
XV. STATUTORY AND OTHER INFORMATION

1. SHARE CAPITAL

- 1.1 No shares will be allotted on the basis of this Prospectus later than 12 months after the date of issue of this Prospectus.
- 1.2 There are no founder, management or deferred shares in the Company. As at the date of this Prospectus, there is only one class of shares in the Company, namely, ordinary shares of RM0.10 each, all of which rank pari passu with one another.
- 1.3 Save as disclosed in Part VI(2), (3.11) and (4) and Part XII of this Prospectus, no shares, debentures, outstanding warrants, options, convertible securities or uncalled capital of the Company and its subsidiaries have been or are proposed to be issued as partly or fully paid-up, in cash or otherwise than in cash, within the last 2 years preceding the date of this Prospectus.
- 1.4 Save as disclosed in Part VI(3) of this Prospectus, no person or Director or employee of the Company has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of the Company or its subsidiaries during the last financial year.
- 1.5 Save as disclosed in Part VI(2), (3) and (4) of this Prospectus, there is currently no scheme involving the Directors and staff of the Group in the capital of the Company or its subsidiaries.

2. ARTICLES OF ASSOCIATION

The following provisions are reproduced from the MESDAQ Market Listing Requirement, the Companies Act, 1965, the Rules of the MCD and the Company's Articles of Association.

2.1 Transfer of securities

Article 26

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

Article 27

Subject to the Rules and Listing Requirements, the transfer of any Securities may be suspended at such times and for such periods as the Directors may from time to time determine. Twelve (12) clear market days' notice, or such other period as may from time to time be specified by the Exchange governing the Register concerned, of intention to close the Register shall be given to the Exchange. At least three (3) market days prior notice shall be given to the Central Depository to prepare the appropriate Record of Depositors.

Article 28

The Central Depository may refuse to register any transfer of Deposited Security that does not comply with the Central Depositories Act and the Rules.

Article 29

Subject to the provisions of these Articles, the Directors may recognise a renunciation of any share by the allottee thereof in favour of some other person.

XV. STATUTORY AND OTHER INFORMATION (CONT'D)

Companies Act, 1965

Section 103(1)

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

Section 103(1A)

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

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

Section 107C(1)

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

Section 107C(2)

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

Rules of the MCD

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

Rule 8.01(2) – Rejection of transfer

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

Rule 8.05(A) – Transfer from the principal or nominee account

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

XV. STATUTORY AND OTHER INFORMATION (CONT'D)

Rule 9.03(2)– Documents to lodge

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

- (a) the prescribed Form FTF010 (request for ordinary transfer of securities form) or Form FT015 (request for express transfer of securities form) fully and properly completed in triplicate;
- (b) the Transferring Depositor has executed the Transferor portion of the said form duly witnessed by any other person (other than the Depositor’s spouse);
- (c) the Transferring Depositor has stated his reason for the transfer and that the reason is or are amongst any of the approved reasons as stated herein below:
 - (i) transmission and transfer of securities arising from the provisions of any written law or an order of the court of competent jurisdiction;
 - (ii) rectification of errors;
 - (iii) pledge, charge or mortgage;
 - (iv) mandatory offer pursuant to the provisions of the Malaysian Code on Take-overs and Mergers 1987;
 - (v) any other circumstances as deemed fit by the Central Depository after consultation with the Securities Commission;
- (d) documents to support the reason for the transfer;
- (e) such other accompanying documents duly processed in such manner as the Central Depository may from time to time determine in its Procedures Manual.

2.2 Remuneration of Directors**Article 94**

The Directors shall be paid by way of fees for their services, such fixed sum (if any) as shall from time to time be determined by the Company in general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine. PROVIDED ALWAYS that:-

- (a) fee payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- (b) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.

XV. STATUTORY AND OTHER INFORMATION (CONT'D)

- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting.
- (d) any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 95(1)

The Directors shall be paid all their travelling, hotel and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of the Directors or any committee of the Directors.

Article 95(2)

If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board provided that in the case of non-executive Directors, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors.

2.3 Voting and borrowing powers of Directors

Article 98

The Directors shall not without the prior approval of the Company in general meeting:-

- (a) exercise any power of the Company to issue shares unless otherwise permitted under the Act;
- (b) subject to sections 132E and 132F of the Act, enter into any arrangement or transaction with a Director of the Company or its holding company or with a person connected with such a Director, to acquire from or dispose to such a Director or person, any non-cash assets of the requisite value.

Article 99

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or subsidiary company or associate company or any related third party subject to the Act and the Listing Requirements.

Article 100

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

XV. STATUTORY AND OTHER INFORMATION (CONT'D)

Article 107

Subject always to sections 131, 132E, 132F and 132G of the Act, a Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise nor shall any such contracts, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

Article 121

A Director may contract with and be interested in any contract or proposed contract with the Company and shall not be liable to account for any profit made by him by reason of any such contract; PROVIDED ALWAYS THAT the nature of the interest of the Director in any such contract be declared at a meeting of the Directors as required by section 131 of the Act. A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest (and if he shall do so his vote shall not be counted), nor shall he be counted for the purpose of any resolution regarding the same, in the quorum present at the meeting.

Article 123

A Director may vote in respect of:

- (a) any arrangement for giving the Director himself or any other Directors any security or indemnity or any other Directors any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; and
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part, under a guarantee or indemnity or by the deposit of a security.

2.4 Changes in capital and variation of class rights

The provision in the Company's Articles of Association as to the changes in capital or variation of rights are as stringent as those provided in the Companies' Act, 1965.

Article 3

Without prejudice to any special rights previously conferred on the holders of any existing shares but subject to the Act and to these Articles, shares in the Company may be issued by the Directors and any such shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Directors, subject to any ordinary resolution of the Company, may determine.

XV. STATUTORY AND OTHER INFORMATION (CONT'D)

Article 4

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of these Articles and the Act and to the provisions of any resolution of the Company, shares in the Company may be issued by the Directors, who may allot, or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights, and subject to such restrictions and at such times as the Directors may determine but the Directors in making any issue of shares shall comply with the following conditions:-

- (a) no shares shall be issued at a discount except in compliance with the provisions of section 59 of the Act;
- (b) in the case of shares of a class, other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles and in the resolution creating the same; and
- (c) every issue of shares or options to employees shall be approved by Members in general meeting and such approval shall specifically detail the amount of shares or options to be issued to such employees; and
- (d) Except in the case of a rights issue to shareholders, a Director of the Company and persons connected with the Director shall not participate, directly or indirectly, in an issue of ordinary shares or other securities with rights of conversion to ordinary shares unless the shareholders of the Company have approved the specific allotment to be made to the Director or persons connected with him and the Director and such connected persons (if applicable) have abstained from voting on the relevant resolutions.
- (e) Without limiting the generality of Section 132D of the Act, the Company shall not issue any ordinary shares or other securities with rights of conversion to ordinary shares if the nominal value of those shares or securities, when aggregated with the nominal value of any such shares or securities which the Company has issued during the previous twelve (12) months, exceeds 10% of the nominal value of the issued ordinary shares at the commencement of the said period of twelve (12) months except where the shares or securities are issued with the prior approval of ordinary shareholders of the precise terms and conditions of the issue.
- (f) In working out the number of shares or convertible securities that may be issued by the Company, if the security is a convertible security, each such security is counted as the maximum number of shares into which it can be converted or exercised.

XV. STATUTORY AND OTHER INFORMATION (CONT'D)

Article 5

- (1) The holder of a preference share shall be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up.
- (2) Subject to the Act, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed but the total nominal value of the issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time. If the Company at any time issues preference capital, it shall indicate at the same time whether it reserves the right to issue further preference capital ranking equally with, or in priority to, preference shares already issued. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited accounts and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or during the winding up of the Company, or on a proposal for the disposal of the whole of the Company's property, business and undertaking, or where any resolution to be submitted to the meeting directly affects their rights and privileges attached to the shares, or when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months.

Article 6

Notwithstanding Article 7 hereof, the repayment of preference share capital other than redeemable preference capital or any other alteration of preference shareholder's rights may only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the preference capital concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

Article 7

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the sanction of a special resolution passed at a separate meeting of the shareholders of that class. Where necessary majority of such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of not less than three-fourths of the issued shares of that class within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting. To every such separate general meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two (2) persons who are shareholders present in person or represented by proxy, one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution, the provisions of section 152 of the Act shall with such adaptations as are necessary, apply.

Article 8

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

XV. STATUTORY AND OTHER INFORMATION (CONT'D)

Article 9

The Company may exercise the powers of paying commission conferred by the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act, and the rate of the commission shall not exceed the rate of ten per cent (10%) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to ten per cent (10%) of that price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

Article 51

The Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subjected to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company may, by the resolution authorizing such increase, direct.

Article 52

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other Convertible Securities shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or Convertible Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or Convertible Securities which (by reason of the ratio which the new shares or Convertible Securities bear to shares or Convertible Securities held by persons entitled to any offer of new shares or Convertible Securities) cannot, in the opinion of the Directors be conveniently offered under this Article.

Article 53

Except so far as otherwise provided by the conditions of issue, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company, and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital.

Article 54

The Company may by ordinary resolution:-

- (a) increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

XV. STATUTORY AND OTHER INFORMATION (CONT'D)

- (c) divide its share capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act and so that as between the resulting shares, one or more of such shares may, by the resolution by which such sub-division is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares; and
- (d) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

Article 55

Subject to and in accordance with the provisions of the Act and the requirements of the Exchange and such other relevant law, regulation or guideline, the Company is allowed and shall have power, to the fullest extent permitted, to purchase its own shares. Any shares in the Company so purchased by the Company shall be dealt with as provided by the Act, the requirements of the Exchange and any other relevant authority.

Article 56

The Company may by the requisite resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any authorization, and consent required by law.

3. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- (i) The names, addresses and occupations of the Directors of the Company are set out in Section I of this Prospectus.
- (ii) A Director of the Company is not required to hold any qualification shares in the Company unless otherwise so fixed by the Company at general meeting.
- (iii) Save as disclosed in Part VII(6) of this Prospectus, no Director or key management of the Company has any existing or proposed service agreement.
- (iv) Save as disclosed in Part VII(1.4) of this Prospectus, there is no remuneration and benefit paid by the Company to its promoter, Director or substantial shareholder within the 2 years preceding the date of this Prospectus.
- (v) Save as disclosed in Part VI(3) and Part X of this Prospectus, no Directors or substantial shareholders of the Company has any interest, direct or indirect, in the promotion of or in any assets acquired or proposed to be acquired or assets disposed of or proposed to be disposed of or leased to or proposed to be leased to the Company within 2 years preceding the date of this Prospectus.
- (vi) None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in any business carrying on a similar trade as the Company or its Group and which is not quoted in a stock exchange.
- (vii) None of the promoters of the Company have received any amounts or benefits paid or given by the Company other than by virtue of their directorship as disclosed in Section 1.4 of this Part VII of this Prospectus within the 2 years preceding the date of this Prospectus, or intended to be so paid or given.

XV. STATUTORY AND OTHER INFORMATION (CONT'D)

(viii) The Directors of the Company and their respective shareholdings in the Company, direct or indirect, according to the Register of Directors and Directors' Shareholdings of the Company, before and after the Issues are as follows:

Directors	Nationality/ Place of incorporation	Before Issues			After Issues		
		No. of ordinary shares of RM0.10 each	Percentage of share capital %	No. of ordinary shares of RM0.10 each	Percentage of share capital %	No. of ordinary shares of RM0.10 each	Percentage of share capital %
Lee Eng Sia	Malaysian	28,716,147	20.98	-	43,074,221	17.08	-
Wei Chuan Beng	Malaysian	14,459,901	10.56	*6,605,322	21,689,850	8.61	*9,907,984
Zainal Aman Shah bin Zainal Arshad	Malaysian	2,518,719	1.84	-	3,778,079	1.50	-
Peter Yeow Heng Ho	Malaysian	8,911,544	6.51	-	13,367,316	5.31	-
Dr. Muhammad Ghazie bin Ismail	Malaysian	-	-	-	-	-	-
Syed Izmi bin Syed Kamarul Bahrin (Alternate Non-Executive Director to Dr. Muhammad Ghazie bin Ismail)	Malaysian	-	-	-	-	-	-
Michael Oh Aik Teong	Malaysian	-	-	-	-	-	-
Huen Foo Seng (Alternate Non-Executive Director to Michael Oh Aik Teong)	Malaysian	-	-	-	-	-	-
Mathew Thomas A/L Vargis Mathews	Malaysian	-	-	-	-	-	-
Shaifubahir bin Mohd Saleh	Malaysian	-	-	-	-	-	-

Note:

* Deemed interested by virtue of the direct shareholding of his wife, Choo Yeh Fung.

XV. STATUTORY AND OTHER INFORMATION (CONT'D)

(ix) The substantial shareholders and their respective shareholdings in the Company, direct or indirect, according to the Register of Substantial Shareholders and Register of Members of the Company, before and after the Issues are as follows:

Substantial shareholders	Nationality/ Place of incorporation	Before Issues			After Issues		
		No. of ordinary shares of RM0.10 each	Percentage of share capital %	No. of ordinary shares of RM0.10 each	Percentage of share capital %	No. of ordinary shares of RM0.10 each	Percentage of share capital %
Lee Eng Sia	Malaysian	28,716,147	20.98	43,074,221	17.08	-	-
Wei Chuan Beng	Malaysian	14,459,901	10.56	⁽¹⁾ 6,605,322	4.82	21,689,850	8.61
Peter Yeow Heng Ho	Malaysian	8,911,544	6.51	-	-	13,367,316	5.31
John Chee Yong Tung	Malaysian	17,333,390	12.66	-	-	26,000,085	10.32
Chemquest Sdn Bhd	Malaysia	20,771,061	15.17	-	-	31,156,592	12.36
MSC Venture One Sdn Bhd	Malaysia	16,515,739	12.06	-	-	24,773,609	9.83
PPB Group Berhad	Malaysia	-	-	⁽²⁾ 20,771,061	15.17	-	-
Kuok Brothers Sdn Bhd	Malaysia	-	-	⁽²⁾ 20,771,061	15.17	-	-
MSC Venture Corporation Sdn Bhd	Malaysia	-	-	⁽³⁾ 16,515,739	12.06	-	-
Khazanah Nasional Berhad	Malaysia	-	-	⁽³⁾ 16,515,739	12.06	-	-
Multimedia Development Corporation Sdn Bhd	Malaysia	-	-	⁽⁴⁾ 16,515,739	12.06	-	-
Ministry of Finance	Malaysia	-	-	⁽⁵⁾ 16,515,739	12.06	-	-
						⁽²⁾ 31,156,592	12.36
						⁽²⁾ 31,156,592	12.36
						⁽³⁾ 24,773,609	9.83
						⁽³⁾ 24,773,609	9.83
						⁽⁴⁾ 24,773,609	9.83
						⁽⁵⁾ 24,773,609	9.83

XV. STATUTORY AND OTHER INFORMATION (CONT'D)

Notes:

- (1) *Deemed interested by virtue of the direct shareholding of his wife, Choo Yeh Fung.*
- (2) *Deemed interested by virtue of their direct substantial shareholdings in Chemquest Sdn Bhd.*
- (3) *Deemed interested by virtue of their direct substantial shareholdings in MSC Venture One Sdn Bhd.*
- (4) *Deemed interested by virtue of its direct substantial shareholding in its wholly-owned subsidiary, MSC Venture Corporation Sdn Bhd.*
- (5) *Deemed interested by virtue of its direct substantial shareholding in its 100%-owned subsidiary, Multimedia Development Corporation Sdn Bhd.*

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XV. STATUTORY AND OTHER INFORMATION (CONT'D)

- (x) Save for the risk factors which are described in Part IV of this Prospectus, the Directors of the Company are not aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Group.
- (xi) Save as disclosed in Section 2 of Part X of this Prospectus, none of the Directors of the Company are materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company or its Group taken as a whole.

4. GENERAL

- (i) Save as disclosed in this Prospectus, no property has been acquired or is proposed to be acquired, and no preliminary expenses are to be repaid, by the Company or its subsidiaries in contemplation of the Public Issue.
- (ii) The nature of the Company's business and the names of all corporations which are deemed to be related to the Company by virtue of Section 6 of the Act are disclosed in Sections 1 and 4 of Part VI of this Prospectus.
- (iii) The time of the opening of the Application Lists is set out in Part XVI of this Prospectus.
- (iv) The amount payable in full on application is RM0.95 per Public Issue Share.
- (v) Save for the Issues, no person has an option or is entitled to be given an option to subscribe for any ordinary shares of RM0.10 each in RIB, stocks or debentures of the Company or its subsidiaries.
- (vi) Save as disclosed in this Prospectus, no capital of the Company or its subsidiaries has been issued or is proposed to be issued as partly or fully paid-up otherwise than for cash within the 2 years preceding the date of this Prospectus.
- (vii) Save as disclosed in this Prospectus, no capital of the Company or its subsidiaries has been issued or is proposed to be issued for cash within the 2 years preceding the date of this Prospectus.
- (viii) The name and address of the auditors are set out in Part I of this Prospectus.
- (ix) Apart from the subsidiaries of the Company disclosed in Part VI of this Prospectus, the Group has not established any place of business outside Malaysia.
- (x) The manner in which copies of this Prospectus together with the official Application Forms and envelopes may be obtained is set out in Part XVI of this Prospectus.
- (xi) Save as disclosed in this Prospectus, there are no persons who, directly or indirectly, jointly or severally, exercise control over the corporation and particulars of the proportion of the voting capital held.

5. EXPENSES AND COMMISSION

- (i) Save as disclosed in this Prospectus, there have been no commissions, discounts, brokerages or other special terms granted or paid by RIB or its subsidiaries within the 2 years preceding the date of this Prospectus in connection with the issue or sale of any Shares or debentures of the Company or its subsidiaries for subscribing or agreeing to subscribe or procuring or agreeing to procure subscription for any Shares or debentures of RIB or its subsidiaries and no director or proposed director or Promoter or expert is entitled to receive any such payment.

XV. STATUTORY AND OTHER INFORMATION (CONT'D)

- (ii) Expenses incidental to the listing of and quotation for the entire issued and paid-up share capital of the Company on the MESDAQ Market amounting to approximately RM2.5 million will be borne by the Company.
- (iii) No amount or benefit has been paid or given within the 2 years preceding the date hereof, nor is it intended to be so paid or given, to any promoter, save as disclosed in this Prospectus.
- (iv) Underwriting commission is payable by the Company to the Underwriters at the rate of 2.0% of the issue price of RM0.95 per Public Issue Share of the 3,000,000 Public Issue Shares underwritten.
- (v) Placement fees shall be payable by the Company to the Placement Agent for 28,080,000 Public Issue Shares at an average rate of 1.5% of the issue price of RM0.95 for each Public Issue Share. .

6. PUBLIC TAKE-OVERS

During the last financial year and the current financial year up to the date of this Prospectus, there were no:

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

7. MATERIAL LITIGATION, CAPITAL COMMITMENT AND CONTINGENT LIABILITIES**7.1 Material Litigation**

Save as disclosed below, the Company and its subsidiaries are not engaged in any material litigation or arbitration either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries, and the directors do not know of any proceedings which might materially and adversely affect the financial position or business of the Company or its subsidiaries:

- (i) RTC vs. Maytech Technologies Engineering (Seremban Sessions Court Summons No. 52-496-2003)

On 7 April 2003, RTC filed a summons against Maytech Technologies Engineering for the recovery of RM72,833 for services rendered to Maytech Technologies Engineering. The Sessions Court had on 20 November 2003 granted an order in terms in respect of the application by RTC for an extension of time to file the amended summons (in relation to the change of the plaintiff from RTC to RT). The matter has been fixed for mention on 12 February 2004;

- (ii) RTC vs. Leisure Holidays Berhad (Shah Alam Sessions Court Summons No. 52-1490-2003)

On 3 April 2003, RTC filed a summons against Leisure Holidays Berhad for the recovery of RM98,062 for services rendered to Leisure Holidays Berhad. The matter has been fixed for mention on 12 February 2004; and

XV. STATUTORY AND OTHER INFORMATION (CONT'D)

- (iii) Low Kok Yan vs. RTC (formerly known as VMS Technology Sdn Bhd) (Industrial Court 4/4 – 36/03)

Low Kok Yan commenced an action against RTC in the Industrial Court for unlawful termination on 14 January 2003. The claim amount is not quantifiable at this point. The matter has been fixed for trial on 7 and 8 January 2004.

7.2 Capital Commitment and Contingent Liabilities

Save as disclosed in Section 2.2 of Part XI of this Prospectus, neither the Company nor its subsidiaries has any material capital commitment or outstanding contingent liabilities as at the date of this Prospectus.

8. MATERIAL CONTRACTS

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

- (i) Supplemental Investment Agreement dated 13 December 2001 between RTC (formerly known as VMS Technology Sdn Bhd), Chemquest Sdn Bhd, RI, Lee Eng Sia, Peter Yeow Heng Ho, Wei Chuan Beng, John Chee Yong Tung, Choo Yeh Fung, Lau Bik Soon, Jason Tai Chen Hiung, Tiew Ming Ching, Yong Kok Leong and MSC Venture One Sdn Bhd pertaining to the investment by Chemquest Sdn Bhd in RI, which was then the holding company of RTC;
- (ii) Share Sale Agreement dated 24 October 2002 between RTC and Ong Swee Huat in respect of the disposal by RTC to Ong Swee Huat representing 80% of the issued and paid-up share capital of VMS Technology Singapore Pte Ltd comprising 160,000 ordinary shares of SGD1.00 each for a total cash consideration of SGD2.00. The transaction was completed on 31 October 2002;
- (iii) Conditional Share Sale Agreement dated 22 April 2003 between the Company and Wong Seng Huat in respect of an initial acquisition of 2.25% in RTC by the Company from Wong Seng Huat (which was completed on 17 April 2003) and the Acquisition of RTC II;
- (iv) Conditional Share Sale Agreement dated 22 April 2003 between RTC and Sim Hock Meng in respect of the Acquisition of VMSTL;
- (v) Conditional Share Sale Agreement dated 22 April 2003 between the Company and REDtone International Pte Ltd in respect of the Acquisitions save for the Acquisition of VMSTL;
- (vi) Joint Venture Agreement dated 9 September 2003 between RTC and Shaikh Abu Reza, S.M.Iqbal, Md. Ali Ashfak, Mohammad Ajeezur Rahman, and Asheq UL Islam to form a joint venture company to be known as REDtone Cyberleap BD Ltd. to run the business of operating and distributing telecommunications and software products and services in Bangladesh; and
- (vii) Underwriting Agreement dated 17 November 2003 between the Company and CIMB (the "Underwriter") for the underwriting of 3,000,000 of the Public Issue Shares at an Issue Price of RM0.95 per ordinary share of RM0.10 each for an underwriting commission of 2.0% of the gross Public Issue proceeds (being the number of underwritten shares multiplied by the Issue Price).

XV. STATUTORY AND OTHER INFORMATION (CONT'D)

9. MATERIAL AGREEMENTS

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

- (i) Interconnect Agreement dated 30 April 2002 between RTC and DiGi pertaining to the connection of RTC's point of collection which is a location from which RTC transmits services to DiGi's network by way of physical interconnection;
- (ii) IP Bandwidth Services Agreement dated 8 April 2002 between RTC and Applied Information Management Services Sdn Bhd ("AIMS") pertaining to the provision by AIMS of transmission telecommunication traffic to/from the local PSTN through RTC or an associated network gateway to the intended destination through AIMS IP Backbone;
- (iii) Multimedia Super Corridor Research & Development Grant Scheme Agreement dated 21 November 2001 between RTC and Multimedia Development Corporation Sdn Bhd pertaining to the grant of RM3,500,000 given by MDC to RTC;
- (iv) Services Agreement dated 18 April 2001 between RTC and Maxis pertaining to the provision of network services by Maxis to RTC;
- (v) TDAX Services Agreement dated 2 May 2002 between RTC and TT dotcom pertaining to the provision of services by TT dotcom for the termination of traffic and the management of internet protocol connectivity to international destinations;
- (vi) Colocation Agreement dated 8 April 2002 between RTC and AIMS for the provision of the following services by AIMS:
 - (a) Equipment housing services; and
 - (b) Internet bandwidth; and
- (vii) Licensing Agreement dated 1 November 2000 between RTC and RT in respect of the grant by RTC to RT, of a non-transferable and non-exclusive licence to distribute, use and sublicense TECS products together with the object codes, documentation and all other materials and programmes necessary for the proper functioning of TECS products at an up-front licence fees of RM2.0 million;
- (viii) Agreement dated 22 January 2003 between RTC, Express Top Up Sdn Bhd and Top Up Solution in respect of, inter alia, placing the vending machines at KL Monorail Stations and the appointment of Express Top Up Sdn Bhd as a distributor of the RTC's prepaid phone cards through the vending machines. The said agreement shall terminate simultaneously with the rental agreement between Top Up Solution and Monorail Retail Sdn Bhd in respect of the rental of floor space for the vending machines at the KL Monorail Stations;
- (ix) VMS Value Added Partner Agreement dated 16 May 2001 between RTC and Digiphonic Sistem Sdn Bhd in respect of the promotion and sale by Digiphonic Sistem Sdn Bhd of the integrated telephony business communication system known as TeleCARE Smart Call System or such other product as may be added by mutual agreement between the parties from time to time. The VMS Value Added Partner Agreement is for the duration of 2 years commencing the date of the said agreement and subject to subsequent renewal period;
- (x) RTC entered into standard form Partnership Agreements with its partners in respect of the promotion and solicitation of order for sale by the relevant partner within a defined geographical location, of the products, services and/or packaged products and services offered by RTC;

XV. STATUTORY AND OTHER INFORMATION (CONT'D)

- (xi) RTC entered into standard form Agency Agreements with its agents in respect of the promotion and sale by the relevant agent, of the integrated telephony system known as TeleCARE Smart Call System and/or such other product and services as may be added by agreement between the parties from time to time within the market segment appointed by RTC;
- (xii) RT entered into standard form Agency Agreements with its agents in respect of the promotion and sale by the relevant agent, of the REDtone TECS and/or such other product and services as may be added by agreement between the parties from time to time within the market segment appointed by RT; and
- (xiii) RT entered into standard form Rental Agreements with its customers in respect of the rental of REDtone TECS for such duration and at such rental agreed between RT and each customer;
- (xiv) Telecommunications Services Agreement dated 22 July 2003 between RTC and Asia Netcom Singapore Pte Ltd in respect of the supply of the international PSTN direct dial voice or facsimile traffic to each other;
- (xv) Service Agreement dated 27 February 2003 between RTC and Vsource (Malaysia) Sdn Bhd pertaining to the appointment of RTC the duly authorised service provider of Vsource (Malaysia) Sdn Bhd;
- (xvi) Agreement (MIDAS and ISDN Source Code Licence) dated 8 August 2003 between RTC and Telesoft International, Inc. ("Telesoft") in respect of the acquisition by RTC from Telesoft, of a licence in respect of certain source code, object code and circuit design which can be used in support of integrated circuits produced for use in devices or systems designed to connect to an Integrated Services Digital Network (ISDN) for the total cash consideration of USD75,000;
- (xvii) Computer Software Licence Agreement dated 21 August 2003 between RT and PKTECH Works Sdn Bhd ("PKTECH") for the grant to RT of a non-exclusive and non-transferable licence by PKTECH to use the computer software programs identified in the Agreement and all related materials, documentation and information received by RT from PKTECH and all corrections, modifications and improvements of any of the above that PKTECH may provide to RT for the total cash consideration of RM244,860 plus a maintenance fee of RM18,900 per year for the first and second year of usage and RM23,625 per year for the third year to the fifth year of usage;
- (xviii) Services Agreement dated 6 October 2003 between RTC and Fibrecomm Network (M) Sdn Bhd for the lease by RTC of a "SPEEDnet" half circuit from Menara Aik Hua, Kuala Lumpur, to Singapore for a 15 months period with a target commencement date on the first week of December 2003, for a total payment of RM484,500 in cash, plus, a one time installation fee of RM12,400; and
- (xix) Services Agreement dated 8 November 2003 between RTC and Fibrecomm Network (M) Sdn Bhd for the lease by RTC of a "SPEEDnet" (2 Mops) from Menara Aik Hua, Kuala Lumpur, to Menara Ansar and from Menara Aik Hua, Kuala Lumpur, to Seberang Jaya Point Of Presence ("POP"), both for 2 years period (each of 1 year period) with a target commencement date on the first week of December 2003, for a total payment of RM200,000 in cash (each of RM100,000) plus, a one time installation fee of RM3,000 together with a total payment of RM7,260 (each of RM3,630) being the payment for the power consumption charges of HOSTnet at Menara Ansar and at Seberang Jaya's POP.

XV. STATUTORY AND OTHER INFORMATION (CONT'D)

10. LETTERS OF CONSENTS

- (i) The written consents of the Adviser, Underwriter, Placement Agent and Sponsor, Auditors and Reporting Accountants, Solicitors, Principal Bankers, Registrar, Company Secretary and Issuing House to the inclusion in this Prospectus of their names in the form and context in which their names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name, Accountants' Report, and letter relating to the Proforma Consolidated Balance Sheets in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.
- (iii) The written consent of IDC Market Research (M) Sdn Bhd to the inclusion in this Prospectus of its name and quotations in the form and context in which its name appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

11. DOCUMENTS FOR INSPECTION

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

- (i) The Memorandum and Articles of Association of RIB and its subsidiaries;
- (ii) Audited accounts of RIB for the financial period from 22 October 2002 (date of incorporation) to 28 February 2003 and the financial period from 1 March 2003 to 30 June 2003;
- (iii) Audited accounts of RTC for the 5 financial years ended 28 February 2003 and the financial period from 1 March 2003 to 30 June 2003;
- (iv) Audited accounts of RT for the 5 financial years ended 28 February 2003 and the financial period from 1 March 2003 to 30 June 2003;
- (v) Audited accounts of RN for the financial period from 26 August 2000 (date of incorporation) to 28 February 2001, the 2 financial years ended 28 February 2003 and the financial period from 1 March 2003 to 30 June 2003;
- (vi) Audited accounts of RMSB for the financial period from 13 September 2000 (date of incorporation) to 28 February 2001, the 2 financial years ended 28 February 2003 and the financial period from 1 March 2003 to 30 June 2003;
- (vii) Audited accounts of VMSTL for the financial period from 14 September 1998 (date of incorporation) to 29 February 2000, the 3 financial years ended 28 February 2003 and the financial period from 1 March 2003 to 30 June 2003;
- (viii) Audited accounts of RSB for the financial period from 12 June 2000 (date of incorporation) to 30 June 2003;
- (ix) The Reporting Accountants' Letter relating to the proforma consolidated balance sheets as at 30 June 2003 as included in Part XIII of this Prospectus;
- (x) The Reporting Accountants' Report and Directors' Report as included in Parts XII and XIV, respectively of this Prospectus;
- (xi) The material contracts as disclosed in Section 8 of this Part of this Prospectus.

XV. STATUTORY AND OTHER INFORMATION (CONT'D)

- (xii) The material agreements and insurance policies as disclosed in Sections 9 and 12 of this Part of this Prospectus;
- (xiii) The writ and relevant cause papers for current material litigation referred to in Section 7.1 of this Part of this Prospectus;
- (xiv) The letters of consents referred to in Section 10 of this Part of this Prospectus; and
- (xv) The service agreement as disclosed in Section 6 of Part VII of this Prospectus.

12. INSURANCE POLICIES

The Group has purchased the following types of insurance policies:

- (i) Various insurance policies from Jerneh Insurance Berhad and Pacific Insurance Berhad for an aggregate sum insured of approximately RM22.647 million for the following insurance coverage:
 - (a) burglary of office property as well as stock-in-trade of RTC, RT and RN;
 - (b) plate glass at the office premises of RTC and RT;
 - (c) public liability suffered by RTC and RT;
 - (d) all risks on the equipments belonging to RN;
 - (e) emergency medical assistance, group hospital and surgical and group personal accident;
 - (f) fire;
 - (g) money;
 - (h) electronic equipment; and
 - (i) goods in transit.

13. RESPONSIBILITY STATEMENT

- (i) This Prospectus has been seen and approved by the Directors and promoters of the Company and they collectively and individually accept full responsibility for the accuracy of all the information contained herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.
- (ii) CIMB, the adviser, underwriter, placement agent and sponsor acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Public Issue of 31,080,000 new ordinary shares of RM0.10 each in the Company.