

## 15. FURTHER INFORMATION

### 15.1 Share Capital

- (i) No shares will be allotted or issued on the basis of this Prospectus later than twelve (12) months after the date of the issue of this Prospectus.
- (ii) There are no founder, management or deferred shares in the Company. As at the date of this Prospectus, there is only one (1) class of shares in the Company, namely ordinary shares of RM0.10 each, all of which rank pari passu with one another.
- (iii) Save as disclosed in Section 6.3 and Section 6.4 of this Prospectus, no shares or debentures of the Company or its subsidiary companies have been issued or been agreed to be issued or proposed to be issued as fully or partly paid-up, in cash or otherwise, within the two (2) preceding years from the date of this Prospectus.
- (iv) Other than the Issuance of Shares to Employees as disclosed in Section 6.3 of this Prospectus, the 2,000,000 Public Issue Shares offered to the eligible Directors and employees of the Viztel Group as disclosed in Section 3.4 of this Prospectus and the approved ESOS as disclosed in Section 14 of this Prospectus:
  - (a) no person or employee of the Group has been or is entitled to be given an option to subscribe for any shares or debentures of the Company or its subsidiaries; and
  - (b) there is no other scheme involving the employees of the Group in the shares of the Company or its subsidiary companies.
- (v) The Company and its subsidiary companies have no outstanding convertible securities.

### 15.2 Articles of Association

The following provisions are reproduced from the Company's Articles of Association and are qualified in its entirety by the provisions of the Articles of Association of the Company.

- 1. The extracts of the provisions of the Articles of Association of the Company in respect of the arrangements for the transfer of Shares of the Company and the restrictions on their free transferability are as follows:

#### *Article 20*

Subject to the provisions of the Central Depositories Act and the Rules the transfer of any listed security or class of listed security of the Company, 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 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 the listed securities. Subject to these Articles, there shall be no restriction on the transfer of fully paid shares except where required by law.

#### *Article 21*

No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

#### *Article 22*

The Company shall provide a book and/or such other form or systems of record or dates recording and storage to be called "Register of Transfers" which shall be kept by the Secretary or such other person authorised by the Directors under the control of the Directors and in which shall be entered the particulars of every transfer or transmission of every share.

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**15. FURTHER INFORMATION (cont'd)**

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**Article 23**

- (1) The Directors may decline to register any transfer of any shares in the following circumstances:
- (a) shares are not fully paid;
  - (b) the Company has a lien over the shares;
  - (c) registration would lead to the infringement of any written law (whether principal or subordinate legislation) or rules or regulations, made by any competent authority in Malaysia;
  - (d) failure to furnish such evidence as the Directors may require to ascertain the right of the transferor to make the transfer and the transferee to accept the same for the purpose of sub-article 23(1)(c).
- (2) If the Directors shall decline to register the transfer of any shares they shall send to the transferee notice of the refusal within three (3) market days after the date on which the transfer was lodged with the company stating the precise reasons thereof.
- (3) In accordance with the provisions of any written law, the Directors may refuse to register the transfer of any share if in their opinion, such transfer when registered will result in Foreigners having an interest in an aggregate more than the Prescribed Limit.

**Article 24**

The Register of Transfers may be closed at such time and for such period as the Directors may from time to time determine Provided Always that it shall not be closed for more than thirty (30) days in any year. Any notice of intention to fix a books closing date and the reason therefor shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange, such notice shall state the books closing date, which shall be at least eighteen (18) market days (or such other period as prescribed by the Exchange or any relevant governing laws and/or guidelines) after the date of notification to the Exchange, and the address of share registry at which documents will be accepted for registration. As least three (3) market days prior notice shall be given to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors.

**Article 25**

Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may by reason of any fraud or other cause not known to the Company or its Directors or other officers be legally in-operative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside. And in every such case, the person registered as transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto. Provided always that where the share is a deposited security, subject to the Rules, a transfer or withdrawal of the share may be carried out by the person becoming so entitled.

**Article 26**

There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares, such fee, not exceeding RM3.00 as the Directors may from time to time require or prescribe.

**15. FURTHER INFORMATION (cont'd)**

***Article 41***

The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to these Articles, as, and subject to which, the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit, but the Directors may from time to time fix the minimum amount of stock, transferable, and restrict or forbid the transfer of fractions of that minimum but the minimum shall not exceed the nominal amount of the shares from which the stock arose.

2. The extracts of the provisions of the Articles of Association dealing with the remuneration of the Directors are as follows:

***Article 77***

The Company in a general meeting shall from time to time determine the fees of the Director. Unless otherwise directed by the resolution by which it is voted, any such fees shall be divided amongst the Directors as they may agree or failing agreement equally. Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of proposed increase has been given in the notice convening the meeting. The Directors shall also be entitled to be repaid all travelling and hotel expenses properly incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from meetings of Directors or general meetings or which he may otherwise incur on or about the business of the Company. If by arrangement with the Directors, any Director shall perform or render any special duties or service outside his ordinary duties as a director, in particular without limiting to the generality of the foregoing 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 Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged. PROVIDED THAT no Director (non-executive or executive) shall be remunerated by a commission on or percentage of turnover and that nothing herein shall prejudice the power of the Directors to appoint any of their number to be the employee or agent of the Company at such remuneration which shall not include a commission on or percentage of turnover. The fee payable to non-executive Directors shall be fixed sums as shall be determined by the Company in general meeting.

***Article 78***

The remuneration of a Managing Director may be by way of salary or commission or participation in profits or by any or all of those modes but shall not include a commission on or a percentage of turnover.

***Article 80***

An alternate Director may be repaid by the Company such expenses as might properly be repaid to him if he were a Director and he shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointer as such appointer may by notice in writing to the Company from time to time direct, but save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company.

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**15. FURTHER INFORMATION (cont'd)**

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3. The extracts of the provisions of the Company's Articles of Association dealing with the voting and borrowing powers of the directors are as follows:

**Article 89**

The Directors may from time to time at their discretion raise or borrow for the purpose of the Company such sums of moneys, as they think proper.

**Article 90**

The Directors may raise or secure the payment of such money in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of debentures or debenture stock of the Company (both present and future) including uncalled capital, or by means of charges, mortgages, bonds and disposition in security or bonds of cash-credit, with or without power of sale, as the Directors shall think fit.

**Article 91**

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

**Article 92**

- (1) The Directors may borrow or raise any such money as aforesaid upon by the issue or sale of any bonds, debentures, debenture stock, or securities, and upon such terms as to time of repayment, rate of interest, price of issue or sale, payment of premium or bonus upon redemption or repayment or otherwise as they may think proper. The Company may in general meeting grant a right for the holders of bonds, debentures, debenture stock or securities to exchange the same for shares in the Company or any class authorised to be issue.
- (2) Subject as aforesaid, the Directors may secure or provide for the payment of any moneys to be borrowed or raised by a mortgage or a charge upon all or any part of the undertaking or property of the Company both present and future and upon any capital remaining unpaid upon the shares of the Company whether called up or not or by any other security and the Directors may confer upon any mortgagees or persons in whom any debentures, debenture stock or security is vested such rights and powers as they think necessary or expedient; and they may vest any property of the company in trustees for the purpose of securing any moneys so borrowed or so raised and confer upon the trustees or any receiver to be appointed by them or by any debenture holder, such rights and powers as the Directors may think necessary or expedient in relation to the undertaking or property of the Company, or the management or the realisation thereof, or the making, receiving or enforcing of calls upon the Members in respect of unpaid capital and otherwise, and may make and issue debentures to trustees for the purpose of further security, and any such trustee may be remunerated.
- (3) The Directors may give security for the payment of any moneys payable by the Company in like manner as for the payment of money borrowed or raised, but in such case the amount shall be reckoned as part of the money borrowed.

**15. FURTHER INFORMATION (cont'd)****Article 112**

- (1) A Director who is in any way, whether directly or indirectly interested in a contract or proposed contract with the Company shall declare the nature of his interest in accordance with the provisions of the Act. Save as by the next following paragraph of this Article otherwise provided, a Director shall not vote in respect of any contract or arrangement in which he is interested (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, but this Article shall not apply to:
- (i) any arrangement for giving to him any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company; or
  - (ii) 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 he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.
4. The extracts of the provisions of the Articles of Association dealing with changes in capital and variations of class rights which are as stringent as those provided in the Act are as follows:

**Article 46**

The Company may by ordinary resolution:

- (a) Consolidate and divide all of its share capital into shares of larger amounts than its existing shares.
- (b)
  - (i) Cancel any shares which at the date of the passing of the resolution have not been taken, or agreed to be taken, by any person or which have been forfeited and diminish the amount of its capital by the amount of shares so cancelled.
  - (ii) Cancel any shares that have been purchased by the Company and extinguish all rights attaching to the shares including suspended rights in accordance with section 67A of the Act and the Listing Requirements.
- (c) Sub-divide shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Act) and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preference or other special rights over, or may have such deferred special rights, or be subject to any such restrictions as compared with the others as the Company has power to attached to unissued or new shares.

**Article 47**

- (a) The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorised, and consent required by law.
- (b) The Company may reduce its issued share capital by the cancellation of shares purchased by the Company and the amount by which the company's issued capital is diminished shall be transferred to the capital redemption reserve in accordance with Section 67A of the Act and the Listing Requirements.

**15. FURTHER INFORMATION (cont'd)****Article 48**

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 general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be two persons at least holding or representing 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. Provided however that in the event of the necessary majority not having been obtained in the manner aforesaid consent in writing may be secured from members holding at least three-fourths of the issued shares of the class and such consent if obtained within two (2) months from the date of the separate general meeting shall have the force and validity of a special resolution duly carried by a vote in person or by proxy.

**Article 49**

The rights conferred upon the holders of the shares of any class with preference 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 but in no respect in priority thereto.

**15.3 Directors and Substantial Shareholders**

- (i) The names, addresses and occupations of the directors are set out in the section titled "Corporate Directory" of this Prospectus.
- (ii) A Director is not required to hold any qualification share in the Company unless otherwise so fixed by the Company in a general meeting.
- (iii) The Promoters, Directors and substantial shareholders of Viztel have not received any amounts or benefits paid or intended to be paid or given by the Company other than by virtue of their directorships and by virtue of their employment by the Company within the two (2) years preceding the date of this Prospectus.
- (iv) Please refer to Section 8.3.3 of this Prospectus for the aggregate remuneration paid and proposed to be paid to the Directors of the Company for services rendered to the Company and its subsidiaries in all capacities for the financial year ended 31 December 2003 and ending 31 December 2004.
- (v) Please refer to Section 2.2 of this Prospectus for details on the direct and indirect interests of the Directors and substantial shareholders of Viztel before and after the Public Issue.
- (vi) None of the Directors or substantial shareholders of the Company have any interest in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company or the Group, taken as a whole.

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**15. FURTHER INFORMATION (cont'd)****15.4 Material Litigation**

Save as disclosed below, as at 22 June 2004 (being the latest practicable date prior to the registration of the Prospectus) the Company and its subsidiary companies are not engaged in any litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary companies. To the best of their knowledge, the Directors are not aware of any proceedings pending or threatened against the Company and its subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of the Company or its subsidiary companies:

Viztel had on 16 July 2003 filed a suit against Allied Interactive Sdn Bhd for a sum of RM200,000 for services rendered for the MOTdotNET Project. Service for summons for this case was effected on 16 July 2003. Subsequent to the summons dated 16 July 2003, Viztel filed an application under Order 26A, Rules of Subordinate Court 1980 for summary judgement. This matter is now fixed for a hearing on 23 August 2004. The solicitors for the suit are of the opinion that Viztel stands a fair chance to succeed in the claim.

**15.5 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 subsidiary companies within the two (2) years preceding the date of this Prospectus:

- (i) Factoring Agreement dated 9 January 2003 between ORIX Factoring Malaysia Sdn Bhd ("ORIX") and Logilabs for the sale by Logilabs to ORIX of the instalment payments to be received by Logilabs from its customers;
- (ii) Underwriting Agreement dated 11 June 2004 between Viztel, and Alliance identified therein for the underwriting of up to 3,500,000 Public Issue Shares for an underwriting commission of 3% of the issue price of RM0.35 per ordinary share;
- (iii) Letter of offer from Viztel dated 15 June 2004 to Ng Chong Jin, Ngu Foong Keng, Salbiah Shuib, Tan Peng Bon, Lim Kah Wui, Khoo Keow Pin and Lim Su Hooi ("RCPS-C Subscribers") inviting the RCPS-C Subscribers to subscribe for 132,450 RCPS-C at an issue price of RM7.55 per RCPS-C;
- (iv) Placement Agreement dated 22 June 2004 between Viztel and Alliance whereby Alliance agreed to act as Placement Agent for the placement of the 11,500,000 Issue Shares for a placement fee of RM20,000; and
- (v) Sponsorship Agreement dated 24 June 2004 between Viztel and Alliance to appoint Alliance as the Sponsor for the Company for a period of one (1) year after listing for a sponsorship fee of RM30,000.

**15.6 Material Agreements**

Save as disclosed below, there are no other subsisting agreements which are material which have been entered into by the Company and its subsidiaries in the ordinary course of business:

- (i) Service contract dated 3 April 2002 in relation to the employment of Lau Kin Wai as the Chief Executive Officer of Viztel commencing on 3 April 2002;
- (ii) Service contract dated 3 April 2002 in relation to the employment of Pang Hao Chen as the Vice President, Finance and Administration of Viztel commencing on 3 April 2002;
- (iii) Service contract dated 3 April 2002 in relation to the employment of Chong Kam Hoe as the Vice President, Operations commencing on 3 April 2002;
- (iv) All Risk Insurance Policy with American Home Assurance Company Malaysia for the period between 17 June 2004 to 16 June 2005 to cover all the office equipment. The total amount insured is RM299,841;

**15. FURTHER INFORMATION (cont'd)**

- (v) Software License Agreement signed in January 2001 between Viztel and YFI granting YFI a non-exclusive, non-transferrable license to use Viztel's proprietary software port license in Hong Kong effective until terminated by either party;
- (vi) Master Distribution Partner Agreement dated 28 November 2001 between Viztel and Niagara Technologies Sdn Bhd ("Niagara") whereby Viztel granted Niagara certain non-exclusive and non-transferable rights to use, market and order certain or all of Viztel's proprietary software that are in commercial production and to provide services and integration into other Niagara products and/or integration services for the software to the end user customers. Niagara shall pay Viztel a fee based on its then current published price list including a discount or a negotiated or mutually agreed upon price, whichever lower, for each licence and/or first year support fees for the software ordered by Niagara. The duration of the agreement shall be for an initial term of five (5) years and shall be automatically renewed annually unless terminated by either party;
- (vii) Solutions Partner Agreement dated 4 July 2002 between Viztel and VoIUM Communications Pte Ltd ("VoIUM") whereby Viztel grants VoIUM certain non-exclusive and non-transferable rights to use, market and order certain of Viztel's proprietary software and its related documentation and to provide installation, implementation, training, customisation, project management and support services for the software to end-users. VoIUM shall pay Viztel its then current published list price for each licence for the software ordered by VoIUM. The duration of the agreement shall be for a period of two (2) years and shall be automatically renewed annually unless terminated by either party;
- (viii) Letter of Offer dated 16 January 2003 from Viztel to Keep Communication Sdn Bhd to set-up, operate and maintain pre-paid/post-paid calling services gateway on a revenue-sharing arrangement whereby Viztel will be entitled to a monthly fee based on the number of international and local calls made via the gateway;
- (ix) Purchase order dated 20 May 2003 from Elanet Sdn Bhd and accepted by Viztel on 23 May 2003 for the supply, customisation, installation and commissioning of T-Cube Multi-Protocol Telephony Gateway for RM299,000;
- (x) Service agreement dated 26 September 2003 between Viztel and InfraRed Processor (M) Sdn Bhd for the supply of T-Cube billing and inventory management system for RM210,000;
- (xi) Voice Termination Service Agreement dated 11 November 2003 between Viztel and CyberHub Worldcom Pte Ltd ("CyberHub") for CyberHub to provide telecommunication services to Viztel. The agreement is effective until terminated by either party;
- (xii) Deed of Assignment dated 17 February 2004 between Logilabs and Global Transmedia Communication Sdn Bhd ("Global") for Global to assign to Logilabs all its rights, interest and title under the Strategic Alliance Agreement ("SAA") dated 30 July 2002 entered into between Global and TT dotcom Sdn Bhd ("TTdC"). The SAA is for Global to provide technical services to TTdC for a period of two (2) years with an option of renewal for an additional year;
- (xiii) Sale and purchase agreement dated 17 February 2004 between Logilabs and Global for the acquisition of all of Global's rights, title and interests in and under the SAA for an initial sum of RM10,000. Logilabs shall also pay to Global a monthly fee amounting to ten per centum (10%) of the monthly revenue generated or RM100,000, whichever is the lower and the gross revenue generated from the existing customer base of Global;
- (xiv) Agreement dated 10 March 2004 between Viztel and AirAsia Aviation Co. Ltd to supply and install a speech-enabled interactive voice response system for an initial payment of Thai Baht 1,000,000 and subsequent payments to be based on the number of calls made to the system up to a cumulative maximum of Thai Baht 2,250,000; and
- (xv) Agreement dated 25 March 2004 between Logilabs and Hundred Times Sdn Bhd ("HTSB") to appoint HTSB as a marketing agent and product reseller for telephone cards, smart dial family package effective until terminated by either party.



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**15. FURTHER INFORMATION (cont'd)**

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**15.7 Public Take-overs**

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

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

**15.8 General**

- (i) The time of opening of the Application for the Public Issue is set out in Section 16 of this Prospectus.
- (ii) Save as disclosed in Section 8 of this Prospectus, the Directors of Viztel are not aware of any persons who are able to, directly or indirectly, jointly or severally, exercise control over the Company and its subsidiary companies.

**15.9 Consents**

The written consents of the Adviser/Sponsor/Underwriter/Placement Agent, Principal Bankers, Issuing House, Registrar, Solicitors and Company Secretary to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consents of the Auditors and Reporting Accountants to the inclusion of their name, Accountant's Report and their letters relating to the proforma consolidated balance sheets as at 31 December 2003 in the manner and form in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

**15.10 Responsibility Statements**

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 the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.

**15.11 Documents for Inspection**

Copies of the following documents are available for inspection at the registered office of the Company at Level 62, Tower 2, Petronas Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur, during normal business hours for a period of twelve (12) months from the date of this Prospectus:

- (i) Memorandum and Articles of Association of Viztel;
- (ii) The Reporting Accountant's letter relating to the proforma consolidated balance sheets included in Section 13 of this Prospectus;
- (iii) The Directors' Report and Accountant's Report as included in Sections 11 and 12 respectively in this Prospectus;
- (iv) The writ of summons in respect of the material litigation referred to in Section 15.4 of this Prospectus;
- (v) The material contracts referred to in Section 15.5 of this Prospectus;

**15. FURTHER INFORMATION (cont'd)**

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- (vi) The material agreements referred to in Section 15.6 of this Prospectus;
- (vii) The letters of consent referred to in Section 15.9 of this Prospectus; and
- (viii) The audited financial statements of Viztel and its subsidiary companies for the four (4) financial years ended 31 December 2003.

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