

**14. VALUER'S LETTER**  
(Prepared for inclusion in this Prospectus)

15 September 2000

The Board of Directors  
**Hup Seng Industries Berhad**  
No 14, Jalan Kilang  
Kawasan Perindustrian Tongkang Pecah  
83010 Tongkang Pecah  
Batu Pahat  
Johor Darul Ta'zim



**COLLIERS, JORDAN LEE  
& JAAFAR (JH) SDN. BHD.**  
(136779-K)

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**Website : [www.colliers.com.my](http://www.colliers.com.my)**

Dear Sirs,

**RE : VALUATION OF PROPERTIES BELONGING TO HUP SENG PERUSAHAAN  
MAKANAN (M) SDN BHD AND HUP SENG HOON YONG BROTHERS SDN BHD**

This letter has been prepared for inclusion in the prospectus of Hup Seng Industries Berhad to be dated 25 September 2000.

The basis of valuation is in accordance with the valuation standards contained in the manual issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and also in accordance with the Securities Commission's Guidelines on Assets Valuation.

We are pleased to certify that we have valued the freehold/leasehold properties (hereinafter referred to as the "Property") on 11 October 1999 bearing our reference nos V99/JH/H106001660/MS, V99/JH/H107001661/MS, V99/JH/H108001664/MS, V99/JH/H109001665/MS, V99/JH/H110001666/MS, V99/JH/H111001667/MS, VA99/SL/Hh936(B118), JLJC/PK/529/99, JLJC/PK/530/99, JLJC/PK/531/99, VA99/KED/0573(SC), VA99/SPT/0574, VA99/SPT/0617 and KV/558/99. The Property was inspected on 11 October 1999. We have valued the legal interest in the Property, free from all encumbrances and with vacant possession.

The basis of Valuation is the **Market Value**. 'Market Value' is the estimated amount for which an asset should exchange on the date of Valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

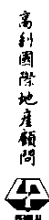
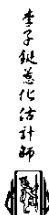
International Property Consultants • Chartered Valuation Surveyors • Registered Valuers & Real Estate Agents •  
Project & Property Managers • Plant & Machinery Valuers • Auctioneers

Managing Director **JORDAN LEE**, KMN, Fism, Frics, Apaps, Inv, Msiv, Scv. Chairman **JAAFAR ISMAIL**, Fism, Frics. Directors **CHIN KIM CHOY**, Mism, Dip. Est. Mgmt (U. K)

**THOO SING CHOON**, Fsva, Inv, Adi.Arb, Fpos, Araav. **P. TANGGA PERAGASAM**, Mism, Frics. **CHIN LAI SITI**, Fis (M), Frics, Inv, LLB. (Hons). **TH'NG KIM KOK**, Mism, Frics.

**Headquarters:** Kuala Lumpur: Ground & Level 6, Block G North, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur. Tel: 03-2555811 (12 lines) Fax No: 03-2555843

**Other Offices:** Selangor : 31, Jalan Kapar, 41400 Klang, Selangor Darul Ehsan. Tel: 03-3420860 (3 Lines) Fax: 03-3417888  
N. Sembilan: 9A, Kompleks Negeri, Jalan Dr. Krishnan, 70000 Seremban, Negeri Sembilan Darul Khusus, Malaysia. Tel: 06-7638890 & 7638990 Fax No: 06-7637936  
Perak : Suite 3 & 5, Tingkat Kedua, Labroy House, Jalan Dato Sagor, 30000 Ipoh, Perak Darul Ridzuan. Tel: 05-2414826 (3 Lines) Fax No: 05-2556363  
Pahang : 17, Jalan Gambut 2, 25000 Kuantan, Pahang Darul Makmur. Tel: 09-5555588 Fax No: 09-5142146  
Melaka : 321-A, Jalan Melaka Raya 1, Taman Melaka Raya, 75000 Melaka. Tel: 06-2835522 (3 Lines) Fax: 06-2837635  
Penang : Lot 2.01, 2nd Floor, Southern Bank Building, 21, Lebuh Pantai, 10300 Pulau Pinang. Tel: 04-2637749 & 2637750 Fax No: 04-2637644  
Kuching : Lot 216 (2/F), Jalan Haji Taha, 93400 Kuching, Sarawak. Tel: 082-419200 & 419222 Fax No: 082-429315



Other Colliers Offices: Australia, China, Hong Kong, India, Indonesia, Japan, New Zealand, Philippines, Singapore, Taiwan, Thailand, Vietnam, Austria, Belgium, Czech Republic, France, Germany, Greece, Hungary, Italy, Netherlands, Poland, Portugal, Republic of Ireland, Russia, Scotland, Slovenia, South Africa, Spain, Turkey, United Kingdom, The Americas Argentina, Canada, Mexico, Venezuela and United States Of America.

**14. VALUER'S LETTER (Cont'd)**  
(Prepared for inclusion in this Prospectus)

**COLLIERS**  
JORDAN LEE • JAAFAR

A summary of our report is set out below:-

REF. NO. (LOT NO, MUKIM, DIST. & STATE)	ADDRESS	DESCRIPTION (TENURE)	METHOD OF VALUATION	MARKET VALUE (RM)
1. V99/JH/SC/ H106001660/MS a) Lot No 1336 b) PTD 1858 c) PTD 3727 Mkm of Linau, Dist. Of Batu Pahat, Johor	No 14, Jalan Kilang, Kaw. Perindustrian Tongkang Pecah, Batu Pahat, Johor	Three (3) contiguous parcels of Industrial Land improved upon with the followings: a) Lot No 1336 A Single Storey Detached Factory with an annex 3- Storey Office building incorporating a basement area (Building B) (Freehold)  b) PTD 1858 A Single Storey Detached Factory with an annex 2- Storey Office building (Building A) and other ancillary buildings (60 years Leasehold)  c) PTD 3727 Fully covered with concrete driveway and underground drainage & piping system. (60 years Leasehold)	For Lot No 1336 & PTD 1858  i) Combination of Comparison and Cost Method  ii) Income Approach (Check Method)  For PTD 3727 Comparison Method	a) 13,000,000/- b) 12,280,000/- c) 220,000/- Total : <b>25,500,000/-</b>
2. V99/JH/SC/ H107001661/MS a) Lot No 6726 b) Lot No 6770 Mkm. Of Linau, Dist. Of Batu Pahat, Johor	a) Nos 6, Jln Kesturi 6 b) No 11, Jln Kesturi 3 Tmn. Bunga Raya, Tongkang Pecah, Batu Pahat, Johor	Two (2) units of Double-Storey Semi-Detached House  (Freehold)	For both units:- i) Comparison Method  ii) Cost Method (Check Method)	a) 150,000/- b) 130,000/- Total : <b>280,000/-</b>
3. V99/JH/SC/ H108001664/MS Lot No 7009, Mkm of Linau, Dist. Of Batu Pahat, Johor	No 15, Jalan Kolek, Taman Kapal Layar, Tongkang Pecah, Batu Pahat, Johor	Single-Storey Terrace House  (Freehold)	i) Comparison Method  ii) Cost Method (Check Method)	<b>85,000/-</b>
4. V99/JH/SC/ H109001665/MS Lot No 6457, Mkm of Linau, Dist. Of Batu Pahat, Johor	No 22, Jalan Timun, Tmn Anggerik, Tongkang Pecah, Batu Pahat, Johor	Double-Storey Shophouse  (Freehold)	i) Comparison Method  ii) Cost Method (Check Method)	<b>180,000/-</b>
5. V99/JH/SC/ H110001666/MS Lot No 6444, Mkm of Linau, Dist. Of Batu Pahat, Johor	No 9, Jalan Timun, Tmn Anggerik, Tongkang Pecah, Batu Pahat, Johor	Double-Storey Shophouse  (Freehold)	i) Comparison Method  ii) Cost Method (Check Method)	<b>190,000/-</b>

**14. VALUER'S LETTER (Cont'd)**  
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**COLLIERS**  
JORDAN LEE + JAAFAR


REF. NO, (LOT NO, MUKIM, DIST. & STATE)	ADDRESS	DESCRIPTION (TENURE)	METHOD OF VALUATION	MARKET VALUE (RM)
6. V99/JH/SC/ H111001667/MS Lot No 6574, Mkm of Linau, Dist. Of Batu Pahat, Johor	Located along 6.0 km post of Jln Tongkang Pecah (opposite Kaw. Perindustrian Tongkang Pecah), Batu Pahat, Johor	Vacant Industrial Land  (Freehold)	Comparison Method	<b>2,000,000/-</b>
7. VA99/SL/Hh936 (B118) PTD 1820, Mkm of Semenyih, Dist. Of Ulu Langat, Selangor	No 54, Jalan 7, Taman Maju, Jln Semenyih, Kajang Selangor	Single-Storey Link House  (Freehold)	Cost Method	<b>100,000/-</b>
8. JLJC/PK/529/99 PT No 149442, Mkm of Hulu Kinta, Dist. Of Kinta, Perak	No 12, Hala Rapat Baru 18, Taman Perusahaan Ringan Kinta Jaya, Ipoh, Perak	One and Half Storey Detached Factory (corner unit)  (99 years Leasehold)	i) Comparison Method  ii) Income Approach (Check Method)	<b>1,000,000/-</b>
9. JLJC/PK/530/99 Lot Nos :- a) 63763 b) 63775 c) 63776 Mkm of Ulu Kinta, Dist. Of Kinta, Perak	Nos a) 4 & 4A b) 28 & 28A c) 30 & 30A Jln Harilela, Tmn Harilela, Ipoh, Perak	Double-Storey Shophouses a) Corner unit b) Intermediate unit c) Corner unit  (Freehold)	i) Comparison Method  ii) Income Approach (Check Method)	a) 180,000/- b) 160,000/- c) 205,000/- Total : <b>545,000/-</b>
10. VA99/KED/0573 (SC) Plot Nos : a) 128 b) 130 c) 131 d) 132 e) 133 Mkm of Pengkalan Kundur, Dist. Of Kota Setar, Kedah	Address Nos : a) 128 b) 130 c) 131 d) 132 e) 133 Jln Sagaria 2, Tmn Saga, Alor Setar, Kedah	Double-Storey Shophouses a) Intermediate unit b) Intermediate unit c) Corner unit d) Corner unit e) Intermediate unit  (Freehold)	<u>For all lots :-</u> a) Comparison Method  b) Investment/ Income Approach (Check Method)	a) 127,000/- b) 127,000/- c) 132,000/- d) 132,000/- e) 127,000/- Total : <b>645,000/-</b>

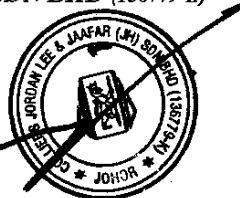
**14. VALUER'S LETTER (Cont'd)**  
(Prepared for inclusion in this Prospectus)

**COLLIERS**  
JORDAN LEE \* JAAFAR

REF. NO. (LOT NO, MUKIM, DIST. & STATE)	ADDRESS	DESCRIPTION (TENURE)	METHOD OF VALUATION	MARKET VALUE (RM)
11. VA99/SPT/0574 Lot Nos :- a) 11068 b) 11067 Mkm. 14, Dist. Of Seberang Prai Tengah, Pulau Pinang	Address Nos : a) 11A b) 15 Jln Pala 10, Kaw. Industri Ringan Permatang Tinggi, Simpang Ampat, Seberang Prai, Pulau Pinang	Two (2) units of 1½ Storey Detached Light Industrial Building.  (Freehold)	<u>For both lots :-</u> i) Comparison Method  ii) Investment/ Income Approach (Check Method)	a) 685,000/- b) 820,000/- Total : <b>1,505,000/-</b>
12. VA99/SPT/0617 Lot Nos :- c) 4107 d) 4109 Mkm. 11, Dist. Of Seberang Prai Tengah, Pulau Pinang	Address Nos : a) 1323 b) 1325 Jln Bukit Tengah, Tmn Indah, Bukit Mertajam, Pulau Pinang	Double-Storey Shophouses a) Comer unit b) Intermediate unit  (Freehold)	<u>For both lots :-</u> i) Comparison Method  ii) Investment/ Income Approach (Check Method)	a) 375,000/- b) 200,000/- Total : <b>575,000/-</b>
13. KV/558/99 Lot Nos :- a) PT45689 b) PT46611 Mkm. Of Kuala Kuantan, Dist. Of Kuantan, Pahang	Address Nos : a) A-495 b) A-497 Lorong Pelindung 95, Taman Seri Pelindung 1, Jalan Beserah, Pahang	Two (2) contiguous units of Double-Storey Shophouses  (Freehold)	<u>For both lots :-</u> i) Comparison Method  ii) Investment/ Income Approach (Check Method)	a) 230,000/- b) 290,000/- Total : <b>520,000/-</b>

Yours faithfully,  
**COLLIERS,**  
**JORDAN LEE & JAAFAR (JH) SDN BHD (136779-K)**

  
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**CHIN KIM CHOY**  
Registered Valuer (V-288)  
EXECUTIVE DIRECTOR



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**15. FURTHER STATUTORY AND OTHER GENERAL INFORMATION**


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**15.1 SHARE CAPITAL**

- (i) There is only one class of shares in the Company, namely ordinary shares of RM1.00 each all of which rank pari passu with one another. There are no founder, management or deferred shares in the Company. The present authorised and issued and paid-up ordinary share capital of the Company are as follows:

	Total no. of Shares	Par Value (RM)	Total (RM)
Authorised	100,000,000	1.00	100,000,000
Issued and Paid-up	43,951,000	1.00	43,951,000

No ordinary shares will be allotted on the basis of this Prospectus later than six months after the date of this Prospectus.

- (ii) Other than the IPO Shares reserved for the eligible employees of the Hup Seng Group as disclosed in this Prospectus, no person or Director or staff or agent of the Group has been granted or is entitled to be given any option or has exercised any option to subscribe for any shares, stocks or debentures of the Hup Seng Group.
- (iii) Save as disclosed in Sections 7.3 and 7.4, no shares or debentures of Hup Seng or its subsidiary companies have been issued or are proposed to be issued as partly or fully paid-up in cash or otherwise than in cash within the two years preceding the date of this Prospectus.

**15.2 ARTICLES OF ASSOCIATION****15.2.1 Changes in the Share Capital and Variation of Class Rights**

The provision in the Articles of Association of the Company as to changes in capital and variation of class rights which are not less stringent than those provided in the Companies Act, 1965 are as follows:

**Article 4**

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

**Article 4A**

Subject to and in accordance with the Act and the regulations made pursuant thereto and the guidelines of the Exchange and any other relevant authorities, the Company shall be entitled at any time and from time to time and on any terms it deems fit, purchase and/or acquire all or any of its own shares from any party(ies) whatsoever provided:

- (a) the Company is solvent at the date of the purchase;
- (b) the purchase is made through the stock exchange on which the shares are quoted; and
- (c) the purchase is made in good faith and in the interest of the Company.

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**15. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

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**Article 5**

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

- (a) no shares shall be issued at a discount except in compliance with the provisions of Section 59 of the Act;
- (b) in the case of shares offered to the public for subscription the amount payable on application on each share shall not be less than five per centum (5%) of the nominal amount of the share;
- (c) in the case of shares, other than ordinary shares, no special rights shall be attached until the same has been expressed in these Articles and in the resolution creating the same;
- (d) no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the members of the Company in general meeting;
- (e) every issue of shares or options to employees and/or Directors of the Company shall be approved by the members in general meeting and no Director shall participate in such issues of shares or options unless:
  - (i) the members in general meeting have approved of the specific allotment to be made to such Director; and
  - (ii) he holds office in the Company in an executive capacity provided always that a Director not holding office in an executive capacity may so participate in an issue of shares pursuant to a public issue or public offer.

**Article 6**

Subject to the Act, any preference shares may with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed but the total nominal value of the issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time and the Company shall not issue preference shares ranking in priority over preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and Balance Sheets, and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital, or winding up, or sanctioning a sale of the undertaking, or where any proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preference shares is in arrears for more than six (6) months.

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**15. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

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**Article 8**

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 consent in writing of the holders of three-fourths (3/4) of the issued shares of that class, or 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 (2) persons at least holding or representing by proxy one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply.

**Article 42**

The Company may by ordinary resolution passed at a general meeting convert any paid-up shares into stock or re-convert any stock into paid up shares of any denomination.

**Article 43**

The holders of the stock may transfer the same or any part thereof in the same manner and subject to the same 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.

**Article 44**

The holders of stock shall, according to the amount of the stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such right, privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by any such aliquot part of stock which would not, if existing in shares, have conferred that right, privilege or advantage.

**Article 45**

Such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

**Article 46**

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

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**15. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

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**Article 47**

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

**Article 48**

Notwithstanding Article 47 above, but subject always to the Act, the Company may apply to the Exchange upon which the Company is listed for waiver of convening Extraordinary General Meetings to obtain shareholders' approval for further issues of shares (other than bonus or right issues) where 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 and the aggregate issues of which in any one (1) financial year do not exceed ten per cent (10%) of the issued share capital of the Company (other than by way of bonus or rights issue).

**Article 49**

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

**Article 50**

The Company may by Ordinary Resolution:

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) divide its share capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act and so that as between the resulting shares, one (1) or more of such shares may, by the resolution by which such sub-division is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares; and
- (c) cancel shares which at the date of the passing of the Resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.



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**15. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

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**Article 51**

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 authorisation, and consent required by law.

**15.2.2 Transfer of Shares and Transmission of Securities**

The provisions in the Company's Articles of Association of the Company in the Main Board Listing Requirements of the KLSE, the Companies Act, 1965 and the Rules of MCD in respect of the arrangements for transfer of shares of the Company and restrictions on their free transferability are as follows:

**Article 25**

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

**Article 26**

- (1) Neither the Company nor its Directors nor any of its officers shall incur any liability for any 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 inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although transferred, the transfer may, as between the transferor and transferee be liable to be set aside, and notwithstanding that the Company may have notice of such transfer. And in every such case, the 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 hereto.
- (2) The Central Depository may in its absolute discretion refuse to register any transfer that does not comply with the Central Depositories Act and the Rules.

**Article 27**

The registration of transfers of shares may be suspended at such times and for such periods as the Directors may from time to time determine not exceeding in the whole thirty (30) Market Days in any year. At least eighteen (18) Market Days' notice of intention to suspend any transfers of shares shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange and the Central Depository, stating the purpose or purposes for the suspension of the transfers. In relation to the closure the Company shall give written notice in accordance with the Rules to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors.

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**15. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

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**15.2.3 Directors' Remuneration**

The provisions in the Company's Articles of Association dealing with the remuneration of the Directors' are as follows:

**Article 85**

- (a) The fees payable to the Directors shall from time to time be determined by an ordinary resolution of the Company in general meeting. Provided that such fees shall not be increased except pursuant to an ordinary resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.
- (b) Executive Director(s) shall, subject to the terms of any agreement (if any) entered into in any particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may from time to time determine. All remuneration payable to the Non-executive Director(s) shall be determined by a resolution of the Company in general meeting.
- (c) Fees payable to Non-executive Directors shall be a fixed sum, and not by a commission on or percentage of profits or turnover.
- (d) Salaries payable to Executive Director(s) may not include a commission on or percentage of turnover.
- (e) 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.

**15.2.4 Voting and Borrowing Powers of Directors**

The provisions in the Articles of Association of the Company dealing with voting powers of the Directors on proposals, arrangements or contracts in which they are interested and the borrowings powers exercisable by them and how such borrowings powers can be varied are as follows:

**Article 88**

The business of the Company shall be managed by the Directors who may pay all expenses incurred in promoting and registering the Company, and exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to any of these Articles, to the provisions of the Act, and to such regulations, being not inconsistent with these Articles or the provisions of the Act as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

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**15. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

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**Article 90**

- (1) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company, or its subsidiary companies.
- (2) The Directors shall not borrow any money or mortgage or charge any of the company's or its subsidiary companies' 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.

**Article 94**

All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors from time to time by resolution determine.

**15.3 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

- (i) The names, addresses and occupations of the Directors of Hup Seng are set out in "Corporate Information" of this Prospectus.
- (ii) A Director is not required to hold any qualification shares in the Company.
- (iii) None of the Directors have existing or proposed service contracts with the Company or any of its subsidiary companies, excluding contracts expiring or terminable within one year by employing company or otherwise without payments or compensations (other than statutory compensation).
- (iv) No Director has been granted or had exercised any options to subscribe for any securities of the Company or its subsidiary companies during the last financial year ended 31 December 1999.
- (v) No Director or person nominated to become a Director is or was involved in the following events:
  - (a) a petition under any bankruptcy laws filed against such person or any partnership in which he was a partner or any corporation of which he was an Executive Officer;
  - (b) conviction in criminal proceedings or is a named subject of pending criminal proceedings; and
  - (c) the subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or governmental body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business practice or activity.
- (vi) None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in any business carrying on a similar trade as the Company or its subsidiary companies.

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**15. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

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- (vii) The remuneration paid to the Directors of Hup Seng for services rendered in all capacities in the Company and its subsidiary companies for the financial year ended 31 December 1999 was RM2,499,669. Under existing arrangements, the Company and its subsidiary companies expect aggregate remuneration paid to the Directors of the Company and its subsidiary companies for the financial year ending 31 December 2000 to be approximately RM3.7 million.
- (viii) Save as disclosed below, none of the Directors or substantial shareholders nor persons connected to the Directors or substantial shareholders have any interest, direct or indirect, in the promotion of or in any assets which have, within the two years immediately preceding the date of this Prospectus, been acquired or proposed to be acquired or disposed of or proposed to be disposed of or leased to or proposed to be leased to the Company or any of its subsidiary companies or any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company and its subsidiary companies taken as a whole.
- (a) Sale and Purchase Agreement dated 26 October 1999 between HSHY and HSBH whereby HSHY sold three pieces of property in the Mukim of Kajang together with factory buildings thereon for a total sale consideration of RM988,382.24.
- (b) Pursuant to a Sale and Purchase Agreement dated 7 December 1999 and as amended by the Consolidated Restated and Amended Sale and Purchase Agreement dated 30 June 2000, entered between Hup Seng and the vendors of HSPM, (who are listed in Section 7.2(c)(i) of this Prospectus, which include some of the Directors and the substantial shareholders of Hup Seng) Hup Seng agreed to acquire 4,950,000 ordinary shares of RM1.00 each in HSPM representing the entire issued and paid-up share capital thereof from the vendors of HSPM at a price of RM32,247,159 which was satisfied by an issuance of 29,315,500 new ordinary shares of RM1.00 each in Hup Seng credited as fully-paid at an issue price of approximately RM1.10 per Share in favour of the vendors of HSPM and their nominee, HSBG.
- (c) Pursuant to a Sale and Purchase Agreement dated 7 December 1999 and as amended by the Consolidated Restated and Amended Sale and Purchase Agreement dated 30 June 2000, entered between Hup Seng and the vendors of HSHY, (who are listed in Section 7.2(c)(ii) of this Prospectus, which include some of the Directors and the substantial shareholders of Hup Seng) Hup Seng agreed to acquire 2,004,000 ordinary shares of RM1.00 each in HSHY representing the entire issued and paid-up share capital thereof from the vendors of HSHY at a price of RM16,087,611 which was satisfied by an issuance of 14,625,500 new ordinary shares of RM1.00 each in Hup Seng credited as fully-paid at an issue price of approximately RM1.10 per Share in favour of the vendors of HSHY and their nominee, HSBG.
- (ix) None of the Directors of Hup Seng has any interest in any contract or arrangement, which is significant in relation to the business of the Company subsisting at the date of this Prospectus.

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**15. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**


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**(x) Directors' Shareholding**

According to the Register of Directors' Shareholdings as at 15 September 2000, (being the last practicable date prior to the printing of this Prospectus), the beneficial interests of the Directors' in the Shares of the Company are as follows:

Director	Before the IPO				After the IPO			
	No. of Shares held		No. of Shares held		No. of Shares held		No. of Shares held	
	Direct	%	Indirect	%	Direct	%	Indirect	%
Kuo Choo Song	364,775	0.83	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Ke (Kek) Kim Soon @ Kerk Choo Soon	652,386	1.48	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Keh (Kerk) Chu Koh	1,005,627	2.29	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Kerk Chiew Siong	1,246,405	2.84	-	-	-	-	-	-
Teo Lee Teck	457,285	1.04	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Kerk Chian Tung	-	-	-	-	-	-	-	-
Datin Noorhayati bte Kamaluddin	1,000	-	-	-	12,000,000	20.00	-	-
Wee Hoe Soon @ Gooi Hoe Soon	-	-	-	-	-	-	-	-
Mazrina bte Arifin	-	-	-	-	-	-	-	-
Norita bte Ja'afar	-	-	-	-	-	-	-	-

*Note:*

<sup>#</sup> *Deemed interested by virtue of his/her and/or his/her associates' interests in HSBG pursuant to S6A of the Companies Act, 1965. The shareholders of HSBG are set out in Section 15.4 of this Prospectus.*

## 15. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

### (xi) Substantial Shareholders' Shareholding

According to the Register of Members as at 15 September 2000, (being the last practicable date prior to the printing of this Prospectus), the beneficial interests of the substantial shareholders, in the shares of the Company are as follows:

Substantial Shareholder	Before the IPO				After the IPO			
	No. of Shares held		No. of Shares held		No. of Shares held		No. of Shares held	
	Direct	%	Indirect	%	Direct	%	Indirect	%
HSBG	33,000,000	75.08	-	-	33,000,000	55.00	-	-
Datin Noorhayati bte Kamaluddin	1,000	-	-	-	12,000,000	20.00	-	-
LTH	-	-	-	-	2,581,850	4.30	-	-
LTAT	-	-	-	-	2,000,000	3.33	-	-
Kuo Choo Song	364,775	0.83	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Tan Siew Kee	283,283	0.64	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Kuo Chee Ching	481,056	1.09	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Kuo Chee Hau	139,802	0.32	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Kuo Chee Joo	237,962	0.54	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Kuo Chee Kian	139,802	0.32	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Kuo Chee Koon	104,479	0.24	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Kuo Chee Yoong	154,394	0.35	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Kuo Liong Yok	389,555	0.89	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Ke (Kek) Kim Soon @ Kerk Choo Soon	652,386	1.48	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Sim Guat Keow @ Sim Han Che	307,275	0.70	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Kerk Han Meng	502,425	1.14	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Kerk Kar Han	508,967	1.16	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Lau Ah Chik@ Yap Swee Keow	768,078	1.75	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Teo Lay Gak	208,666	0.47	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Teo Lee Teck	457,285	1.04	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Teo Lee Tong	464,726	1.06	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Keh (Kerk) Chu Koh	1,005,627	2.29	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Lem Leh Lee @ Lim Mok Lee	606,341	1.38	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Dato' Ker (Kerk) Kim Tim @ Kerk Choo Ting	1,359,298	3.09	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Chang Yang @ Chen Yong	347,069	0.79	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Kerk Chiew Siong	1,246,405	2.84	-	-	-	-	-	-
Kerk Gau Yang	109,172	0.25	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00
Kerk Chong Yong	109,172	0.25	33,000,000 <sup>#</sup>	75.08	-	-	33,000,000 <sup>#</sup>	55.00

Note:

# Deemed interested by virtue of his/her and/or his/her associates' interests in HSBG pursuant to S6A of the Companies Act, 1965. The shareholders of HSBG are set out in Section 15.4 of this Prospectus.

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**15. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**


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**15.4 GENERAL**

- (i) The nature of the Group's business is described under "Business of Hup Seng" 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 disclosed in Section 7.4 of this Prospectus.

Save as disclosed below, there are no corporations deemed to be related to Hup Seng by virtue of Section 6 of the Companies Act, 1965:

HSBG is principally an investment holding company. HSBG would hold a 55.0% equity interest in Hup Seng after the IPO. The Directors and their respective shareholdings of HSBG as at 15 September 2000 are as follows:

Name	Nationality	Occupation	No. of ordinary shares of RM1.00 each held			
			Direct	%	Indirect	%
Ke (Kek) Kim Soon @ Kerk Choo Soon (Chairman)	Malaysian	Company Director	1,966,039	5.96	7,000 <sup>#</sup>	0.02
Kuo Choo Song (Vice-Chairman)	Malaysian	Company Director	1,099,272	3.33	7,000 <sup>#</sup>	0.02
Keh (Kerk) Chu Koh (Vice-Chairman)	Malaysian	Company Director	3,030,344	9.18	7,000 <sup>#</sup>	0.02
Kerk Chian Tung (Managing Director)	Malaysian	Company Director	-	-	-	-
Kerk Chiew Siong (Deputy Managing Director)	Malaysian	Company Director	3,756,074	11.38	-	-
Teo Lee Teck (Executive Director)	Malaysian	Company Director	1,378,069	4.18	-	-
Kuo Liong Yok (Non-executive Director)	Malaysian	Company Director	1,173,963	3.56	7,000 <sup>#</sup>	0.02
Kerk Kar Han (Non-executive Director)	Malaysian	Company Director	1,533,867	4.65	7,000 <sup>#</sup>	0.02
Kerk Gau Yang (Non-executive Director)	Malaysian	Company Director	329,060	1.00	-	-

Note:

# Deemed interested by virtue of his/her and/or his/her associates' interests in HSBH pursuant to S6A of the Companies Act, 1965.

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**15. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**


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As at 15 September 2000, the substantial shareholders of HSBG are as follows:

Substantial Shareholder	No. of ordinary shares of RM1.00 each in HSBG held	%
Kuo Choo Song	1,099,272	3.33
Tan Siew Kee	853,686	2.59
Kuo Chee Ching	1,449,646	4.39
Kuo Chee Joo	717,114	2.17
Kuo Liong Yok	1,173,963	3.56
Ke (Kek) Kim Soon @ Kerk Choo Soon	1,966,039	5.96
Sim Guat Keow @ Sim Han Che	926,000	2.81
Kerk Han Meng	1,514,107	4.59
Kerk Kar Han	1,533,867	4.65
Lau Ah Chik @ Yap Swee Keow	2,314,735	7.01
Teo Lee Teck	1,378,069	4.18
Teo Lee Tong	1,400,503	4.24
Keh (Kerk) Chu Koh	3,030,344	9.18
Lem Leh Lee @ Lim Mok Lee	1,827,446	5.54
Dato' Ker (Kerk) Kim Tim @ Kerk Choo Ting	4,096,444	12.41
Chang Yang @ Chen Yong	1,045,913	3.17
Kerk Chiew Siong	3,756,074	11.38

- (ii) Other than the 3,000,000 Public Issue Shares reserved for eligible employees of the Hup Seng Group pursuant to this Prospectus, there are at present no schemes for or involving the staff in the capital of the Group.
- (iii) The last day and time of the opening of the Application Lists of the Public Issue and Offer is set out in Section 5.1 of this Prospectus.
- (iv) The amount payable in full on application of the Public Issue/Offer Shares is RM2.00 per Share.
- (v) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 16 of this Prospectus.
- (vi) The Company has not established a place of business outside Malaysia.
- (vii) Save as disclosed in Section 9.2 of this Prospectus, the Directors are not aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Hup Seng Group.
- (viii) Save as disclosed below, no commission, discounts, brokerages or other special terms have, within the two years preceding 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 share in or debenture of the Company and its subsidiary companies or in connection with the issue or sale of any capital of the Company or its subsidiary companies:
- (a) Underwriting commission is payable by the Company to the Underwriters at the rate of 1.75% of the issue price of RM2.00 per Share on 6,000,000 Public Issue Shares being underwritten and on the Public Issue Shares not taken up by eligible employees of the Hup Seng Group.



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**15. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**


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- (b) Brokerage at the rate of 1.0% of the issue price of RM2.00 per Share will be paid by the Company in respect of successful applications bearing the stamp of RHB Sakura, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIDFCCS.
- (c) The expenses of the Public Issue relating to the underwriting commission, brokerage, registration fee, expenses and fees incidental to the listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of the KLSE estimated at RM1,800,000 will be borne by the Company.
- (ix) Save as disclosed in this Prospectus, the financial conditions and operations of the Hup Seng Group are not affected by any of the following:
  - (a) known trends or known demand, 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 materially favourable or unfavourable impact on revenues or operating income.
- (x) During the last financial year and the current financial year, there were no:
  - (a) public take-over offers by third parties in respect of the Company's shares; and
  - (b) public take-over offers by the Company in respect of other company's shares.
- (xi) No amount or benefit has been paid or given within the two preceding years of the date hereof, nor is it intended to be so paid or given, to any promoter.
- (xii) As at the date of this Prospectus, the Company or its subsidiary companies does not have any convertible debt securities.

**15.5 MATERIAL LITIGATION**

Save as disclosed below, neither Hup Seng nor any of its subsidiary companies are engaged in any material litigation, either as plaintiff or defendant, which might materially affect the position or business of Hup Seng Group and the Directors have no knowledge of any proceedings pending or threatened against the Group, or of any fact likely to give rise to any proceedings, which might materially affect the position or business of the Company and its subsidiary companies.

- On 26 August 2000, HSHY received a letter from the solicitors of Societe des Produits Nestle S.A. and Nestle Products Sdn Bhd (collectively "Nestle") alleging that HSHY has committed the tort of passing-off of the get-up of Nestle's product "NESCAFE CLASSIC", by the get-up of the product distributed by HSHY namely, "SUPER CLASS" instant coffee. Nestle had demanded that HSHY immediately cease the distribution of "SUPER CLASS" instant coffee. HSHY had on 30 August 2000 in a strictly without prejudice letter to Nestle's solicitors, informed Nestle that HSHY is merely a distribution agent and it has agreed to cease the distribution of "SUPER CLASS" instant coffee immediately and pending the resolution of the aforesaid matter between Nestle and Super Coffeemix Marketing Sdn Bhd ("Super"), the manufacturer of "SUPER CLASS" instant coffee.

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**15. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**


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Super had through its solicitors in a letter to HSHY dated 30 August 2000 stated that they will defend any legal proceedings that may be instituted by Nestle and that Super will be responsible for all solicitors' fees, costs and damages, if any, awarded against HSHY.

**15.6 MATERIAL CONTRACTS**

Save as disclosed below, there are no other contracts which are material (not being contracts entered into in the ordinary course of business) which have been entered into by Hup Seng and its subsidiary companies within the two years immediately preceding the date of this Prospectus:

- (i) Sale and Purchase Agreement dated 26 October 1999 between HSHY and HSBH whereby HSHY sold three pieces of property in the Mukim of Kajang together with factory buildings thereon for a total sale consideration of RM988,382.24.
- (ii) Sale and Purchase Agreement dated 7 December 1999 between Hup Seng and the vendors of HSPM named therein for the acquisition of 4,950,000 ordinary shares of RM1.00 each in HSPM representing the entire issued and paid-up share capital thereof at the price of RM32,247,159, satisfied by an issuance of 29,315,500 new ordinary shares of RM1.00 each in Hup Seng credited as fully paid-up at an issue price of approximately RM1.10 per Share in favour of the vendors of HSPM and their nominee, HSBG.
- (iii) Sale and Purchase Agreement dated 7 December 1999 between Hup Seng and the vendors of HSHY named therein for the acquisition of 2,004,000 ordinary shares of RM1.00 each in HSHY representing the entire issued and paid-up share capital thereof at the price of RM16,087,611, satisfied by an issuance of 14,625,500 new ordinary shares of RM1.00 each in Hup Seng credited as fully paid-up at an issue price of approximately RM1.10 per Share in favour of the vendors of HSHY and their nominee, HSBG.
- (iv) HSPM Consolidated Restated and Amended Sale and Purchase Agreement dated 30 June 2000 between Hup Seng and the vendors of HSPM named therein was entered into in order to amend certain terms as stipulated in the abovementioned agreement under section (ii).
- (v) HSHY Consolidated Restated and Amended Sale and Purchase Agreement dated 30 June 2000 between Hup Seng and the vendors of HSHY named therein was entered into in order to amend certain terms as stipulated in the abovementioned agreement under section (iii).
- (vi) The Underwriting Agreement dated 28 August 2000, entered into between Hup Seng, RHB Sakura and the Underwriters whose names are stated in Section 3 - Corporate Information of this Prospectus for the underwriting of 6,000,000 Public Issue Shares pursuant to the IPO for an underwriting commission of 1.75% of the issue price of RM2.00 per Share.

**15.7 LETTERS OF CONSENT**

- (i) The written consents of the Adviser and Managing Underwriter, Underwriters, ACNielsen (M) Sdn Bhd, Principal Bankers, Solicitors, Company Secretaries, valuer, Registrar and Issuing House to the inclusion in this Prospectus of their names and reference in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

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**15. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**

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- (ii) The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name, Accountants' Report and their letters relating to the Consolidated Profit Forecast and Proforma Consolidated Balance Sheets in the form and context in which they appear in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.
- (iii) The written consent of the valuer to the inclusion in this Prospectus of its letter in the form and context in which it appears in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

**15.8 MAIN BOARD LISTING REQUIREMENTS**

The provisions of the Main Board Listing Requirements of KLSE on the transferability of securities are as follows:

**Section 293A**

The transfer of any securities or class of securities of the company which have been deposited with the Central Depository, shall be by way of book entry by the Central Depository in accordance with the Rules of the Central Depository and, notwithstanding sections 103 and 104 of the Companies Act, 1965, but subject to sub-section 107C (2) of the Companies Act, 1965 and any exemption that may be made from compliance with sub-section 107C (1) of the Companies Act, 1965, the company shall be precluded from registering and affecting any transfer of securities.

**Section 293B**

- (1) Where:
  - (a) the securities of a company are listed on an Approved Market Place; and
  - (b) such company is exempted from compliance with section 14 of the Securities Industry (Central Depositories) Act, 1991 or section 29 of the Securities Industry (Central Depositories) Amendment Act, 1998, as the case may be, under the Rules of the Central Depository in respect of such securities,

such company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the company in the jurisdiction of the Approved Market Place (hereinafter referred to as "**the Foreign Register**"), to the register of holders maintained by the registrar of the company in Malaysia (hereinafter referred to as "**the Malaysian Register**") subject to the following conditions:

- (i) there shall be no change in the ownership of such securities; and
- (ii) the transmission shall be executed by causing such securities to be credited directly into the securities account of such securities holder.

For the avoidance of doubt, no company, which fulfils the requirements of, paragraphs (a) and (b) of section 293B (1) shall allow any transmission of securities from the Malaysian Register to the Foreign Register.

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**15. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**

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**15.9 COMPANIES ACT, 1965**

The provisions within the Companies Act, 1965 on the transferability of securities are as follows:

**Section 103 (1)**

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

**Section 103 (1A)**

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

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

**Section 107C (1)**

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

**Section 107C (2)**

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

**15.10 RULES OF MCD**

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

**Rule 8.01 (2)**

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

**Rule 8.05A**

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

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**15. FURTHER STATUTORY AND GENERAL INFORMATION (Cont'd)**

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**Rule 9.03 (2)**

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

- (i) the prescribed Form FTF010 (request for ordinary transfer of securities form) or Form FTF015 (request for express transfer of securities form) fully and properly completed in triplicate;
- (ii) the Transferring Depositor has executed the Transferor portion of the said form duly witnessed by another person (other than the depositor’s spouse);
- (iii) the Transferring Depositor has stated his reason for the transfer and that the reason is or are amongst any of the approved reasons as stated herein below:
  - a) transmission of securities arising from the provisions of any written law or an order of the court of competent jurisdiction;
  - b) rectification of errors;
  - c) pledge, charge or mortgage;
  - d) mandatory offer pursuant to the provisions of the Malaysian Code on Takeovers and Mergers 1998;
  - e) any other circumstances as deemed fit by the Central Depository after consultation with the Securities Commission.
- (iv) documents to support the reason for the transfer;
- (v) such other accompanying documents duly processed in such manner as the Central Depository may from time to time determine in its Procedures Manuals.

**15.11 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the Registered Office of the Company during normal business hours for a period of six months from the date of this Prospectus:

- (i) Memorandum and Articles of Association of the Company and its subsidiary companies;
- (ii) The Accountants’ Report and Directors’ Report as included in Section 12 and 13 of this Prospectus respectively;
- (iii) The consolidated profit forecast of the Hup Seng Group for the financial year ending 31 December 2000 as included in Section 9 of this Prospectus;
- (iv) The proforma consolidated balance sheets of Hup Seng Group as at 31 May 2000 as included in Section 10 of this Prospectus;
- (v) The Auditors’ letters relating to the consolidated profit forecast and proforma consolidated balance sheets as included in Sections 9 and 11 respectively of this Prospectus;
- (vi) The valuer’s letter together with the Valuation Reports as referred included in Section 14 of this Prospectus;
- (vii) The material contracts referred to in Section 15.6 of this Prospectus;
- (viii) Letters of consent referred to in Section 15.7 of this Prospectus; and
- (ix) Audited accounts of Hup Seng and its subsidiary companies for the past five financial years ended 31 December 1999 and five months period ended 31 May 2000.

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**15. FURTHER STATUTORY AND GENERAL INFORMATION (*Cont'd*)**

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**15.12 RESPONSIBILITY STATEMENTS**

- (i) This Prospectus has been seen and approved by the Directors of Hup Seng and the Offerors, 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 other facts the omission of which would make any statement herein misleading.
  
- (ii) RHB Sakura acknowledges that to the best of its knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the IPO and the Company and its subsidiary companies, and is satisfied that the consolidated profit forecast (for which the Directors are solely responsible) have been stated by the Directors after due and careful enquiry.