1.5 million and was settled wholly via cash payment on 22 June 2001.

The company's Solicitors, Messrs Jeff Leong, Poon & Wong has on 18 July 2002 furnished a legal opinion that the acquisition of port systems from MSB does not contravene Section 132G, an extract of which is as follows:-

"We are of the view that the acquisition of the Port Systems from MSB would not be prohibited by Section 132G as the Port Systems was acquired and owned by MSB since 1985, far exceeding the three (3) years restriction stipulated under Section 132G. In the circumstances, we are of the view that the acquisition of the Port Systems by Portrade does not contravene Section 132G."

4.3.3 Acquisition of Informix systems and related services from MRSB

On 31 December 2000, Portrade acquired iSELL and I-Dynamic and related consultancy services from MRSB for a purchase consideration of RM1.2 million and was settled wholly via cash payment on 18 June 2001.

Subsequent to the above acquisition, in October 2001, IBM announced its decision to acquire Informix worldwide. One of the effects of the acquisition is that IBM does not support the iSELL product. Shortly after the announcement, the Board of Directors of Portrade, after taking into consideration the following cost/benefit analysis, decided to migrate its software development platform from Informix to IBM's WebSphere :-

- (i) There is potentially substantial cost saving by migrating to WebSphere compared to retaining iSELL suite of products, as Portrade would need to secure maintenance services from third party IT vendors and at the same time upgrade its iSELL/I-Dynamic to the latest version;
- (ii) The advanced features and product suites of WebSphere allow Portrade to have the capabilities of enhancing its IPMS products when the need arises; and
- (iii) The maintenance/ support services will be provided by IBM in Malaysia.

The migration to WebSphere has not resulted in any material disruption to the Group's operations, R&D activities and its deliveries to customers as the Group has drawn up a proper migration plan to migrate to the WebSphere platform.

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4. INFORMATION ON PORTRADE GROUP (cont'd)

The Company's Solicitor, Messrs Jeff Leong, Poon and Wong has on 18 July 2002 furnished a legal opinion that the acquisition of the Informix systems and related services from MRSB does not contravene Section 132G of the Act, an extract of which is as follows:-

- “5.3 The Board of Directors of MRSB were of the view that as MRSB is in IT business as a provider of IT products and services, any purchase or sale of IT products or services is considered to be in the ordinary course of business, whether it is one off or otherwise.
- 5.4 This is supported by the Object Clauses of the Memorandum of Association of MRSB. In particular, Clause 27 allows MRSB to apply for purchase or otherwise acquire, use, assign, sell and generally deal in patents, patent-rights, trade-marks, designs, or other exclusive or non-exclusive or limited rights or privileges and to use, develop, grant licences, and otherwise turn to account the same or any interests thereunder and at pleasure to dispose of the same in any way. In our view, all the objects clauses of the Memorandum of Association are to be taken into consideration and not just the first few clauses in determining whether the company is permitted to carry out certain activities.
- 5.5 In the Malaysian case of *United Malayan Banking Corporation Bhd v Aluminex (M) Sdn Bhd & Anor* [1993] 3 MLJ 587, Edgar Joseph Jr SCJ in interpreting the meaning of phrase “in the ordinary course of business” states:
- “There is authority for saying that the expression ‘ordinary course of business’ is not confined to what is, in fact ordinarily done in the course of a particular business of the company so that transactions will be within this principle even though, they be, in relation to the company, exceptional or unprecedented”.
- 5.6 In the context of a Related Party Transaction of a KLSE listed company, the KLSE has issued Practice Note No.12/2001 on Recurrent Related Party Transactions of A Revenue Nature which inter alia, states the following:-
- “A related party transaction is in the ordinary course of business, if it is a transaction which would reasonably be expected to be carried out by the listed issuer given the type of business the listed issuer is involved in. The fact that the transaction is envisaged in the memorandum of association of the listed issuer shall not be a conclusive factor of determination.”
- 5.7 We are of the view that in interpreting Section 132G of the Act, aids to interpretation such as the Act, the Interpretation Act and judicial and academic interpretations may be relied upon. The KLSE Practice Note, while possibly helpful, may not be conclusive.
- 5.8 Be that as it may, we note that the Board of Directors of MRSB considers that:-
- 5.8.1 there is nothing abnormal in the sale of the Informix software licenses by MRSB as a provider of IT products and services;
- 5.8.2 the transaction is one which is reasonably expected to be carried out by companies engaged in such businesses; and
- 5.8.3 while the transaction may be one off, this by itself does not mean that it is not in the ordinary course of business (See Edgar Joseph Jr SCJ's comments above).
- 5.9 In the circumstances, we are of the view that the sale of the Informix software licences and Port Systems were within the ordinary course of business of MRSB and the exception to Section 132G applies. Consequently, there is no breach of Section 132G.

The Port Systems for CTS and VSS stated in Section 4.3.2 and the Informix Systems stated in Section 4.3.3 are integral components of Portrade's ASP delivery infrastructure and the absence of any of these components will render the ASP infrastructure un-operateable. Accordingly, these systems have fulfilled the criteria to be classified as plant and equipment in accordance with the International Accounting Standards (IAS) 38 on intangible assets and Malaysia Accounting Standards Board No. 15, Accounting For Property, Plant and Equipment and have been recognised as tangible assets.

4. INFORMATION ON PORTRADE GROUP (cont'd)

Both Portrade and TSSB are focused on, amongst others, the provision of application software for the port and shipping industry. Through the above acquisitions, Portrade is able to achieve significant synergies through the pooling of resources and R&D activities to develop new application software using Web-based technology (i.e. ASP) and to ensure the future success of the Group.

4.4 Share Capital and Changes in Share Capital

The present authorised share capital of Portrade is RM20,000,000 comprising 200,000,000 Shares. The changes in the authorised share capital of Portrade since its incorporation are as follows :-

| Date and remark | Par value | Number of shares | Total authorised share capital |
|---|-----------|------------------|--------------------------------|
| | | RM | RM |
| As at date of incorporation, 20.06.00 | 1.00 | 100,000 | 100,000 |
| Created on 02.03.01 | 1.00 | 400,000 | 500,000 |
| Created on 14.06.01 | 1.00 | 9,500,000 | 10,000,000 |
| Created on 30.11.01 | 1.00 | 10,000,000 | 20,000,000 |
| Subdivision on 30.11.01 to par of RM0.10 each | 0.10 | 200,000,000 | 20,000,000 |

The current issued and paid-up share capital of Portrade is RM8,000,000 comprising 80,000,000 Shares and it will be increased to RM9,330,000 comprising 93,300,000 Shares upon completion of the Public Issue. The changes in the issued and paid-up share capital of Portrade since its incorporation are as follows:-

| Date of allotment | No. of shares | Par value | Consideration | Total issued and paid-up share capital |
|-------------------|---------------|-----------|-----------------------------------|--|
| | | RM | | RM |
| 20.06.00 | 2 | 1.00 | Subscribers' shares; Cash | 2 |
| 24.11.00 | 99,998 | 1.00 | Cash | 100,000 |
| 02.03.01 | 100,000 | 1.00 | Cash | 200,000 |
| 14.06.01 | 1,000,000 | 1.00 | Cash | 1,200,000 |
| 20.06.01 | 4,800,000 | 1.00 | Cash | 6,000,000 |
| 15.09.01 | 2,000,000 | 1.00 | Cash | 8,000,000 |
| 30.11.01 | - | 0.10 | Subdivision to par of RM0.10 each | 8,000,000 |

4.5 Information on Subsidiary and Associated Companies

4.5.1 TSSB

4.5.1.1 History and Business Overview

TSSB was incorporated in Malaysia under the Act on 18 September 1993 as a private limited company under the name Gentle Reaction Sdn Bhd. It commenced operation and changed its name to Malitnet Consultancy Sdn Bhd on 28 January 1997. On 15 October 2002, it assumed its present name.

At present, the principal activities of TSSB are in the provision of IT-related products and services for the non-port related industry which include but not limited to consultancy, design, research, development, and implementation of business application software, providing sales of software and maintenance services. Its main product is the MMS which caters for the management of membership information of co-operatives. Its other activities include providing software solutions and support for hand-held meter reading devices and city council management systems.

4. INFORMATION ON PORTRADE GROUP (cont'd)

4.5.1.2 Share Capital and Changes in Share Capital

The existing authorised and issued and paid-up share capital of TSSB are RM500,000 and RM250,000 comprising 500,000 and 250,000 ordinary shares of RM1.00 each respectively.

The changes in the authorised share capital of TSSB since its incorporation are as follows:-

| Date and remark | Par value | Number of shares | Total authorised share capital |
|---------------------------------------|-----------|------------------|--------------------------------|
| | RM | | RM |
| As at date of incorporation, 18.09.93 | 1.00 | 100,000 | 100,000 |
| Created on 01.07.97 | 1.00 | 400,000 | 500,000 |

The changes in the issued and paid-up share capital of TSSB since its incorporation are as follows:-

| Date of allotment | No. of shares | Par value | Consideration | Total issued and paid-up share capital |
|-------------------|---------------|-----------|--|--|
| | | RM | | RM |
| 18.09.93 | 2 | 1.00 | Subscribers' shares; Cash | 2 |
| 01.07.97 | 249,998 | 1.00 | Capitalisation of outstanding balances due to shareholders | 250,000 |

4.5.1.3 Major Shareholder

TSSB is a wholly owned subsidiary of Portrade.

4.5.1.4 Subsidiary And Associated Company

As at the date of this Prospectus, TSSB does not have any subsidiary or associated company.

4.5.2 PDCL

4.5.2.1 History and Business Overview

PDCL was incorporated in Thailand under the Civil and Commercial Code of Thailand on 5 April 2002 as a private limited company.

At present, PDCL has not commenced operation yet. Its intended principal activities are marketing and provision of IT-related products and services in Thailand.

4.5.2.2 Share Capital and Changes in Share Capital

The existing authorised and issued share capital of PDCL are both 3,000,000 Baht comprising 30,000 shares of 100 Baht each. The paid-up share capital is 750,000 Baht comprising 30,000 shares of 100 Baht paid-up to 25 Baht.

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4. INFORMATION ON PORTRADE GROUP (cont'd)

The changes in the authorised share capital of PDCL since its incorporation are as follows:-

| Date and remark | Par value | Number of shares | Total authorised share capital |
|---------------------------------------|------------------|-------------------------|---------------------------------------|
| | Baht | | Baht |
| As at date of incorporation, 05.04.02 | 100 | 30,000 | 3,000,000 |

The changes in the issued and paid-up share capital of PDCL since its incorporation are as follows:-

| Date of allotment | No. of shares | Par value | Consideration | Total issued and paid-up share capital |
|--------------------------|----------------------|------------------|-------------------------------------|---|
| | | Baht | | Baht |
| 05.04.02 | 30,000 | 100 | Cash (paid-up to 25 Baht per share) | 750,000 |

4.5.2.3 Major Shareholders

PDCL is a 49% owned associated company of Portrade.

The Major Shareholders of PDCL are set out below :-

| Major Shareholders | Direct | Shareholding % | Indirect | % |
|--------------------------------|---------------|-----------------------|-----------------|----------|
| Portrade | 14,700 | 49.0 | - | - |
| Monchetpong Jirasevoonupraphan | 7,800 | 26.0 | - | - |
| Yanee Santichacanan | 5,993 | 20.0 | - | - |

4.5.2.4 Subsidiary And Associated Company

As at the date of this Prospectus, PDCL does not have any subsidiary or associated company.

4.5.3 PPI**4.5.3.1 History and Business Overview**

PPI was incorporated in Philippines under the Corporation Code of the Philippines (Batas Pambansa Blg. 68) on 28 October 2002.

At present, PPI has not commenced operation yet. Its intended principal activities are marketing and provision of IT-related products and services in the Philippines.

4.5.3.2 Share Capital and Changes in Share Capital

The existing authorised capital stock of PPI is 50,000 Pesos comprising 500 shares of 100 Pesos and have been fully subscribed.

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4. INFORMATION ON PORTRADE GROUP (cont'd)

The changes in the authorised capital stock of PPI since its incorporation are as follows:-

| Date and remark | Par value | Number of shares | Total authorised share capital |
|---------------------------------------|------------------|-------------------------|---------------------------------------|
| | Peso | | Peso |
| As at date of incorporation, 28.10.02 | 100 | 500 | 50,000 |

The changes in the authorised capital stock of PPI that has been subscribed since its incorporation are as follows:-

| Date of allotment | No. of shares | Par value | Consideration | Total authorised capital stock subscribed |
|--------------------------|----------------------|------------------|----------------------|--|
| | | Peso | | Peso |
| 28.10.02 | 500 | 100 | Cash | 50,000 |

4.5.3.3 Major Shareholders

PPI is a 39.2% owned associated company of Portrade.

The Major Shareholders of PPI are set out below :-

| Major Shareholders | Direct | Shareholding % | Indirect | % |
|---------------------------|---------------|-----------------------|-----------------|----------|
| Portrade | 19,600 | 39.2 | - | - |
| Benjamin D. Domingo | 30,000 | 60.0 | - | - |

4.5.3.4 Subsidiary And Associated Company

As at the date of this Prospectus, PPI does not have any subsidiary or associated company.

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5. INFORMATION ON MAJOR SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

The Group is spearheaded by its Promoters/Directors and management team with extensive experience in the IT industry.

5.1 Major Shareholders / Promoters

5.1.1 Shareholding

As at 18 December 2002 (being the latest practicable date prior to the printing of this Prospectus), the Major Shareholders' and Promoters' shareholdings in Portrade are as follows :

| Major Shareholders / Promoters | Country of incorporation/ Nationality | Shareholding before Public Issue | | | | Shareholding after Public Issue | | | |
|-------------------------------------|---------------------------------------|----------------------------------|--------------|-------------------------|-------|---------------------------------|--------------|-------------------------|-------|
| | | ← Direct → | | ← Indirect → | | ← Direct → | | ← Indirect → | |
| | | Number of Shares | % | Number of Shares | % | Number of Shares | % | Number of Shares | % |
| APSB # | Malaysia | 13,569,100 | 16.96 | - | - | 13,569,100 | 14.54 | - | - |
| Ong Kuan Kuan | Malaysian | - | - | 13,569,100 ^a | 16.96 | - | - | 13,569,100 ^a | 14.54 |
| Ong Lam Hoe | Malaysian | - | - | 13,569,100 ^a | 16.96 | - | - | 13,569,100 ^a | 14.54 |
| PPSB # | Malaysia | 13,569,100 | 16.96 | - | - | 13,569,100 | 14.54 | - | - |
| Law Kiu Ong | Malaysian | - | - | 13,569,100 ^b | 16.96 | - | - | 13,569,100 ^b | 14.54 |
| Cecilia Law Tiing Tiing | Malaysian | - | - | 13,569,100 ^b | 16.96 | - | - | 13,569,100 ^b | 14.54 |
| Tan Tiong Liang @ Tan Chung Liang # | Malaysian | 13,569,110 | 16.96 | - | - | 13,569,110 | 14.54 | - | - |
| Nobel Pang Paul Gen # | Malaysian | 13,569,110 | 16.96 | - | - | 13,569,110 | 14.54 | - | - |
| Chua Boon Hua # | Malaysian | 11,278,940 | 14.10 | - | - | 11,278,940 | 12.09 | - | - |
| Lau Hong Thiam # | Malaysian | 3,759,640 | 4.70 | - | - | 3,759,640 | 4.03 | - | - |
| | | <u>69,315,000</u> | <u>86.64</u> | | | <u>69,315,000</u> | <u>74.28</u> | | |

Notes :

Cecilia Law Tiing Tiing is the daughter of Law Kiu Ong and Ong Lam Hoe is the brother of Ong Kuan Kuan

Promoters

a Deemed interested by virtue of their Major Shareholding in APSB

b Deemed interested by virtue of their Major Shareholding in PPSB

5.1.2 Profiles of Major Shareholders

5.1.2.1 APSB

APSB was incorporated in Malaysia on 14 March 1997 under the Act as a private limited company. Its principal activity is investment holdings. The Directors of APSB are Ong Kuan Kuan and Ong Lam Hoe.

The Major Shareholders of APSB are as follows :-

| Major Shareholders | Direct | Shareholding | | % |
|--------------------|--------|--------------|----------------|------|
| | | % | Indirect | |
| Ong Kuan Kuan | 1 | 50.0 | 1 ⁱ | 50.0 |
| Ong Lam Hoe | 1 | 50.0 | 1 [#] | 50.0 |

Notes :-

i Deemed interested by virtue of being the sister of Ong Lam Hoe

ii Deemed interested by virtue of being the brother of Ong Kuan Kuan

5. INFORMATION ON MAJOR SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (cont'd)

Profile of Ong Lam Hoe who is also a Director of Portrade is set out in Section 5.3.1 of this Prospectus. Profile of Ong Kuan Kuan is set out below :-

Ong Kuan Kuan, aged 36, graduated in December 1986 from the University of Canterbury in Christchurch, New Zealand with Bachelor of Commerce degree in Accountancy. She was admitted as an associate member of Association of Chartered Accountants, New Zealand in 1989. She was employed by KPMG, Wellington, New Zealand in January 1987 until May 1989 when she was transferred to KPMG, Kuala Lumpur and left as Senior Auditor in July 1990 to join Summa International (M) Sdn Bhd as an Accountant. She then joined Delsis Technology (M) Sdn Bhd as a Finance Manager in July 1992 until August 1993. She is currently self employed.

5.1.2.2 PPSB

PPSB was incorporated in Malaysia on 21 December 1993 under the Act as a private limited company. Its principal activities are investment in IT education and properties. The Directors of PPSB are Law Kiu Ong and Cecilia Law Tiing Tiing.

The Major Shareholders of PPSB are as follows :-

| Major Shareholders | Direct | Shareholding | | % |
|-------------------------|--------|--------------|----------------------|------|
| | | % | Indirect | |
| Law Kiu Ong | 50,000 | 50.0 | 50,000 ⁱ | 50.0 |
| Cecilia Law Tiing Tiing | 50,000 | 50.0 | 50,000 ⁱⁱ | 50.0 |

Notes :-

- i Deemed interested by virtue of being the father of Cecilia Law Tiing Tiing*
- ii Deemed interested by virtue of being the daughter of Law Kiu Ong*

Profile of Cecilia Law Tiing Tiing who is also a Director of Portrade is set out in Section 5.3.1 of this Prospectus. Profile of Law Kiu Ong is set out below :-

Law Kiu Ong, aged 62, is a Director and Major Shareholder of PPSB. He worked in the Port Operation Department of Rajang Port Authority, Sibul, Sarawak for over twenty-five (25) years until his retirement in 1989. Thereafter, he ventured into business and incorporated PPSB in 1993 as a investment holding company for various business activities.

The profiles of Tan Tiong Liang @ Tan Chung Liang, Nobel Pang Paul Gen and Chua Boon Hua who are also Directors of Portrade are set out in Section 5.3.1 of this Prospectus.

5.1.3 Promoters

The Promoters of Portrade are Tan Tiong Liang @ Tan Chung Liang, Nobel Pang Paul Gen, Chua Boon Hua, Lau Hong Thiam, PPSB and APSB. Profiles of these Promoters, except for the profiles of PPSB and APSB which are set out in Section 5.1.2, are set out in Section 5.3.1 of this Prospectus.

5.1.4 Directorships in other Public Companies for the past two (2) years

None of the Major Shareholders/ Promoters has a directorship in other public companies for the past two (2) years from the date of this Prospectus.

5. INFORMATION ON MAJOR SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (cont'd)

5.1.5 Major Shareholding in other Public Companies for the past two (2) years

None of the Major Shareholders/ Promoters has shareholdings in other public companies, direct or indirect, for the past two (2) years from the date of this Prospectus.

5.2 Changes in Major Shareholders

Save as disclosed below, there has been no change in the Major Shareholders/Promoters of Portrade and their respective shareholdings since the date of incorporation until the date of this Prospectus :-

| Major Shareholders | Date | | Number of shares acquired / (disposed) | Number of shares | % equity interest |
|--------------------------------------|----------|----------|--|------------------|-------------------|
| | Acquired | Disposed | | | |
| APSB | 15.09.01 | - | 1,450,875 | 1,450,875 | 18.14 |
| | - | 26.11.01 | (93,965) | 1,356,910 | 16.96 |
| | - | - | - | * 13,569,100 | 16.96 |
| PPSB | 21.11.00 | - | 1 | 1 | 50.00 |
| | 24.11.00 | - | 18,999 | 19,000 | 19.00 |
| | 02.03.01 | - | 19,000 | 38,000 | 19.00 |
| | 14.06.01 | - | 190,000 | 228,000 | 19.00 |
| | 20.06.01 | - | 912,000 | 1,140,000 | 19.00 |
| | 15.09.01 | - | 310,875 | 1,450,875 | 18.14 |
| | - | 26.11.01 | (93,965) | 1,356,910 | 16.96 |
| - | - | - | * 13,569,100 | 16.96 | |
| Tan Tiong Liang @ Tan Chung Liang | 21.11.00 | - | 1 | 1 | 50.00 |
| | 24.11.00 | - | 18,999 | 19,000 | 19.00 |
| | 02.03.01 | - | 19,000 | 38,000 | 19.00 |
| | 14.06.01 | - | 190,000 | 228,000 | 19.00 |
| | 20.06.01 | - | 912,000 | 1,140,000 | 19.00 |
| | 15.09.01 | - | 310,875 | 1,450,875 | 18.14 |
| | - | 26.11.01 | (93,964) | 1,356,911 | 16.96 |
| - | - | - | * 13,569,110 | 16.96 | |
| Nobel Pang Paul Gen | 24.11.00 | - | 19,000 | 19,000 | 19.00 |
| | 02.03.01 | - | 19,000 | 38,000 | 19.00 |
| | 14.06.01 | - | 190,000 | 228,000 | 19.00 |
| | 20.06.01 | - | 912,000 | 1,140,000 | 19.00 |
| | 15.09.01 | - | 310,875 | 1,450,875 | 18.14 |
| | - | 26.11.01 | (93,964) | 1,356,911 | 16.96 |
| - | - | - | * 13,569,110 | 16.96 | |
| Chua Boon Hua | 15.09.01 | - | 1,206,000 | 1,206,000 | 15.08 |
| | - | 26.11.01 | (78,106) | 1,127,894 | 14.10 |
| | - | - | - | * 11,278,940 | 14.10 |
| Lau Hong Thiam | 24.11.00 | - | 6,000 | 6,000 | 6.00 |
| | 02.03.01 | - | 6,000 | 12,000 | 6.00 |
| | 14.06.01 | - | 60,000 | 72,000 | 6.00 |
| | 20.06.01 | - | 288,000 | 360,000 | 6.00 |
| | 15.09.01 | - | 42,000 | 402,000 | 5.03 |
| | - | 26.11.01 | (26,036) | 375,964 | 4.70 |
| - | - | - | * 3,759,640 | 4.70 | |
| Jude Hyden Chung | 20.06.00 | - | 1 | 1 | 50.00 |
| | - | 21.11.00 | (1) | 1 | - |
| Cecilia Law Tiing Tiing | 20.06.00 | - | 1 | 1 | 50.00 |
| | - | 21.11.00 | (1) | 1 | - |

5. INFORMATION ON MAJOR SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (cont'd)

| Major Shareholders | Date | | Number of shares acquired / (disposed) | Number of shares | % equity interest |
|--------------------|----------|----------|--|------------------|-------------------|
| | Acquired | Disposed | | | |
| Ong Lam Hoe | 24.11.00 | - | 19,000 | 19,000 | 19.00 |
| | 02.03.01 | - | 19,000 | 38,000 | 19.00 |
| | 14.06.01 | - | 190,000 | 228,000 | 19.00 |
| | 20.06.01 | - | 912,000 | 1,140,00 | 19.00 |
| | - | 15.09.01 | (1,140,000) | - | - |
| Lai Fui Fong | 24.11.00 | - | 18,000 | 18,000 | 18.00 |
| | 02.03.01 | - | 18,000 | 36,000 | 18.00 |
| | 14.06.01 | - | 180,000 | 216,000 | 18.00 |
| | 20.06.01 | - | 864,000 | 1,080,000 | 18.00 |
| | - | 15.09.01 | (1,080,000) | - | - |
| | 26.11.01 | - | 240,000 | 240,000 | 3.00 |
| - | - | - | *2,400,000 | 3.00 | |

Note :-

* Subdivision of share of RM1.00 each to Shares on 27 November 2001

5.3 Board of Directors

5.3.1 Profiles

Brief profiles of the Board of Directors of Portrade are as follows :-

Lawrence Lai Yew Son, aged 42, is a an Advocate and Solicitor by profession. He was appointed as Independent Non-Executive Chairman of Portrade on 11 November 2002. He graduated with a Bachelor of Law with Honours from the University of Sheffield, England in 1982 and was admitted as Barrister-At-Law of the Honourable Society of Lincoln's Inn, London, England and was called to the English Bar in 1983. He is currently a Notary Public and Commissioner for Oaths. He was also admitted as an Advocate of the High Court of Sabah and Sarawak and called to the Sarawak Bar in 1984 and the Sabah Bar in 1986. He started practicing law first as Legal Assistant of Battenberg & Talma Advocates in Sibiu in 1984. He later set up Battenberg & Talma Advocates in Miri in 1984. In 1988, he set up Messrs Lai & Co. which merged with other legal firms in 1998 to become Messrs Awang, Lai, Sandhu & Co., Advocates and Solicitors. Lawrence is also currently the Vice-President of Advocates Association of Sarawak and the Chairman of its Miri Branch. He was also previously a Councillor of the Miri Municipal Council from 1993 to 1999.

Chua Boon Hua, aged 48, joined Portrade on 15 September 2001 as the Chief Executive Officer of Portrade and was appointed as Executive Director on the same date. Mr. Chua is responsible for the overall operations of the Group. He is an associate member of the Chartered Institute of Management Accountants, United Kingdom and is a Chartered Accountants of the Malaysian Institute of Accountants. Mr. Chua brings with him over eighteen (18) years of management and technology consulting experience. Prior to joining Portrade, Mr. Chua was a Director of Arthur Andersen & Co. ("Andersen") and was attached to its Business Consulting Division in Kuala Lumpur. While with Andersen, he was assigned to Kuching Port Authority as a consultant in the implementation of its port computerisation system (the fore-runner of the current VSS). Subsequently, he was also assigned by Andersen as consultant to Miri Port Authority and the Rajang Port Authority for their computerisation projects. He was also key in helping set up Andersen's technology consulting practice in the Asia Pacific region in 1996. From 1996 onwards, he led Andersen's technology practice in Malaysia and was involved in the implementation of various major Enterprise Resources Planning projects in Malaysia and also in the ASEAN region. He was a leader of Andersen's Products Industry for ASEAN and was also a core team member of the Andersen Worldwide Product Industry team.

5. INFORMATION ON MAJOR SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (cont'd)

Nobel Pang Paul Gen, aged 40, was appointed as Chief Marketing Officer of Portrade on 20 June 2000 and Executive Director on 5 December 2000 and is responsible for the marketing aspects of the Group. He is an Associate member of the Malaysia Association of Company Secretaries. Mr. Pang has more than ten (10) years of experience in the IT industry and was responsible for consulting and marketing of computer systems to major corporate clients and government bodies.

Lau Hong Thiam, aged 43, was appointed as Chief Operating Officer and Executive Director of Portrade on 20 June 2000 and 5 December 2000 respectively. He holds a Bachelor of Management Studies majoring in Accounting from the University of Waikato, New Zealand and a Bachelor of Laws degree from the University of Technology Sydney, Australia. He is a member of the Malaysian Institute of Accountants and the Institute of Chartered Accountants in Australia. Mr. Lau has extensive knowledge in accounting and finance, system analysis and project management. He has over three (3) years of experience in the IT industry and was previously the Chief Operating Officer of MRSB where he handled the implementation of the maritime port systems and managed corporate finance. Prior to joining MRSB, he had over ten (10) years of experience in accounting and finance and had previously worked with Deloitte Ross Tohmatsu as a Business Services Manager and in various commercial firms as a Finance Manager/ Financial Controller. He currently oversees the conversion of all port application software to Web-enabling technologies as well as the financial aspects of the Group. He is also responsible for implementing Web-enabling technologies for the Group.

Tan Tiong Liang @ Tan Chung Liang, aged 45, was appointed as Non-Executive Director of Portrade on 5 December 2000. He holds a Bachelor of Mathematics Degree majoring in Computer Science from the University of Waterloo, Canada. He is a full member of The Institute of Data Processing Management, United Kingdom, an Associate Member of the Australian Computer Society and a full member of the Malaysian Computer Society. Mr. Tan has more than fifteen (15) years of experience in the IT industry and is one of the co-founders and was the President/ Chief Executive Officer of the MRSB group of companies which provide consultancy and networking services, develop business software applications and multimedia internet-oriented business operations and contract for turnkey IT systems. He has extensive management skill, system analysis, system design and development. Mr. Tan is also the co-founder and Chief Executive Officer of INTI IABS Sdn Bhd, the sole-owner of Inti College Sarawak established in 1991. He is also the Chief Executive Officer of ValuePlus Systems Sdn Bhd, a company involved in the development of standard accounting software and ChequeWriting software.

Ong Lam Hoe, aged 43, was appointed as Non-Executive Director of Portrade on 5 December 2000. He holds a Professional Diploma in Technology (Building) from Tunku Abdul Rahman College, Kuala Lumpur and is a Chartered Builder. He is a Corporate Member of the Chartered Institute of Buildings, United Kingdom and a member of the Singapore Institute of Management. He has over seventeen (17) years of multi disciplinary experience in the building, civil, mechanical and electrical works environment, both locally and overseas at various levels of projects, construction/ contract administration and general management. He was the Country General Manager of Sumpiles (Malaysia) Sdn Bhd, a company involved in the construction sector where he was responsible for the setting up of the Malaysian office and overall in-charge and management of the company, including daily operations, tender and contract, plant and equipment and strategic business planning, development and marketing.

Cecilia Law Tiing Tiing, aged 30, was appointed as Non-Executive Director of Portrade on 20 June 2000. Cecilia obtained her LLB (Hons) from University of Wolverhampton in 1997 and is currently a qualified practicing lawyer in Kuching.

Choong Pee Choy, aged 44, is a lawyer by profession. He was appointed as Independent Non-Executive Director of Portrade on 11 November 2002. He graduated with Bachelor of Law with Honours from the University of Warwick, England in 1981 and was later called to the Bar of England and Wales in 1982 and the Malaysian Bar in 1983. He started practicing law with Choong & Co. in 1983 and eventually assumed the position of Senior Partner of the firm. Since 2001, he started his own legal practice firm under the name P C Choong & Co.. Mr. Choong was the president of Rotary Club of Ampang from July 1997 to July 1998. He was also bestowed the Pingat Khidmat Cemerlang Malaysia ("PMC") in 1999.

5. INFORMATION ON MAJOR SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (cont'd)

5.3.2 Directors' Shareholding in Portrade

Details of Directors' shareholdings in Portrade are set out below :-

| Directors | Position | Shareholding before Public Issue | | | | Shareholding after Public Issue | | | |
|-----------------------------------|---|----------------------------------|-------|-------------------------|-------|---------------------------------|-------|-------------------------|-------|
| | | <--- Direct ---> | | <--- Indirect ---> | | <--- Direct ---> | | <--- Indirect ---> | |
| | | Number of Shares | % | Number of Shares | % | Number of Shares | % | Number of Shares | % |
| Lawrence Lai Yew Son | Independent Non-Executive Chairman | - | - | - | - | - | - | - | - |
| Chua Boon Hua | Executive Director/ Chief Executive Officer | 11,278,940 | 14.10 | - | - | 11,278,940 | 12.09 | - | - |
| Nobel Pang Paul Gen | Executive Director/ Chief Marketing Officer | 13,569,110 | 16.96 | - | - | 13,569,110 | 14.54 | - | - |
| Lau Hong Thiam | Executive Director/ Chief Operating Officer | 3,759,640 | 4.70 | - | - | 3,759,640 | 4.03 | - | - |
| Tan Tiong Liang @ Tan Chung Liang | Non-Executive Director | 13,569,110 | 16.96 | - | - | 13,569,110 | 14.54 | - | - |
| Ong Lam Hoe | Non-Executive Director | - | - | 13,569,100 ^a | 16.96 | - | - | 13,569,100 ^a | 14.54 |
| Cecilia Law Tiing Tiing | Non-Executive Director | - | - | 13,569,100 ^b | 16.96 | - | - | 13,569,100 ^b | 14.54 |
| Choong Pee Choy | Independent Non-Executive Director | - | - | - | - | - | - | - | - |
| | | 42,176,800 | 52.72 | 27,138,200 | 33.92 | 42,176,800 | 45.20 | 27,138,200 | 29.08 |

Notes :

a Deemed interested by virtue of his Major Shareholding in APSB

b Deemed interested by virtue of her Major Shareholding in PPSB

5.3.3 Directorships in other Public Companies for the two (2) years

None of the Directors has directorship in other public companies for the past two (2) years from the date of this Prospectus.

5.3.4 Major Shareholding in other Public Companies for the past two (2) years

None of the Directors has Major shareholdings in other public company, direct or indirect, for the past two (2) years from the date of this Prospectus.

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5. INFORMATION ON MAJOR SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (cont'd)

5.3.5 Directors' Remuneration and Benefits

For the financial period/ year ended 30 June 2001 and 30 June 2002, the remuneration paid to the Directors of Portrade for services rendered in all capacities in the Company and its subsidiary amounted to RM96,920 and RM497,920 respectively.

The aggregate remuneration and benefits of Directors in the last financial year as well as that proposed for the current financial year fall within the following banding :

| Financial Year | Number of Directors | Range * |
|----------------|---------------------|-----------------------|
| 2002 | 2 | RM0 - RM50,000 |
| | 1 | RM100,001 - RM200,000 |
| 2003 | 1 | RM50,001 - RM100,000 |
| | 1 | RM100,001 - RM200,000 |
| | 1 | RM200,001- RM300,000 |

* including salaries, bonuses and statutory contributions

5.4 Key Management Team

The Executive Directors, namely Chua Boon Hua, Nobel Pang Paul Gen and Lau Hong Thiam are directly involved in the management of the Group. In addition to these Directors, the key management team is as follows :-

5.4.1 Profiles

Peter U, aged 40, is the Company's Chief Technology Officer. He graduated from the City University, USA with a Bachelor of Science degree majoring in Computer Information Systems in 1985. Subsequently in 1987, he obtained Master of Business Administration specializing in Information Systems Management from the same university. Prior to joining Portrade, he was the Country Information System Manager for ABB group of companies in Malaysia. He has more than fifteen (15) years of IT/ Management of Information System hands-on experience in both management and technical areas with emphasis in IT strategic planning, Customer Relationship Management, supply chain management, IT project management, business systems consulting, network planning, design and implementation and system analysis, design and implementation. Prior to joining ABB, Peter worked as Senior Consultant in IT consultancy firms and as EDP Supervisor/ System Analyst in financial institutions in Malaysia and USA. He has brought with him a wealth of industry exposure mainly in banking, insurance, engineering, manufacturing and logistic sectors. He is currently spearheading the R&D on ASP and is responsible for the overall software development, network infrastructure and quality assurance of software products.

Richard Wellis Sinyem, aged 33, is the System Manager of Portrade. He holds a Diploma in Computer Programming and Information Processing from the City and Guilds of London Institute. He has more than ten (10) years of experience in the IT industry having served as the System Manager of TSSB before joining Portrade in 2000. His experience includes feasibility studies, system design, system analysis, preparation of functional specifications, tender specifications, programming, testing, implementation, database set-up and configuration, system performance testing and project management. He currently leads the development of application software in port management, warehouse management, co-operative membership management and R&D in IT software development.

Sim Soo Teck, aged 52, is the General Manager of TSSB. He holds an Advance Diploma in Computer Science and is a full member of Gabungan Komputer Malaysia. He leads and undertakes the management, analysis, design, development and implementation of many IT projects. He had more than twenty nine (29) years of experience in the IT industry since he joined Sarawak State Treasury Department in 1972.

5. INFORMATION ON MAJOR SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (cont'd)

Sim Yu Hock, aged 29, is the Business Analyst of Portrade. He obtained his Bachelor of Science in Computer Science and Mathematics from the University of Central Oklahoma, USA in 1997. He was awarded the Dean's Honor Roll for 1995 and 1996. Prior to that, he obtained his Diploma in Quantitative Methods & Information Technology from the British City University, British Virgin Islands in 1993. Mr. Sim has over four (4) years' experience in system analysis and designs, system development and implementation and project management for the port industry. He is well versed in various database and software development tools such as Informix Online, Microsoft SQL Server, Microsoft Access, Microsoft Visual Basic, Crystal Reports, Informix 4GL, JDK 1.1, JSP, DHTML, iSELL Application Server under the Windows NT, HP-UX and Linux operating environments. He assists in the design of the process flows of the various port and financial applications.

5.4.2 Key Management Team's Shareholding in Portrade

Save as disclosed below, none of the other key management team has shareholdings in the Company, direct or indirect, as at the date of this Prospectus :-

| Key management team | Position | Shareholding before Public Issue | | | | Shareholding after Public Issue # | | | |
|-----------------------|--------------------------|----------------------------------|-------------|------------------|---|-----------------------------------|-------------|------------------|---|
| | | ← Direct → | | ← Indirect → | | ← Direct → | | ← Indirect → | |
| | | Number of Shares | % | Number of Shares | % | Number of Shares | % | Number of Shares | % |
| Peter U | Chief Technology Officer | - | - | - | - | - | - | - | - |
| Richard Wellis Sinyem | System Manager | 259,000 | 0.32 | - | - | 259,000 | 0.28 | - | - |
| Sim Soo Teck | General Manager of TSSB | 626,000 | 0.78 | - | - | 626,000 | 0.67 | - | - |
| Sim Yu Hock | Business Analyst | - | - | - | - | - | - | - | - |
| | | <u>885,000</u> | <u>1.10</u> | | | <u>885,000</u> | <u>0.95</u> | | |

Note :
Exclude pink form allocation

5.5 Audit Committee

| Name | Designation | Directorship |
|---------------------------|------------------|------------------------------------|
| Lawrence Lai Yew Son | Chairman | Independent Non-Executive Chairman |
| Choong Pee Choy | Committee Member | Independent Non-Executive Director |
| Lau Hong Thiam (MIA 8130) | Committee Member | Executive Director |

The main functions of the audit committee include the review of audit plan and audit report with the auditors, review of auditors' evaluation of internal accounting controls, review of the scope of internal audit procedures, review of balance sheets and profit and loss accounts and nomination of auditors.

5. INFORMATION ON MAJOR SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (cont'd)

5.6 Declarations from the Directors and Key Management Team

No Director, senior executive officer or person nominated to become a Director or senior executive officer is or was involved in the following events:-

- (i) a petition under any bankruptcy laws filed against such person or any partnership in which he was or is a partner or any corporation of which he was or is an executive officer;
- (ii) a conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (iii) the subject of any order, judgement or ruling of any court, tribunal or governmental body of competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, Director or employee of a financial institution or engaging in any type of business practice or activity.

5.7 Family Relationship and Associations

Save as disclosed below, none of the Promoters, Major Shareholders, Directors and key management team are related or associated to each other :-

- (i) The Major Shareholders and Directors of APSB, Ong Lam Hoe is the brother of Ong Kuan Kuan; and
- (ii) The Major Shareholders and Directors of PPSB, Cecilia Law Tiing Tiing is the daughter of Law Kiu Ong.

5.8 Service Agreements

None of the Directors and key management team have any service agreements with the Group.

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