

16 STATUTORY AND OTHER GENERAL INFORMATION

16.1 SHARE CAPITAL

- (i) No securities 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. 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 for the options which have been or will be granted under the ESOS (as disclosed in Section 4.1.1) as at the date of this Prospectus, no person has been or is entitled to be given an option to purchase or subscribe for any shares, stocks or debentures of the Group.
- (iv) Save as disclosed in the Sections 2 and 4 of this Prospectus, no ordinary shares or debentures of the Company or its subsidiaries have been issued or proposed to be issued as partly or fully paid-up for cash or otherwise than for cash within the two (2) years preceding the date of this Prospectus.
- (v) The Company has no outstanding convertible debt securities.

16.2 ARTICLES OF ASSOCIATION

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

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

(a) Transfer of shares

Article 10 – Transfers of shares

- 10.1 The transfer of any listed security or class of listed security of the Company, shall be by way of book entry by the Bursa Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act, but subject to sub-section 107C(2) of the Act and any exemption that may be made from compliance with sub-section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities.
- 10.2 The instrument of transfer shall be executed by or on behalf of the transferor and the transferee and the transferor shall be deemed to remain the holder of the share until the transferee's name is entered in the Record of Depositors as the holder of that share.
- 10.3 The Directors may decline to register any transfer of shares which are not fully paid (whether these are quoted or otherwise) to a person of whom they do not approve.
- 10.4 Notwithstanding Sections 103 and 104 of the Act, the Company shall be precluded from registering and effecting any transfer of securities. The Bursa Depository may, in its absolute discretion, refuse to register any transfer that does not comply with the Central Depositories Act and the Rules. Neither the Company nor any of its officers shall be liable for any transfer of shares effected by the Bursa Depository.

16 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- 10.5 Subject to the Central Depositories Act and the Rules, a Member may transfer all or any of its securities in writing in the form prescribed and approved by Bursa Securities and the Registrar (as the case may be). Subject to these Articles, there shall be no restriction on the transfer of fully paid shares except where required by law. All transfers of deposited securities shall be affected in accordance with the Act, the Central Depositories Act and the Rules.
- 10.6 Subject to the Rules, the Register shall be closed for such periods as the Directors may from time to time determine but such register shall not be closed for more than 30 days in any year. The Company shall, before it closes such register,:
- 10.6:1 give notice of such intended closure (in the case of the Register) in accordance with Section 160 of the Act;
- 10.6:2 give notice of such intended closure to Bursa Securities at least 12 Market Days before the intended date of such closure including in such notice, such date, the reason for such closure and the address of the Share Registrar at which documents will be accepted for registration;
- 10.6:3 publish in a daily newspaper circulating in Malaysia, a notice of such intended closure including the information to be included in the notice referred to in Article 10.6:2;
- 10.6:4 give notice to Bursa Depository at least 3 clear Market Days before the intended date of such closure, to enable Bursa Depository to prepare and deliver the appropriate Record of Depositors.

(b) Remuneration of directors

Article 24.3

Subject to these Articles, the remuneration of Directors (other than salaries and emoluments payable to executive Directors) 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 :-

- 24.3.1 fees 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;
- 24.3.2 salaries payable to Directors who hold an executive office in the Company may not include a commission on or percentage of turnover;
- 24.3.3 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.
- 24.3.4 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.
- 24.3.5 all remuneration payable to Directors shall be deemed to accrue from day to day.

16 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Article 24.4

The Directors may be paid all travelling, hotel and other expenses, properly incurred by them in attending and returning from meetings of the Directors or any committee of Directors or general or other meetings of the Company or in connection with the business of the Company.

Article 24.5

The Directors may grant special remuneration to any Director who (on request by the Directors) is willing to render any special or extra services to the Company or to go or reside outside his country of domicile or residence in connection with the conduct of any of the Company's affairs. Such special remuneration may be paid to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be paid in a lump sum or by way of salary, or by a percentage of profits, or by all or any of such methods but shall not include (where such special remuneration is paid by way of salary) a commission on or a percentage of turnover.

(c) Voting and borrowing powers of directors

Article 26 - Powers of the Directors

- 26.1 Subject to the Act, the Memorandum of the Company and these Articles, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum or these Articles shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made. The powers given by this Article shall not be limited by any special power given to the Directors by these Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.
- 26.2 Any sale or disposal by the Directors of a substantial portion of the Company's main undertaking or property shall be subject to ratification by shareholders in general meeting.
- 26.3 All cheques, promissory notes, drafts, bills of exchange and other instruments (whether negotiable, transferable or not), and all receipts for money paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed (as the case may be) by any 2 Directors or in such other manner as the Directors may from time to time by resolution determine.

Article 27 - Borrowing powers of Directors

- 27.1 Except as provided by Article 27.2, the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether as primary or collateral security for any debt, liability or obligation of the Company or any other party.

16 **STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

- 27.2 The Directors shall not borrow any money or mortgage or charge any of the Company's or its Subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.
- 27.3 The Company shall keep a 'register of charges' in accordance with Section 115 of the Act. No fee shall be charged for any inspection of such register by a Member or a creditor of the Company.

(d) Changes in capital and variation of class rights

Article 4 – Share Capital and Variation of Rights

- 4.1 Subject to the Act and these Articles, any unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Directors who may offer, issue, allot (with or without conferring a right of renunciation), grant options over, grant any right or rights to subscribe for such shares or any right or rights to convert any security into such shares, or otherwise deal with or dispose of them to such persons at such times and on such terms and conditions as they may determine.
- 4.2 Article 4.1 shall be subject to the following provisions:
- 4.2:1 the Company shall not offer, issue, allot, grant options over shares, grant any right or right to subscribe for shares or any right or rights to convert any security into shares or otherwise deal with or dispose of shares which will or may have the effect of transferring a controlling interest in the Company without the prior approval of the Members in general meeting;
- 4.2:2 no Executive Director shall participate in an issue of shares to employees unless the Members in general meeting have approved the specific allotment to such director;
- 4.2:3 no shares shall be issued at a discount except in accordance with Section 59 of the Act;
- 4.2:4 the total nominal value of issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time;
- 4.2:5 the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating them.
- 4.3 Subject to the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or as the Directors (subject to being duly authorized to do so by an ordinary resolution of the Company) may determine.
- 4.4 All new issues of securities for which listing is sought shall be made by way of crediting the Securities Accounts of the allottees or entitled persons with such securities save and except where the Company is specifically exempted from complying with Section 38 of the Central Depositories Act. For this purpose, the Company shall notify the Central Depository of the names of the allottees or entitled persons and all such particulars as may be required by the Central Depository to enable the Central Depository to make the appropriate entries in the securities accounts of such allottees or entitled persons.

16 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- 4.5 Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue be offered to Members who 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, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Article.
- 4.6 Notwithstanding Article 4.4 (but subject to the Act), the Company may apply to Bursa Securities for a waiver from convening an extraordinary general meeting to obtain shareholders' approval for further issue or issues of shares (other than bonus or rights issues) where:
- 4.6:1 the aggregate issues of shares (other than bonus and rights issues and other issues of shares which have been specifically approved by the shareholders in an extraordinary general meeting) in any one financial year in which such Bursa Securities may from time to time allow either in respect of a particular financial year, generally or otherwise) of the Company's issued share capital as at the last day of the financial year before such financial year; and
- 4.6:2 in accordance with the provisions of Section 132D of the Act, there is still in effect a resolution approving the issuance of shares by the Company.
- 4.7 The Company may, pursuant to Section 58 of the Act, pay commission at a rate not exceeding 10% of the price at which the shares are issued.
- 4.8 Except as authorized or required by law or these Articles, no person shall be recognised by the Company as holding any share on any trust, and the Company shall not be bound by or recognise (even when having notice of it) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only partial interest in any share or any interest in any financial part of a share or (except only as provided by law) any other rights in respect of any share except an absolute right to the entirety of the share in the registered holder.
- 4.9 The Directors may at any time after the allotment of any share but before any person has been entered in the Record of Depositors as the holder recognise a renunciation of such share by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation on such terms and conditions as the Directors may determine.
- 4.10 No partnership, unincorporated association or body or minor may be a Member.
- 4.11 Subject to the Rules, no more than one (1) person shall be entered as the holder of a securities account in the system of the Bursa Depository.

Article 5 - Preference shares

- 5.1 Subject to the Act and these Articles, any preference shares may be issued on terms that they are, or at the option of the Company are liable to be redeemed on such terms and in such manner as may be provided for by these Articles.

16 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- 5.2 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.
- 5.3 Preference shareholders shall have:
- 5.3:1 the same rights as ordinary shareholders as regards receiving notices, reports and audited accounts and attending general meetings of the Company;
 - 5.3:2 the right to vote at any meeting convened for the purposes of reducing the capital, or to wind up the Company and during the winding up of the Company, or disposing the whole of the Company's property, business and undertaking or of directly affecting the rights attached to their shares and privileges, or when the dividend or part of the dividend on the preference shares is in arrears for more than 6 months;
 - 5.3:3 the right to a return of capital in preference to holders of ordinary shares when the Company is wound up.
- 5.4 The repayment of preference capital other than redeemable preference shares or any other alteration of preference shareholders' rights, may only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within 2 months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

Article 6 - Variation of rights

- 6.1 If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may (subject to Sections 55 and 65 of the Act and whether or not the Company is being wound up) be varied or abrogated with:
- 6.1:1 the consent in writing of the holders of three-fourths of the issued shares of that class; or
 - 6.1:2 the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

To every such separate general meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, except that the necessary quorum shall be 2 persons at least holding or representing by proxy one-third of the issued shares of the class (but so that if at any adjourned meeting of such holders, a quorum is not present, the holders present, shall form a quorum), and any holder of shares of the class present in person or by proxy may demand a poll.

- 6.2 Subject to Section 65 of the Act, the rights attached to any class shall not (unless otherwise provided by the terms of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking in any respect *pari passu* with that class.

16 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Article 17 – Alteration of Capital

- 17.1 The Company may by ordinary resolution:
- 17.1:1 consolidate and divide all or any of its share capital into shares of larger amount;
 - 17.1:2 (subject to Section 62(1) of the Act) subdivide its existing shares or any of them into shares of smaller amount;
 - 17.1:3 cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- 17.2 Subject to any direction by the Company in general meeting, if any consolidation or subdivision and consolidation of shares results in Members being entitled to any issued shares of the Company in fractions, the Directors may deal with such fractions as they may determine including (without limitation), selling the shares to which Members are so entitled for such price as the Directors may determine and paying and distributing to the Members entitled to such shares in due proportions the net proceeds of such sale.
- 17.3 The Directors may (to give effect to such sale referred to in Article 17.2):
- 17.3:1 nominate any person to execute a transfer of the shares sold on behalf of the Members so entitled to or in accordance with the directions of the purchaser;
 - 17.3:2 enter or have entered the name of the transferee in the Register as the holder of the shares to which such transfer relates,
- and the purchaser shall not be concerned to ensure that the purchase consideration is properly applied nor shall title to the shares be affected by any irregularity or invalidity in the proceedings in relation to the sale.
- 17.4 The Company may by special resolution reduce its share capital and any capital redemption reserve or share premium account in any manner authorized by law.

16.3 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- (i) The names, addresses and occupations of the Directors are set out in the Corporate Directory section at the front of this Prospectus.
- (ii) A Director is not required to hold any qualification shares in the Company.
- (iii) The remuneration paid to the Directors of the Company for services rendered in all capacities to the Group for the FYE 31 December 2004 amounted to RM120,000. For the FYE 31 December 2005, the remuneration payable to the Directors is estimated at RM180,000.

16 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

The number of Directors in the various remuneration bands are set out below:-

	Aggregate Remuneration					
	FYE 31 December 2004			FYE 31 December 2005		
	Executive Director	Non-Executive Director	Total	Executive Director	Non-Executive Director	Total
Up to RM100,000	2	-	2	2	3	5
Between 100,001 and RM200,000	-	-	-	-	-	-

- (iv) Save as disclosed in Section 10.2, none of the Directors and/or substantial shareholders of the Company and/or person(s) connected with any of them have any interest, direct or indirect, in the promotion of or in any material assets which have, within the two (2) years preceding the date of this Prospectus, been acquired or disposed of by or leased to any of the Group, or are proposed to be acquired, or disposed of by or leased to any of the Group.
- (v) None of the Directors and/or substantial shareholders of the Company have any interest, direct or indirect, in any businesses and corporations carrying on a similar trade as any of the Group.
- (vi) None of the Promoters, save as disclosed above, have received any amounts or benefits paid or given by the Company other than by the virtue of their directorships as disclosed in Section 16.3 (iii) of this Prospectus within the two (2) years preceding the date of the Prospectus, or intended to be so paid or given.
- (vii) According to the Register of Directors' shareholdings of Ygl Convergence (applicable for before the Public Issue only), the direct and indirect interests of the Directors are as follows:-

	Before Issues				After Issues *			
	No of Shares held		No of Shares held		No of Shares held		No of Shares held	
	Direct	%	Indirect	%	Direct	%	Indirect	%
Yeap Kong Chean	11,666,667	46.67	-	-	23,333,334	34.93	-	-
Yeap Kong Tai	11,666,666	46.67	-	-	23,333,332	34.93	-	-
Sarina Bt A. Karim	1,666,667	6.67	-	-	3,333,334	5.00	-	-
Dato' Muhammad Farid Bin Haji Ahmad Ridhwan	-	-	-	-	40,000	0.06	-	-
Chong Kai Min	-	-	-	-	40,000	0.06	-	-

* Assumes that the Directors subscribe for their respective allocation of Public Issue Shares under pink form allocation but exclude ESOS allocation, which will only be offered after the Issues.

- (viii) The existing substantial shareholders and their respective direct and indirect interests in the Ygl Convergence Shares are/will be as follows:-

	Before Issues				After Issues *			
	No of Shares held		No of Shares held		No of Shares held		No of Shares held	
	Direct	%	Indirect	%	Direct	%	Indirect	%
Yeap Kong Chean	11,666,667	46.67	-	-	23,333,334	34.93	-	-
Yeap Kong Tai	11,666,666	46.67	-	-	23,333,332	34.93	-	-
Sarina Bt A. Karim	1,666,667	6.67	-	-	3,333,334	5.00	-	-

* Assumes that the Directors subscribe for their respective allocation of Public Issue Shares under pink form allocation (if any) but exclude ESOS allocation, which will only be offered after the Issues.

16 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (ix) Save for the risk factors which are described in Section 3 of this Prospectus, the Board is 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.
- (x) Save as disclosed in Section 10.1 and 16.9, of this Prospectus, none of the Directors and/or substantial shareholders of the Company and/or person(s) connected with them are interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Group taken as a whole.

16.4 GENERAL

- (i) The nature of the Group's business and the names of all corporations, which are deemed to be related to the Company by virtue of Section 6 of the Companies Act, 1965 are set out in Section 4 of this Prospectus.
- (ii) The manner in which copies of this Prospectus together with the Application Form may be obtained is set out in Section 17.1 of this Prospectus.
- (iii) The time of the opening of the application of the Public Issue is set out in Section 17.1 of this Prospectus.
- (v) The amount payable in full on application is RM0.90 per Public Issue Share.
- (vi) Save as disclosed in Sections 3, 4, and 8 of this Prospectus, the financial condition and operations of the Group are not affected by any of the following: -
 - (a) Known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way;
 - (b) Material commitments for capital expenditure;
 - (c) Unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from operations; and
 - (d) Known trends or uncertainties that have had or that the Group reasonably expects to have a material favourable or unfavourable impact on revenues or operating income.
- (vi) As at the date of this Prospectus, the Group does not have any outstanding convertible debt securities.
- (vii) Yeap Kong Chean and Yeap Kong Tai will collectively exercise control over the Company and will hold 34.93% and 34.93% respectively of the enlarged issued and paid-up share capital of Ygl Convergence upon listing.
- (viii) Save for the Public Issue and ESOS, there is currently no scheme involving the staff in the capital of the Group.
- (ix) As at 6 June 2005, the Group has no borrowings nor contingent liabilities as disclosed in Section 8.5 of this Prospectus.

16 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (x) The name and address of the Auditors and Reporting Accountants of the Company are set out under the "Corporate Directory" of this Prospectus.

16.5 EXPENSES AND COMMISSIONS

- (i) The estimated amount of expenses of the Public Issue relating to the underwriting fees, placement fees and other expenses and fees incidental to the listing of and quotation for the entire issued and paid-up share capital of Ygl Convergence on the MESDAQ Market which is estimated to be RM1,500,000 will be borne by Ygl Convergence .
- (ii) A placement fee of 1.8% of the Issue Price of RM0.90 per share for a total of up to 5,560,000 of the Public Issue Shares is payable by Ygl Convergence to the Placement Agent.
- (iii) Underwriting commission is payable by the Company to Kenanga, at the rate of 1.8% of the issue price of RM0.90 per share of the 8,400,000 Public Issue Shares underwritten.
- (iv) Save as disclosed above, no commissions, discounts, brokerage or other special terms have, within the two (2) preceding years prior to the date of this Prospectus, been paid or granted or is payable to any Director, promoter or expert or proposed Director for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions for any shares in or debentures of the Group in connection with the issue or sale of any capital of the Group.

16.6 PUBLIC TAKE-OVERS

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

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

16.7 MATERIAL LITIGATION

As at 6 June 2005, being the latest practicable date prior to the printing of this Prospectus, the Group is not engaged as plaintiff or defendant in any other legal action, proceeding, arbitration or prosecution for any criminal offences, which has a material and adverse effect on the financial position of the Group and the Board does not know of any other proceeding pending or threatened or of any fact likely to give rise to any proceeding which might materially and adversely affect the position or business of Group.

16.8 MATERIAL CONTRACTS

Save as disclosed below, there are no contracts which are material (not being contracts entered into in the ordinary course of business) which have been entered into by the Group within the two (2) years preceding the date of this Prospectus: -

- (i) SPA dated 31 May 2005, which replaced an earlier SPA dated 4 May 2004, entered into between Ygl Convergence of the one part and Yeap Kong Chean and Yeap Kong Tai and Sarina Bt A. Karim of the other part for the acquisition of entire issued and paid-up share capital of Ygl Consulting for a purchase consideration of RM2,199,998 to be satisfied by an issuance of 21,999,980 new ordinary shares of RM0.10 each in Ygl Convergence;

16 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (ii) SPA dated 4 May 2004 entered into between Ygl Convergence of the one part and Yeap Kong Chean and Yeap Kong Tai of the other part for the acquisition of the entire issued and paid-up share capital of Ygl Multimedia for a purchase consideration of RM300,000 to be satisfied by an issuance of 3,000,000 new ordinary shares of RM0.10 each in Ygl Convergence;
- (iii) Underwriting Agreement dated 3 June 2005 entered into between Ygl Convergence of the one part and Kenanga, of the other part for the underwriting of 2,840,000 Ygl Convergence Shares pursuant to the Public Issue for an underwriting commission of 1.8% of the issue price of RM0.90 per share; and
- (iv) Placement Agreement dated 3 June 2005 entered into between Ygl Convergence of the one part and Kenanga of the other part for the placement of up to 5,560,000 of the Public Issue Shares for a placement fee of 1.8% of the issue price of RM0.90 per share.

16.9 MATERIAL AGREEMENTS

Save as disclosed below, there is no subsisting agreements, which are or may be material (being contracts entered into in the ordinary course of the business) which have been entered into by the Group as at the date of this Prospectus.

- (i) Baan Master Agreement dated 20 February 2002 entered into between Baan (Malaysia) Sdn. Bhd. ("BMSB") and Ygl Consulting. The agreement is supported by Exhibits A and B, both of which contain automatic annual renewal clauses. Exhibit A is a Baan Consulting Alliance Authorization whereas Exhibit B is a Baan Reseller Authorization whereby BMSB appoints Ygl Consulting in consideration of an annual membership fee USD8,400.00 to promote, market, distribute and resell BMSB products.
- (ii) Authorized Trainer Agreement, Authorized Public Training Partner Agreement and Authorized Onsite Training Partner Agreement dated 16 November 1999 entered into between Seagate Software Information (Canada), Inc. Management Group ("Seagate") and Ygl Consulting for a period of three (3) years whereby Seagate authorizes Ygl Consulting as a public training partner, authorized trainer and onsite training partner to teach Seagate Training Classes. All agreements are renewable for a further year by mutual written consent.
- (iii) Online Access to Microsoft Development Network ("MSDN") Agreement dated 19 November 2003 entered into between MSDN and Ygl Consulting for exclusive online access to MSDN Subscription.
- (iv) MI Sys Reseller MI Sys/2000 Business Partner Program Agreement dated 14 December 1999 entered into between Manufacturing Information Systems Inc. ("MI Sys") and Ygl Consulting to install and support marketing software.
- (v) Facilities Agreement dated 17 May 2001 entered into between Hong Leong Bank Bhd. and Ygl Consulting for overdraft facility of RM200,000.00 and term loan facility of RM370,000.00. The guarantors under the facilities agreement are Yeap Kong Tai and Ho Siew Bee.
- (vi) Solution Provider Program dated 12 December 2001 entered into between ACCPAC Software International Pte Ltd and Ygl Consulting whereby ACCPAC Software International Pte Ltd grants the license to resell Software Licenses, Demonstration Licenses to install and run the Demonstration Version of Software products, and Evaluation License to provide copies of Evaluation Version to potential person or entity located and taking delivery of Software for its own use.

16 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (vii) Partner Agreement dated 27 June 2002 entered into between Great Plains Software O.C. Inc. and Ygl Consulting for the appointment of Ygl Consulting as business associate of Great Plains for Software products and related services.
- (viii) YGL Implementation Agreement dated 14 March 2002 entered into between Ygl Consulting and Sanshin (Malaysia) Sdn. Bhd. ("Sanshin") for the implementation of the Baan ERP system for Sanshin.
- (ix) Agreement to implement ERP System for Singatronics (M) Sdn. Bhd. ("Singatronics") dated 25 June 2003 entered into between Singatronics and Ygl Consulting for a consideration of RM140,813.00.
- (x) Memorandum of Understanding executed between UUM and Ygl Multimedia dated 10 May 2004, wherein Ygl Multimedia had granted UUM a license to use the latest versions of its TAXCOM for education purposes. In consideration, Ygl Multimedia may use the name of UUM in all its promotion and advertising campaigns, press release and any other forum involving TAXCOM whilst UUM may use the name of Ygl Multimedia to the extent that it uses the software in all promotion and advertising campaigns, press release and any other forum. This Memorandum of Understanding shall remain in force for a period of five (5) years.
- (xi) Memorandum of Understanding executed between USM and Ygl Multimedia dated 13 December 2004, wherein Ygl Multimedia had granted USM a license to use the latest versions of its TAXCOM for education purposes. In consideration, Ygl Multimedia may use the name of USM in all its promotion and advertising campaigns, press release and any other forum involving TAXCOM whilst USM may use the name of Ygl Multimedia to the extent that it uses the software in all promotion and advertising campaigns, press release and any other forum. This Memorandum of Understanding shall remain in force for a period of three (3) years.
- (xii) Tenancy Agreement dated 3 January 2000 entered into between Yeap Geok Lake & Sons Sdn. Bhd. and Ygl Consulting for the tenancy of part of 1st Floor of No. 16 and Suite 2, 1st Floor of No. 18, China Street, 10200 Penang. The tenancy is for a term of five (5) years commencing from 1 January 2000 to 31 December 2005. The rental per month is RM7,000.00.
- (xiii) Tenancy Agreement dated 1 January 2005 entered into between Yeap Geok Lake & Sons Sdn. Bhd. and Ygl Multimedia for the tenancy of part of Suite 2, 1st Floor of No. 18, China Street, 10200 Penang. The tenancy is for a term of two (2) years commencing from 1 April 2004 to 31 March 2006. The rental per month is RM1,000.00.
- (xiv) Agreement dated 22 July 2004 entered into between Ygl Consulting and Delta Business Solutions for provision of Great Plains software, Ygl Value Added Solutions and Ygl ServiceERP Solutions software including service and maintenance for a total consideration of RM209,567.00.
- (xv) Agreement dated 8 October 2004 entered into between Ygl Consulting and TradersLink Resources Sdn Bhd for provision of ACCPAC software, Ygl Value Added Solutions and Ygl ServiceERP Solutions software including service and maintenance for a total consideration of RM121,180.00.
- (xvi) Purchase order from Swiss Garden International Sdn Bhd to Ygl Consulting dated 19 November 2004 for provision of ACCPAC software including service and maintenance for five (5) of its hotels in Malaysia for a total consideration of RM346,341.00.

16 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (xvii) Purchase order from YTL e-Solutions Bhd to Ygl Consulting dated 15 March 2005 for provision of ACCPAC software including service and maintenance for a total consideration of RM109,876.00.

16.10 LETTERS OF CONSENT

- (i) The written consents of the Adviser, Underwriter, Placement Agent, Auditors of Ygl Convergence, Ygl Consulting and Ygl Multimedia, Solicitors for the Listing, Registrar, Principal Banker, Issuing House 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.
- (ii) The written consent of the Reporting Accountants of Ygl Convergence to the inclusion of their name, Accountants' Report and their letters relating to the Proforma Balance Sheets as at 31 December 2004 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.
- (iii) The written consent of IDC to the inclusion of its name and extraction of information from its report done for Malaysia Packaged Software Industry Forecast, 2004-2009 in the manner and form in which such name and information appear, has been given before the issue of this Prospectus and has not been subsequently withdrawn.

16.11 RESPONSIBILITY STATEMENTS

- (i) This Prospectus has been seen and approved by the Board and Promoters of Ygl Convergence and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable inquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.
- (ii) Kenanga acknowledges that, based on all information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts about the Public Issue.

16.12 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of Ygl Convergence during normal office hours for a period of twelve (12) months from the date of this Prospectus:-

- (i) Memorandum and Articles of Association of Ygl Convergence;
- (ii) IDC's report done for Malaysia Packaged Software Industry Forecast, 2004-2009;
- (iii) The By-Laws of ESOS referred to in Section 15 of this Prospectus;
- (iv) The Directors' Report and Accountants' Report, referred to in Sections 12 and 13 respectively of this Prospectus;
- (v) The material contracts and agreements referred to in Sections 16.8 and 16.9 respectively of this Prospectus;

16 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (vi) The Reporting Accountants' Letter relating to the proforma consolidated balance sheets as at 31 December 2004 included in Section 14 of this Prospectus;
- (vii) The letters of consent referred to in Section 16.10 of this Prospectus;
- (viii) The audited financial statements of Ygl Consulting for the last five (5) FYE 31 December 2004;
- (ix) The audited financial statements of Ygl Multimedia for the past FYE 31 December 2004; and
- (x) The audited financial statements of Ygl Convergence for the past FYE 31 December 2004.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]