

11. DESCRIPTION OF SHARE CAPITAL

11.1 Shares

As at 1 October 2007, the authorised share capital of our Company is RM4,072,500,000 consisting of 8,000,000,000 ordinary shares of RM0.50 each, 7,000,000,000 RCPS A of RM0.01 each, and 25,000,000 RCPS B of RM0.10 each. We have only 1 class of shares in issue. Our issued and paid-up share capital is RM25,000,100 comprising 50,000,200 ordinary shares of RM0.50 each. Details of our Shares and RCPS A are set out in (i) and (ii) below.

The changes in our issued and paid-up share capital from our incorporation to 1 October 2007 are as follows:

Date of allotment	No. of shares	Par value RM	Consideration	Cumulative total RM
Ordinary shares				
07.11.2006	200	0.50	Subscribers' shares	100
01.10.2007	50,000,000	0.50	Conversion of RCPS B	25,000,100
RCPS B				
24.11.2006	25,000,000	0.10	Cash	2,500,000
01.10.2007	(25,000,000)	0.10	Conversion of RCPS B	-

If all Entitled Shareholders elect to receive our Shares for their shares in the Participating Companies under the Issuance and the consideration for the Negara MGO is satisfied entirely by our Shares, our ordinary share capital will increase to a maximum of RM3,043.0 million comprising 6,086.0 million ordinary shares as follows:

	No. of our Shares million
Issued and paid-up share capital as at 1 October 2007	50.0
To be issued under the Issuance	6,024.4
To be issued under the Negara MGO	11.6
Enlarged issued and paid-up share capital	<u>6,086.0</u>

(i) Ordinary shares of RM0.50 each

Subject to any special right attaching to any share that we may issue in the future, upon allotment and issue, our new Shares will rank equal in all respects with our existing issued and fully paid-up Shares, except that the holders of our new Shares will not be entitled to any dividends, rights, allotments and/or distributions, the entitlement date of which is before the date of allotment of our new Shares. Our Directors may issue Shares at a premium. If Shares are issued at a premium to its par value, we will transfer, subject to certain exceptions, a sum equal to the aggregate amount or value of the premium to a share premium account.

11. DESCRIPTION OF SHARE CAPITAL (cont'd)

Subject to any special right attaching to any share that we may issue in the future, the holders of our Shares shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits that we pay out as dividends and other distributions and the whole of any surplus in the event of liquidation of our Company, in accordance with our Articles of Association.

At every one of our general meeting, each shareholder shall be entitled to vote in person or by proxy or by attorney. On a show of hands, every person present who is a shareholder or representative or proxy or attorney to a shareholder shall have 1 vote. On a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have 1 vote for each ordinary share held in our Company. A proxy may but need not be our member and the provisions of Section 149(1)(b) of the Act shall not apply to our Company.

(ii) RCPS A of RM0.01 each

The RCPS A will not be issued if the Capital Repayment is completed as the Entitled Shareholders will be directly issued our Shares or a cash payment for their shares in the Participating Companies.

In the event that the Capital Repayment does not take place, then RCPS A will be issued to the Entitled Shareholders for their shares in the Participating Companies. The terms of the RCPS A are set out below:

Issuer	:	Synergy Drive
Instrument	:	Series A redeemable convertible preference shares
Issue Price	:	RM5.25 per RCPS A
Issue Amount	:	Up to RM60,243,889.83 nominal value
Par Value	:	RM0.01 per RCPS A
Expiry Date	:	<p><u>(a) With Capital Repayment</u></p> <p>On the day falling 4 weeks (or such other period as agreed by Synergy Drive) from the date of issue of RCPS A</p> <p><u>(b) Without Capital Repayment</u></p> <p>On the day falling 9 months from the date of issue of RCPS A</p>
Dividend	:	<p><u>(a) With Capital Repayment</u></p> <p>Nil</p> <p><u>(b) Without Capital Repayment</u></p> <p>The dividend payment (gross) shall be an amount equivalent to not more than 5% of the Issue Price</p>
Conversion Ratio	:	1 RCPS A for 1 Synergy Drive Share

11. DESCRIPTION OF SHARE CAPITAL (cont'd)

- Conversion Mode** : By surrendering RCPS A in accordance with the Conversion Ratio
- Conversion** : 1 RCPS A can be converted at the option of the RCPS A holder into 1 new Synergy Drive Share
- Conversion Period** : (a) With Capital Repayment
 The RCPS A may be converted to Synergy Drive Shares within 14 days after the Capital Repayment becomes effective or such later date as agreed in writing by Synergy Drive
- (b) Without Capital Repayment
 RCPS A shall be automatically converted to Synergy Drive Shares on the Expiry Date or such earlier date as notified in writing by the RCPS A holder
- Redemption Price** : At Issue Price
- Redemption** : (a) With Capital Repayment
 Automatic redemption on the Expiry Date of the RCPS A
- (b) Without Capital Repayment
 RCPS A shall only be redeemed if mutually agreed by Synergy Drive and the RCPS A holder
- Listing** : (a) The RCPS A will not be listed on Bursa Securities or any other exchange
- (b) The new Synergy Drive Shares to be issued pursuant to Conversion will be listed on Bursa Securities, only if Synergy Drive is listed
- Status** : (a) The RCPS A shall rank equal with the RCPS B (which has been converted) but in priority to Synergy Drive Shares in the event of liquidation, dissolution, winding up or other repayment of capital of Synergy Drive for the Issue Price and the dividends declared (if any) provided that there shall be no further right to participate in the surplus assets or profits of Synergy Drive
- (b) In the event that Synergy Drive has insufficient assets to permit payment of the full Issue Price to the RCPS A holder, the assets of Synergy Drive shall be distributed rateably to the RCPS A holder and RCPS B holder in proportion to the amount that each RCPS A holder and RCPS B holder would otherwise be entitled to receive

11. DESCRIPTION OF SHARE CAPITAL *(cont'd)*

- Ranking of the Synergy Drive Shares from Conversion** : The new Synergy Drive Shares to be issued upon conversion of the RCPS A shall upon allotment and issue rank equal in all respects with the then existing Synergy Drive Shares except that they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which precedes the allotment date of the new Synergy Drive Shares
- Rights** : Prior to conversion of RCPS A, the registered RCPS A holders shall not have the right to vote at any general meeting of Synergy Drive except in the following circumstances:
- (a) upon the resolution which varies or is deemed to vary the rights and privileges attaching to the RCPS A;
 - (b) upon any resolution for the winding up of Synergy Drive or any of its material subsidiaries;
 - (c) during such period as any dividends of the RCPS A may have been declared but remain in arrear and unpaid; and
 - (d) other circumstances as may be provided under law and applicable to preference shares and/or preference shareholders from time to time
- Transferability** : Non-transferable other than with the consent of Synergy Drive
- Governing Law** : The laws of Malaysia

As at 1 October 2007, we do not have any outstanding warrants, options, convertibles debt securities or uncalled capital. The RCPS A have not been issued and will not be issued if the Capital Repayment is completed as the Entitled Shareholders will be directly issued our Shares or a cash payment for their shares in the Participating Companies.

11.2 Past and Future Issuance of Shares

- (i) We will not allot or issue any Share on the basis of this Prospectus any later than 12 months after the date of this Prospectus.
- (ii) There are no founder, management or deferred shares. As at 1 October 2007, we have only 1 class of shares in issue, namely ordinary shares of RM0.50 each.
- (iii) Save for the Shares that we issued upon incorporation, the RCPS A and RCPS B, the Shares that we issued upon the conversion of RCPS B by CIMB PE, and the Shares that we will issue under the Issuance and the Negara MGO, we have not issued or proposed to issue any capital in our Company as fully or partly paid-up in cash or otherwise, within the 2 years preceding 1 October 2007.
- (iv) Save for the Share Issue by Participating Companies and the shares of our subsidiaries to be issued pursuant to any reorganisation within our Group upon completion of the Merger, our subsidiaries have not proposed to issue any capital as fully or partly paid-up in cash or otherwise, within the 2 years preceding the LPD.

11. DESCRIPTION OF SHARE CAPITAL *(cont'd)*

- (v) Save as disclosed below, there is no other scheme involving our employees and Directors in the capital of our Company and subsidiaries.

As at the LPD, GHope, KGB and Sime Darby have outstanding options over 52,000, 5,967,300, and 708,000 of their respective ordinary shares. GHope, KGB and Sime Darby have informed their respective employees that these options are to be exercised on various dates ending on the close of business on 30 August 2007. On completion of the Sale of Business Agreements, the outstanding options (if any) will in any case be in shell companies as the entire businesses and undertakings of these companies would have been transferred (or held in trust or otherwise pending transfer) to our Company.

- (vi) Our Company does not have any outstanding convertible debt securities as at 1 October 2007. Our subsidiaries do not have any outstanding convertible debt securities as at the LPD.
- (vii) Save as disclosed in (v) above as at the LPD, there are no options over the share capital of any of our subsidiaries.

11.3 Articles of Association

We set out below the extracts of the relevant provisions in our Articles of Association in respect of the transfer of our securities and changes in share capital and variation of class rights (which are no less stringent than those required by law).

The following terms are as defined in our Articles of Association, which are reproduced below for your ease of reference:

Company	:	Synergy Drive Bhd
Central Depositories Act	:	The Securities Industry (Central Depositories) Act 1991 and every statutory amendment, modification or re-enactment thereof for the time being in force.
Central Depository	:	Bursa Malaysia Depository Sdn Bhd and its successors in title and permitted assigns.
Listed	:	Admitted to the Official List and "listing" shall be construed accordingly.
Listing Requirements	:	The Listing Requirements of Bursa Malaysia Securities Berhad including any amendment or modification to the same that may be made from time to time.
Major Shareholder	:	A person who has an interest or interests in one (1) or more voting shares in the Company and the nominal amount of that share, or the aggregate of the nominal amount of those shares, is not less than five per cent (5%) of the aggregate of the nominal amount of all the voting shares in the Company. For the purpose of this definition, "interest in shares" shall have the meaning given in Section 6A of the Act.

11. DESCRIPTION OF SHARE CAPITAL (cont'd)

Member	:	Any person for the time being holding shares in the Company and whose name appears in the Register of Members (except Bursa Malaysia Depository Nominees Sdn Bhd) and any Depositor for the time being whose name appears on the Record of Depositors.
Record of Depositors	:	A record provided by the Central Depository to the Company pursuant to an application under chapter 24.0 of the Rules.
Rules	:	The Rules of the Central Depository.
Securities or Security	:	Securities as defined in Section 2 of the Securities Commission Act, 1993 or any modification, amendment or re-enactment thereof for the time being in force.
Stock Exchange	:	Bursa Malaysia Securities Berhad and its successors in title and permitted assigns.
The Act	:	The Companies Act, 1965, and every statutory modification or re-enactment thereof for the time being in force.

(i) Transfer of securities**Article 23**

Subject to these presents, the Rules and except as may be required by law, there shall be no restriction on the transfer of fully paid-up Listed Securities in the Company.

Article 24

The transfers of any Listed Securities or class of Listed Securities in 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 exemptions that may be made from compliance with Section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Listed Securities.

Article 25

The Central Depository may refuse to register any transfer of Deposited Securities if it does not comply with the Central Depositories Act or the Rules.

Article 27

Registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine but so that no part of the Register of Members shall be closed for more than thirty (30) days in the aggregate in any calendar year. Ten (10) Market Days' (or such other minimum period as may be prescribed by the Stock Exchange) notice of intention of such suspension or of any books closing date shall be published in a daily newspaper circulating in Malaysia and notice in writing shall also be given to the Stock Exchange. The said notice shall state the purpose or purposes for the suspension or books closing. In relation to the suspension or books closing, the Company shall give written notice to the Central Depository to issue the appropriate Record of Depositors in accordance with the Central Depositories Act and the Rules within such time as is required by the Central Depository to enable the Central Depository to issue the relevant Record of Depositors.

11. DESCRIPTION OF SHARE CAPITAL (cont'd)

(ii) Changes in share capital and variation of class rights**Modification of rights****Article 4(C)**

The repayment of preference capital other than redeemable preference capital, or any other alteration of preference shareholder 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 (3/4) of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

Article 6

Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may, either with the consent in writing of the holders of three-fourths (3/4) of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of such holders (but not otherwise), be modified or abrogated, and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. To every such separate meeting all the provisions of these presents relating to general meetings or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-third (1/3) in nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those persons who are present shall be a quorum) and that the holders of shares of the class shall, on a poll, have one (1) vote for every share of the class held by them respectively.

Article 7

The special rights conferred upon the holders of any shares or class of shares issued with preferred or other special rights shall not unless otherwise expressly provided by the terms of issue of such shares be deemed to be modified by the creation or issue of further shares ranking *pari passu* therewith. The Company shall have the power to issue further preference capital ranking equally with or in priority to preference shares already issued.

Increase of capital**Article 44**

The Company in general meeting may from time to time by ordinary resolution increase its capital by such sum, to be divided into shares of such nominal amounts, as the resolution shall prescribe.

Article 45

The Company may simultaneously with the resolution increasing the capital or at any time thereafter give any lawful directions as to the issue of the new shares. In default of any such direction, or so far as the same shall not extend, the new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

11. DESCRIPTION OF SHARE CAPITAL (cont'd)

Alterations of capital**Article 47**

The Company in general meeting may by ordinary resolution:-

- (A) consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;
- (B) subdivide its shares, or any of them, into shares of smaller nominal amount than is specified in the Memorandum of Association, subject nevertheless to the provisions of Section 62(1)(d) of the Act; and
- (C) 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 capital by the amount of the shares so cancelled,

and may also by special resolution:-

- (D) reduce its share capital and any capital redemption reserve fund or share premium account in any manner authorised by law.

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12. ADDITIONAL INFORMATION

12.1 Material Contracts

Save as disclosed below, we have not entered into any contracts which are or may be material, not being contracts entered into in the ordinary course of business, during the 2 years before the LPD.

- (i) Joint Venture Agreement dated 11 November 2005 between GHope, Cognis B.V. and Cognis Oleochemicals (M) Sdn Bhd ("**COM**"), an associated company of GHope, to further expand the existing scope of business of COM from conducting a Malaysian business to conducting a worldwide business with fatty acids, glycerine, hardened oils, triacetate, ozone acids, oilfield esters and chemicals, PVC lubricants and plasticisers.
- (ii) Share Subscription Agreement dated 11 November 2005 between GHope, Cognis B.V. and COM in relation to the subscription for 325,250,000 new ordinary shares of RM1.00 each in COM by GHope and Cognis B.V. for a subscription price of USD95 million to be satisfied by way of cash and contribution of certain intercompany receivables.
- (iii)
 - (a) Contribution agreement dated 8 December 2005 between Guthrie Bina Sdn Bhd ("**GBSB**") and Guthrie Corridor Expressway Sdn Bhd ("**GCEsb**"), where GBSB, a wholly-owned subsidiary of Kumpulan Jerai Sdn Bhd ("**KJSB**"), has agreed to contribute to GCEsb a sum of RM15.4 million towards the shared development cost in the construction of the GCE which has enhanced the accessibility to the lands owned by KJSB and its subsidiaries within the vicinity of the GCE and thus improving the development prospects of the said lands.
 - (b) Contribution agreement dated 8 December 2005 between GPDH and GCEsb, where GPDH agreed to contribute to GCEsb a sum of RM73.2 million towards the shared development cost in the construction of the GCE which has enhanced the accessibility to the lands owned by GPDH within the vicinity of the GCE and thus improving the development prospects of the said lands.
 - (c) Contribution agreement dated 8 December 2005 between HLB and GCEsb, where HLB agreed to contribute to GCEsb a sum of RM60 million towards the shared development cost in the construction of the GCE which has enhanced the accessibility to the lands owned by HLB within the vicinity of the GCE and thus improving the development prospects of the said lands.
- (iv) Demand promissory note dated 25 May 2006 by GCEsb in favour of KGB and indorsed in favour of Kumpulan Jelei Sdn Bhd ("**Jelei**") for the sum of RM395 million.
- (v) Demand promissory note dated 25 May 2006 by GCEsb in favour of KGB and indorsed in favour of Jelei for the sum of approximately RM298 million.
- (vi) Sale and Purchase Agreement dated 20 October 2006 between Sime Darby Eastern Limited, a wholly-owned subsidiary of Sime Darby, and Nautical Offshore Services ("**Nautical**") for the disposal of its entire 29.3% equity interest in Jaya Holdings Limited to Nautical for a cash consideration of SGD301.1 million.

12. ADDITIONAL INFORMATION (cont'd)

- (vii) Sale and Purchase of Shares Agreement dated 27 November 2006 between KGB and Projek Lintasan Kota Holdings Sdn Bhd ("**Prolintas**") for the divestment of GCESB involving the disposal of KGB's entire equity interest in GCESB comprising 5,000,000 ordinary shares of RM1.00 each in GCESB to Prolintas for a disposal consideration of RM5.0 million and the settlement of inter-company balance owing by GCESB to Jelei, a wholly-owned subsidiary of KGB, through cash payment of RM431 million and issuance of RM500 million nominal value of redeemable loan stocks by GCESB to Jelei.
- (viii) Agreement dated 27 November 2006 between KGB, GCESB and Prolintas (in relation to the sale of shares of GCESB) wherein the parties have agreed to make certain provisions in relation to the GCE and the specified land banks along the GCE.
- (ix) Sale of Business Agreements dated 24 January 2007 entered into between our Company and each of the Participating Companies in relation to the Business Acquisition.
- (x)
 - (a) Share Sale and Purchase Agreement dated 22 February 2007 between KGB, Guthrie Wood Industry Sdn Bhd ("**GWISB**") and Dongwha GH International Sdn Bhd relating to the sale by KGB and GWISB of 100% equity interest comprising 20 million ordinary shares of RM1.00 each, 60 million Class A redeemable preference shares of RM0.50 each and 30 million Class B redeemable preference shares of RM0.10 each in the issued and paid-up capital of Guthrie MDF Sdn Bhd for a cash consideration of RM145 million.
 - (b) In a Sale and Purchase Agreement dated 22 February 2007 related to (x)(a) between HLB and Dongwha Fibreboard Sdn Bhd for the disposal by HLB of a piece of land held under HS(D) 4098 (formerly part of Grant 3497) PT No. 434, Mukim Padang Meha, District of Kulim, State of Kedah for a cash consideration of RM30 million.

12.2 General Information

- (i) Save as disclosed in Section 12.2(ii), during the last financial period from our date of incorporation on 7 November 2006 to 30 June 2007 and the current financial year, there were no public take-over offers by third parties in respect of our Company's securities and public take-over offers by our Company in respect of other company's securities.
- (ii) On 1 October 2007, our Company served the notice of take-over offer to Negara for the Negara MGO at the offer price of RM2.29 per Negara Share. As at the date of this Prospectus, the Negara MGO is ongoing.
- (iii) Based on the shareholdings of PNB and PNB Unit Trust Funds in the Participating Companies as at 31 July 2007, PNB and PNB Unit Trust Funds will collectively hold 50.2% of our issued and paid-up share capital after the Issuance and completion of the Negara MGO, based on the assumption that all Entitled Shareholders elect to receive our Shares and the consideration for the Negara MGO is satisfied entirely by our Shares. The shareholdings of PNB and PNB Unit Trust Funds will increase if not all Entitled Shareholders and the shareholders of Negara elect to receive our Shares. On the basis that PNB and PNB Unit Trust Funds can be said to be jointly exercising influence over our Company, other than PNB and PNB Unit Trust Funds, there is no person, so far as known to us, who will directly or indirectly, jointly or severally, be able to exercise influence over our Company. PNB and PNB Unit Trust Funds are not the promoters of our Company or the Merger, and hence are not involved in the preparation of this Prospectus.

12. ADDITIONAL INFORMATION (cont'd)

- (iv) Sime Darby Financial Services Sdn Bhd ("**SDFSSB**"), a wholly-owned subsidiary of Sime Darby currently holds 100 million Irredeemable Non-Cumulative Convertible Preference Shares of RM1.00 each in RHB Bank Berhad ("**INCPS**"). On 28 September 2007, RHB Capital Berhad ("**RHB Cap**") announced to Bursa Securities that it proposes to purchase all the INCPS not held by it for a purchase consideration of RM1.50 per INCPS to be fully satisfied in cash. The proposed acquisition by RHB Cap is subject to the approval of the relevant authorities and the shareholders of RHB Cap which is pending. The Boards of SDFSSB and Sime Darby have not made a decision on the disposal of the INCPS held by SDFSSB. The potential disposal value to SDFSSB pursuant to the proposed acquisition by RHB Cap is RM150 million.

12.3 Declaration of Conflict of Interests by our Advisers

CIMB has confirmed that there is no existing or potential conflict of interests in its capacity as the Adviser for the Merger, Capital Repayment, Issuance and Listing.

CIMB is also the principal adviser to each of the Participating Companies in relation to the application to the authorities for the Merger which excludes advisory to each of the Participating Companies in terms of their respective assessments of the pricing and valuation under the respective Business Disposals. The said assessments were undertaken by the respective financial advisers appointed by each of the Participating Companies.

CIMB PE is the wholly-owned subsidiary of CIMB Group, which is also the holding company of CIMB. CIMB PE is our substantial shareholder, holding 99.99% of our issued and paid-up share capital as at 1 October 2007. This shareholding arose as a result of the conversion of the 25,000,000 RCPS B that we issued to CIMB PE for the seed funding provided by CIMB PE to facilitate the Merger. With the Issuance, CIMB PE's shareholding in our Company will be diluted to a non-substantial level.

In addition to the above, the subsidiaries of BCHB have extended credit facilities in the ordinary course of business to us. CIMB or its related companies may hold propriety shareholdings in the Participating Companies due to the investment decisions made in their respective ordinary course of business.

Notwithstanding the above, CIMB is of the opinion that having CIMB as the Adviser to our Listing, will not result in a conflict of interest situation as CIMB's role as the Adviser is consistent with the role of CIMB PE in providing seed funding, in terms of facilitating the Merger. CIMB PE's shareholding arose as a consequence of the provision of seed funding. The proceeds received by the Participating Companies from the respective Business Disposals will not be utilised for payment to CIMB or CIMB PE.

Messrs. Ernst & Young has confirmed that there is no existing or potential conflict of interests in its capacity as our Auditors (for our Company for the financial period ended 30 June 2007) and Reporting Accountants.

Messrs. PricewaterhouseCoopers has confirmed that there is no existing or potential conflict of interests in its capacity as our Auditors.

Messrs. Kadir, Andri & Partners has confirmed that there is no existing or potential conflict of interests in its capacity as our Solicitors for the Issuance.

12. ADDITIONAL INFORMATION (*cont'd*)

12.4 Consents

- (i) Our Adviser, Company Secretary, Solicitors for the Issuance, Principal Banker and Registrar have, before the issuance of this Prospectus, given and have not subsequently withdrawn their written consents to the inclusion in this Prospectus of their names in the form and context in which such names appear in this Prospectus.
- (ii) Our Reporting Accountants has, before the issuance of this Prospectus, given and has not subsequently withdrawn its written consent to the inclusion in this Prospectus of its name and letters relating to the proforma consolidated financial information and all references thereto in the form and context in which they appear in this Prospectus.
- (iii) Our Auditors have, before the issuance of this Prospectus, given and have not subsequently withdrawn their written consent to the inclusion in this Prospectus of their names and all references thereto in the form and context in which they appear in this Prospectus.
- (iv) Frost & Sullivan has, before the issuance of this Prospectus, given and has not subsequently withdrawn its written consent to the inclusion in this Prospectus of its name and references to its name and reports in the form and context in which they appear in this Prospectus.

12.5 Documents Available for Inspection

You may view the following documents at our registered office at 19th Floor, Wisma Sime Darby, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia, during normal business hours on Mondays to Fridays (except public holidays) for a period of 12 months from the date of this Prospectus:

- (i) our Memorandum and Articles of Association;
- (ii) audited financial statements of our Company for the financial period since its incorporation on 7 November 2006 to 30 June 2007;
- (iii) the Reporting Accountants' letters relating to the Proforma Consolidated Financial Information as included in Section 9.5;
- (iv) the Directors' Report as included in Section 10;
- (v) the material contracts referred to in Section 12.1;
- (vi) the cause papers for material litigation referred to in Section 9.11; and
- (vii) the letters of consent referred to in Section 12.4.

13. PROCEDURES FOR THE COMPLETION AND SUBMISSION OF ELECTION FORM

YOU ARE ADVISED TO READ THE PROSPECTUS IN ITS ENTIRETY AND THE PROCEDURES AND INSTRUCTIONS SET OUT BELOW BEFORE COMPLETING THE ELECTION FORM.

This section sets out the procedures and instructions for you to complete and submit the Election Form.

Prior to our Listing, we will change our name to a new name to be announced upon receiving all the requisite approvals. **As we will be assuming the listing status of Sime Darby, the stock code for our Company will be 4197.** The new name, along with our stock short name, will be advertised in at least 1 widely circulated Bahasa Malaysia and English daily newspaper in Malaysia.

13.1 Opening and Closing of Election Offer Period

OPENING OF THE ELECTION OFFER PERIOD: 8.30 A.M., Saturday, 27 October 2007

CLOSING OF THE ELECTION OFFER PERIOD: 5.00 P.M., Friday, 16 November 2007

Our Directors may decide, at their absolute discretion, to extend the closing time and date for the Election Offer Period to any later time and date. We will announce any extension of the closing time and date for the Election Offer Period in at least 1 widely circulated Bahasa Malaysia and English daily newspaper in Malaysia.

You do not need to take any action if you wish to receive cash for your shares in the Participating Companies.

13.2 Procedures for Acceptance

For Entitled Shareholders, you will receive an Election Notice (containing the Election Form) together with this Prospectus in accordance with Section 232(2) of the CMSA, specifying the number of our Shares that you can elect to receive and the amount of cash that you can receive if you do not elect to receive our Shares. The said amount of cash is based on the offer price per Participating Company share as set out in Section 4.5.

1 Election Notice is issued in respect of shares for each Participating Company in each CDS account that you hold. For example, if you hold KGB Shares and Sime Darby Shares in 1 CDS account, and GHope Shares and Sime Darby Shares in another CDS account, then you will receive a total of 4 Election Notices (each containing the Election Form).

Entitled Shareholders whose names appear in the ROM will also receive the Election Notice in respect of shares held in each Participating Company.

EACH ELECTION FORM IS SPECIFIC TO YOUR SHAREHOLDING IN A PARTICULAR PARTICIPATING COMPANY IN A PARTICULAR CDS ACCOUNT. THE NUMBER OF OUR SHARES THAT YOU CAN ELECT TO RECEIVE FOR YOUR SHARES IN THE SPECIFIC PARTICIPATING COMPANY IN THAT PARTICULAR CDS ACCOUNT IS PRINTED THEREIN.

If you elect to receive our Shares, you will need to complete sign and submit the Election Form, according to the instructions contained in this Prospectus and Election Notice. No acknowledgment will be given for the Election Form received.

If the Registrar does not receive the duly completed and signed Election Form by the close of the Election Offer Period, you will automatically receive cash for your shares in the Participating Companies.

13. PROCEDURES FOR THE COMPLETION AND SUBMISSION OF ELECTION FORM *(cont'd)*

Each Election Form will state:

- (i) your name and address (as stated in the ROD/ROM);
- (ii) your CDS account number;
- (iii) the number of shares you hold in a particular Participating Company as at the Entitlement Date as recorded in the ROD/ROM;
- (iv) the number of Synergy Drive Shares which you may elect to receive as a result of the number of shares you hold in the Participating Company as stated in item (iii) above; and
- (v) the cash sum that you will receive if the Registrar does not receive your completed Election Form by the close of the Election Offer Period.

If you did not receive your Election Notice (containing the Election Form) together with this Prospectus or have lost or misplaced your Election Notice, you may download a copy of the Prospectus and Election Notice from Bursa Securities' website at <http://www.bursamalaysia.com> and you must contact our Registrar **immediately** for instructions to complete the Election Form. You can contact our Registrar, at the telephone number and address as set out in Section 13.6.

The Election Form must be completed and signed in accordance with the notes and instructions contained in the Election Notice and in this Prospectus. Election Forms that do not conform to the instructions of this Prospectus and the Election Notice or which are illegible may not be accepted at the sole discretion of our Board. Our Board reserves the right to reject the Election Forms which are incomplete, damaged and illegible at its sole discretion.

WE ADVISE YOU TO READ AND UNDERSTAND THIS PROSPECTUS BEFORE MAKING A DECISION.

(i) Procedure to elect for our Shares

You are not required to make any payment for our Shares if you elect to receive our Shares.

If you elect to receive our Shares, you must complete and sign the Election Form and submit it to our Registrar, by post or by hand, before the close of the Election Offer Period.

Your completed Election Form must be received by our Registrar **no later than 5.00 p.m. on Friday, 16 November 2007**, being the closing date of the Election Offer Period, or such other time and date as may be extended by our Board at their sole discretion.

Any Election Form received by our Registrar after the time and date stipulated above shall be regarded as null and void and of no legal effect unless our Board with its sole discretion determines otherwise.

It is **important** to note that for any 1 Election Form, you can only elect to receive all of our Shares specified in that 1 Election Form. You cannot elect to receive our Shares for an amount that is different from the amount specified in each Election Form. You cannot elect to receive part cash/part Synergy Drive Shares per Election Form. However, if you receive more than 1 Election Form, you do not have to make the same election for all the Election Forms that you receive.

13. PROCEDURES FOR THE COMPLETION AND SUBMISSION OF ELECTION FORM (cont'd)

For example, if you receive a total of 4 Election Notices (containing 4 Election Forms), you can elect to receive all Synergy Drive Shares for only 3 Election Forms (if you so wish to) and receive cash for the remaining Election Form, in relation to your shares in the Participating Company.

Please note that if:

- (a) The Registrar does not receive your completed and signed Election Form within the Election Offer Period; or
- (b) Your Election Form is rejected by our Board, at their absolute discretion, due to the reasons stated earlier;

you will receive cash for your shares in the Participating Companies based on the offer prices set out in Section 4.5. This amount of cash that you will receive is also printed in the Election Form.

A completed and signed Election Form, once received by the Registrar from you, is irrevocable and shall be binding on you.

(ii) Procedure to receive cash

If you wish to receive cash for your shares in the Participating Companies, you do not have to take any action. The amount of cash is based on the offer prices set out in Section 4.5. The amount of cash that you will receive is printed in the Election Form.

13.3 Terms and Conditions

In relation to your entitlement to receive our Shares or cash for your shares in the Participating Companies, please note that:

- (i) Your entitlement to receive our Shares or cash in respect of your shareholdings in a particular Participating Company is separate from your entitlement to receive the same arising from your shareholdings in another Participating Company and cannot be merged. This entitlement is also non-transferable; and
- (ii) Any fraction of our Share or cash arising from your shareholdings in the Participating Companies will be treated accordingly by our Board as it deems fit.

The delivery of our Shares or cash to you, based on your decision to either elect to receive our Shares or to receive cash is as follows:

(i) If you elect to receive our Shares**(a) If your shares in the Participating Companies are deposited into the CDS**

No physical certificate will be issued to you in respect of our Shares that you can elect to receive. Unless otherwise approved by our Board, our Shares to be issued will be credited directly into the same CDS account(s) where your shares in the Participating Companies have been deposited. We will despatch a notice of allotment to you at your own risk to your address registered with Bursa Depository by ordinary post before our Listing.

You can trade your Synergy Drive Shares once they are listed on the Main Board of Bursa Securities.

13. PROCEDURES FOR THE COMPLETION AND SUBMISSION OF ELECTION FORM (cont'd)**(b) If your shares in the Participating Companies are not deposited into your CDS account**

Please refer to the procedures in Section 13.4, depending on the category of shareholder that you belong to.

(ii) If you do not elect or are deemed not to have elected to receive our Shares

We will pay you cash by banker's cheque, which we will despatch to you at your address registered with Bursa Depository or in accordance with the ROM of the Participating Companies by ordinary post at your own risk before our Listing.

If you do not receive your cheque within 10 days after 29 November 2007 i.e. being the last date for the despatch of cheques, please contact our Registrar, whose contact details are in Section 13.6, for advice.

13.4 Shareholders with Undeposited Securities**13.4.1 If your existing shares in Participating Companies are not deposited into the CDS and have been transferred to MOF**

- (i) Under Section 29 of the SICDA, all existing shares in the Participating Companies that are not deposited with Bursa Depository by 1 December 1998 and which are not exempted from mandatory deposit would have been transferred to MOF. The deadline for appeals to Jabatan Akauntan Negara ("JAN") to reclaim shares transferred to MOF had expired on 31 May 2000. By sub-section 29(5) of the SICDA, MOF has the authority to sell or dispose of any unclaimed shares and any proceeds from the said sale will be dealt with in accordance with the Unclaimed Moneys Act, 1965.
- (ii) Shareholders of the Participating Companies who have failed to make an appeal by 31 May 2000 may submit their claims to the Registrar of Unclaimed Moneys to recover the proceeds from the sale of their unclaimed shares, if the shares have been sold by the MOF. However, a written confirmation from JAN is required before any such claims can be made to the Registrar of Unclaimed Moneys.
- (iii) If the said shares have not been sold by the MOF, any shares recoverable from the MOF will be in the form of shares in the Participating Company to be deposited directly into the CDS accounts of shareholders of the Participating Companies provided that the recovery occurs before the Capital Repayment.
- (iv) If the recovery occurs after the Capital Repayment and if MOF had elected to receive cash or if MOF is deemed to have elected to receive cash (as the case may be), then the shareholders whose shares in the Participating Companies have been transferred to MOF will receive cash for their shares in the Participating Companies. The said amount of cash is based on the offer price as set out in Section 4.5.
- (v) However, if MOF elects to receive our Shares, then the shareholders whose shares in the Participating Companies have been transferred to MOF will receive our Shares for their shares in the Participating Companies.
- (vi) All Shares of the Participating Companies that have been transferred to MOF will be subject to the Capital Repayment.

13. PROCEDURES FOR THE COMPLETION AND SUBMISSION OF ELECTION FORM *(cont'd)*

- (vii) Shareholders whose shares in the Participating Companies have been transferred to MOF wish to enquire about the procedures to recover those shares in the Participating Companies, he may contact the Registrar, at the address set out in Section 13.6.

13.4.2 If your existing shares in the Participating Companies are exempted from mandatory deposit into the CDS

- (i) Your shares in the Participating Companies which are exempted from mandatory deposit into the CDS will be subject to the Capital Repayment. For administrative purposes, you are advised to return the physical share certificate(s) of shares in the Participating Companies that you hold to the Registrar at the address set out in Section 13.6.
- (ii) If you wish to receive our Shares for your shares in the Participating Companies, and **have our Shares credited into your CDS account**, you will need to:
- (a) Complete and sign the Election Form, and ensure that you fill in the details of the your CDS account (which must be in your name) in the Election Form; and
- (b) Submit the Election Form to the Registrar before the end of the Election Offer Period. If the Registrar does not receive your duly completed Election Form by the end of the Election Offer Period, you will receive cash for your shares in the Participating Companies.

Unless otherwise approved by our Board, we will then credit our Shares into the CDS account as set out in the Election Form. No physical share certificate will be issued to you. We will despatch a notice of allotment to you at your own risk to your address based on the ROM by ordinary post before our Listing. You can trade your Synergy Drive Shares once they are listed on the Main Board of Bursa Securities.

- (iii) If you wish to receive our Shares for your shares in the Participating Companies, and **in the form of physical share certificate(s)**, you will need to:
- (a) Complete and sign the Election Form, and leave the details of the CDS account blank in the Election Form; and
- (b) Submit the Election Form to the Registrar before the end of the Election Offer Period. If the Registrar does not receive your duly completed Election Form by the end of the Election Offer Period, you will receive cash for your shares in the Participating Companies.

We will issue our physical share certificate(s) to you for our Shares which you have elected to receive. We will despatch the physical share certificate(s) to your address based on the ROM.

You are required to deposit our Shares into the CDS account with Bursa Depository within 6 months after the issuance of our Shares failing which our Shares that are held by you as stipulated in the share certificate(s) issued to you, will be transferred to MOF. These shares will then remain with MOF for 6 months during which you may appeal to MOF to reclaim your shares in our Company. Upon the end of the 6 months, MOF may sell or dispose of your shares in our Company and shall deal with the proceeds as if they were monies paid to MOF in accordance to the Unclaimed Moneys Act, 1965.

Please contact our Registrar, whose contact details are in Section 13.6 for further information on the procedures for depositing your share certificates with Bursa Depository.

13. PROCEDURES FOR THE COMPLETION AND SUBMISSION OF ELECTION FORM *(cont'd)*

- (iv) If you do not wish to receive our Shares for your shares in the Participating Companies

You do not need to take any action. However, for administrative purpose, you are advised to return the physical share certificate(s) of shares in the Participating Companies that you hold to the Registrar.

13.5 Deceased Shareholders

13.5.1 If the Entitled Shareholder is deceased and the shares in the Participating Companies have been deposited into the CDS

- (i) In order to be entitled to the Capital Repayment, the duly completed Form of Notification of Death of Depositor ("**Form of Notification**") as prescribed by the Rules of Bursa Depository must be submitted to Bursa Depository and the transfer of the shares in the Participating Companies from the CDS account of the deceased Entitled Shareholder to the CDS account of the executor or administrator must be effected by Bursa Depository before the Entitlement Date.
- (ii) If the Form of Notification as prescribed by the Rules of Bursa Depository has not been submitted to Bursa Depository, in order to be entitled to the Capital Repayment, the personal representative of the deceased Entitled Shareholder to whom the Grant of Probate, Letter of Administration or any order for distribution of estate has been granted under any relevant law should submit the duly completed and prescribed Form of Notification to Bursa Depository in order for him/her to be registered as the holder of the shares in the Participating Companies. To elect for our Shares, the representative is required to despatch by ordinary mail at his own risk or deliver by hand the following documents:
- (a) the Election Form duly completed together with the transfer notice issued by Bursa Depository evidencing the transfer of shares in the Participating Companies from the CDS account of the deceased Entitled Shareholder to the CDS account of the said personal representative; and
- (b) a certified true copy of the Grant of Probate, Letter of Administration or any order for distribution of estate,

to the Registrar at the address set out in Section 13.6, so as not to arrive after the end of the Election Offer Period.

- (iii) If a certified true copy of the Grant of Probate, Letter of Administration or any order for distribution of estate has not been registered with the Registrar, the Election Form must be completed by the personal representative(s) of the deceased Entitled Shareholder and lodged with the Registrar together with a certified true copy of the Death Certificate before the end of the Election Offer Period. However, the certified true copy of the Grant of Probate, Letter of Administration or any order for distribution of estate must be lodged and registered with the Registrar before the personal representative(s) can be registered as transferor(s) and receive the new Synergy Drive Shares or cash due to the deceased Entitled Shareholder.

13. PROCEDURES FOR THE COMPLETION AND SUBMISSION OF ELECTION FORM (cont'd)**13.5.2 If the Entitled Shareholder is deceased and the shares in the Participating Companies are exempted from mandatory deposit into the CDS**

- (i) In order to be entitled to the Capital Repayment, the personal representative is required to despatch by ordinary mail at his own risk or deliver by hand the following documents:
- (a) the duly completed Election Form; and
 - (b) a certified true copy of the Grant of Probate, Letter of Administration or any order for distribution of estate,

to the Registrar at the address set out in Section 13.6, before the end of the Election Offer Period.

The personal representative is also advised to return the physical share certificate(s) for shares in the Participating Companies to the Registrar at the address set out in Section 13.6.

- (ii) If a certified true copy of the Grant of Probate, Letter of Administration or any order for distribution of estate has not been registered with the Registrar, the Election Form must be completed by the personal representative(s) of the deceased Entitled Shareholder and lodged with the Registrar together with a certified true copy of the Death Certificate before the end of the Election Offer Period. However, the certified true copy of the Grant of Probate, Letter of Administration or any order for distribution of estate must be lodged and registered with the Registrar before the personal representative(s) can be registered as transferor(s) and receive the new Synergy Drive Shares or cash due to the deceased Entitled Shareholder.

13.6 Enquiries/Helpline

All enquiries on the above should be addressed to our Registrar/helpline at:

Epsilon Registration Services Sdn Bhd

G-01 Ground Floor, Plaza Permata
 Jalan Kampar
 Off Jalan Tun Razak
 50400 Kuala Lumpur

Tel : 603 - 4047 3999 (General Line)

Fax : 603 - 4042 6352

Email: syn.enq@tricolor.com.my

14. RESPONSIBILITY STATEMENTS

CIMB, being the Adviser to our Issuance, 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 our Issuance.

Our Directors have seen and approved this Prospectus and except in relation to information provided by the Participating Companies, they collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. They 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 in this Prospectus false or misleading. Information on the Participating Companies were provided by the respective Boards and management of the Participating Companies. The said Boards have given their respective written consents and have not subsequently withdrawn their respective written consents to include the respective information in this Prospectus in the form and context in which they appear. The responsibility of our Directors is therefore restricted to ensuring that such information is accurately reproduced in this Prospectus.

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