
XIII. STATUTORY AND OTHER INFORMATION

1. SHARE CAPITAL

- (i) No shares will be allotted on the basis of this Prospectus later than 12 months after the date of the issue of this Prospectus.
- (ii) There are no founder, management or deferred shares in the Company. As at the date of this Prospectus, there is only one class of shares in the Company, namely, ordinary shares of RM0.50 each, all of which rank pari passu with one another.
- (iii) Save for the Issue Shares reserved for the eligible Directors, employees, customers and suppliers of the HIB Group as disclosed in Section III(2) of this Prospectus, no person has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of the Company or its subsidiaries.
- (iv) Save as disclosed in Sections V(1) and V(4) of this Prospectus, no shares, debentures, outstanding warrants, options, convertible securities or uncalled capital of the Company and its subsidiaries have been or are proposed to be issued as partly or fully paid-up, in cash or otherwise than in cash, within the 2 years preceding the date of this Prospectus.
- (v) Save for the Issue Shares reserved for the eligible Directors, employees, customers and suppliers of the HIB Group as disclosed in Sections III(2) of this Prospectus, there is currently no other scheme for or involving the Directors and employees of the HIB Group in the share capital of the Company or its subsidiaries.
- (vi) Save as disclosed in Sections V(2) and X of this Prospectus, no options to subscribe for any shares, stocks or debentures of the Company or its subsidiaries have been granted to or exercised by the Directors of the Company during the last financial year.

2. ARTICLES OF ASSOCIATION

The following provisions are reproduced from the Listing Requirements of KLSE, the Companies Act, 1965, the Rules of MCD and the Company's Articles of Association ("Articles"):

(i) Transfer of Securities

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

Articles

Article 43 – Transfer of Securities

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

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

Article 44 – Execution Requirements

The instrument of transfer lodged with the Company shall be executed by or on behalf of the transferor and the transferee and the transferor shall be deemed to remain the holder of the share until the transferee's name is entered in the Register as the holder of that share.

Article 45 - Directors' right to decline registration

The Directors may decline to register any instrument of transfer of shares which are not fully paid (whether these are quoted or otherwise) to a person of whom they do not approve.

Article 46 – Central Depository's right to refuse transfer

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 47 - Transfer fully paid securities

Subject to the Central Depositories Act and the Rules, any members may transfer all or any of its securities by instrument in writing in the form prescribed and approved by KLSE and the Registrar (as the case may be). Subject to these Articles, there shall be no restriction on the transfer of fully paid-up shares except where required by law. The instruments shall be executed by or on behalf of the transferor and the transferee and the transferor shall remain the holder of the shares transferred is entered in the Register and/or the Record of Depositors as the case may be. All transfers of deposited securities shall be effected in accordance with the Act, the Central Depositories Act and the Rules.

Listing Requirements of KLSE

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

Paragraph 7.13 – Transfers of Securities

The transfer of any listed security or class of listed security of the company, shall be by way of book entry by the Central Depository in accordance with the Rules of the Central Depository and, notwithstanding Sections 103 and 104 of the Companies Act, 1965, but subject to subsection 107C(2) of the Companies Act, 1965 and any exemption that may be made from compliance with subsection 107C(1) of the Companies Act, 1965, the company shall be precluded from registering and effecting any transfer of listed securities.

Paragraph 7.14 - Transmission of securities from foreign register

- (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,

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

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") provided that there shall be no change in the ownership of such securities.

- (2) For the avoidance of doubt, no company which fulfils the requirements of sub-paragraphs 1(a) and (b) above shall allow any transmission of securities from the Malaysian Register into the Foreign Register.

Companies Act, 1965

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

Section 103 - Instrument of transfer

- (1) Notwithstanding anything in its articles a company shall not register a transfer of shares or debentures unless a proper instrument of transfer in the prescribed form has been delivered to the company, but this subsection shall not prejudice any power to register as a shareholder or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.
- (1A) Nothing in this section shall be construed as affecting the validity of any instrument which would be effective to transfer shares or debentures apart from this section; and any instrument purporting to be made in any form which was common or usual in use, or in any other form authorised or required for that purpose apart from this section before the commencement of this Act, shall be sufficient, whether or not it is completed in accordance with the prescribed form, if it complies with the requirements as to execution and contents which apply to a transfer.

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

Section 107C - Transfer of securities is by way of book entry

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

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

Rules of MCD

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

Rule 8.01 (2) - Rejection of transfer

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

Rule 8.05A - Transfers from the principal or nominee account

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

Rule 9.03(2) - Documents to lodge

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

- (a) the prescribed Form FTF010 (request for ordinary transfer of securities form) or Form FTF015 (request for express transfer of securities form) fully and properly completed in triplicate;
- (b) the Transferring Depositor has executed the Transferor portion on the said form duly witnessed by another person (other than the Depositor's spouse);
- (c) the Transferring Depositor has stated his reason for the transfer and that the reason is or are amongst any of the approved reasons as stated herein below:
 - (i) transmission and transfer of securities arising from the provisions of any written law or an order of court of competent jurisdiction;
 - (ii) rectification of errors;
 - (iii) pledge, charge or mortgage;
 - (iv) mandatory offer pursuant to the provisions of the Malaysian Code On Take-overs and Mergers 1987;
 - (v) any other circumstances as deemed fit by the Central Depository after consultation with the Securities Commission;
- (d) documents to support the reason for the transfer; and
- (e) such other accompanying documents duly processed in such manner as the Central Depository may from time to time determine in its Procedures Manual.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

(ii) Remuneration of Directors

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

Article 110 – Remuneration

Subject to these Articles, the remuneration of the Directors shall from time to time be determined by the Company in general meeting but:

- (1) Directors' fees payable to Directors not holding any executive office in the Company shall be a fixed sum and shall not be payable by a commission on or percentage of profits or turnover;
- (2) salaries payable to Directors holding executive office in the Company may not include a commission on or a percentage of turnover;
- (3) all remuneration payable to Directors shall be deemed to accrue from day to day;
- (4) fees payable to Directors shall not be increased except pursuant to a resolution passed by the Company in general meeting, where notice of the proposed increase has been given in the notice convening the meeting;
- (5) any fee paid to an alternate Director shall be agreed between him and his appointor and shall be deducted from his appointor's remuneration.

Article 111 – Expenses

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

Article 112 – Special Remuneration

The Directors may grant special remuneration to any Director who (on request by the Directors) is willing to:

- (1) render any special or extra services to the Company; or
- (2) to go or reside outside his country of domicile or residence in connection with the conduct of any of the Company's affairs.

Such special remuneration may be paid to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be paid in a lump sum or by way of salary, or by a percentage of profits, or by all or any of such methods but shall not include (where such special remuneration is paid by way of salary) a commission on or a percentage of turnover.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

(iii) Voting and borrowing powers of Directors

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

Article 124 - General borrowing powers

Except as provided by Article 125, the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether as primary or collateral security for any debt, liability or obligation of the Company or any other party.

Article 125 – Restrictions on borrowing

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

Article 142 - Disclosure of interests

- (1) Subject to the Act, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:
 - (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - (b) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
 - (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate (unless the Company by ordinary resolution determines otherwise) and no transaction or arrangement shall be liable to be avoided (whether or not such ordinary resolution is passed) on the ground of any such interest or benefit;
 - (d) may act by himself or his firm in a professional capacity for the Company, and he or his firm (as the case may be) shall be entitled to remuneration for professional service but nothing in these Articles shall authorise a Director or his firm to act as auditor of the Company.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

- (2) For the purposes of this Article:
- (a) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of person is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
 - (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

Article 150 - Disqualification from voting

Except as otherwise provided by these Articles, a Director shall not vote at a meeting of Directors or of a committee of Directors on any resolution concerning any contract, proposed contract, arrangement or other matter in which he has, directly or indirectly, a personal interest or duty which is material and which conflicts or may conflict with the interests of the Company unless his interest or duty arises only because the case falls within one or more of the following paragraphs:

- (1) any arrangement for giving him any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company or any of its Subsidiaries;
- (2) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its Subsidiaries for which he has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of a security;

A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

Articles 151- Separation of resolutions

Where proposals are under consideration concerning or relating to the terms of employment, consultancy or other services of or to be provided by Directors to or with the Company or any body corporate in which the Company is interested or other related matters, the proposals may be divided and considered in relation to each Director separately and (provided he is not for another reason precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own.

Articles 152 - Questions on right to vote

If a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the Chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

(iv) Changes in the share capital and variation of rights

The provisions in the Company's Articles as to the changes in the share capital and variation of rights which are as stringent as those provided in the Companies Act, 1965 are as follows:

Article 12 - Variation of class rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may (subject to Sections 55 and 65 of the Act and whether or not the Company is being wound up) be varied or abrogated with:

- (1) the consent in writing of the holders of three-fourths of the issued shares of that class; or
- (2) the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

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

Article 14 - No deemed variation

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

Article 15 - Issue of securities

Subject to the Act and these Articles, any unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Directors who may offer, issue, allot (with or without conferring a right of renunciation), grant options over, grant any right or rights to subscribe for such shares or any right or rights to convert any security into such shares, or otherwise deal with or dispose of them to such persons at such times and on such terms and conditions as they may determine.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

Article 16 – Restrictions on issue

Article 15 shall be subject to the following provisions:

- (1) the Company shall not offer, issue, allot, grant options over shares, grant any right or right to subscribe for shares or any right or rights to convert any security into shares or otherwise deal with or dispose of shares which will or may have the effect of transferring a controlling interest in the Company without the prior approval of the Members in general meeting;
- (2) no Director shall participate in an issue of shares to employees unless:
 - (a) the Members in general meeting have approved the specific allotment to such director; and
 - (b) such Director holds office in an executive capacity or if he does not hold such office, participates in an issue of shares pursuant to an offer or issue of shares to the public;
- (3) no shares shall be issued at a discount except in accordance with Section 59 of the Act;
- (4) the total nominal value of issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time;
- (5) the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating them.

Articles 17 - Rights attached to shares

Subject to the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or as the Directors (subject to them being duly authorised to do so by an ordinary resolution of the Company) may determine provided that where the capital of the Company consists of shares of different monetary denominations, voting rights shall be determined in such a manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.

Article 28 – Repayment of preference capital

The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholders' rights, may only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the preference capital concerned within 2 months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

Articles 69 - Consolidation division and cancellation

The Company may by ordinary resolution:

- (1) consolidate and divide all or any of its share capital into shares of larger amount;
- (2) (subject to Section 62(1) of the Act) subdivide its existing shares or any of them into shares of smaller amount;
- (3) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Articles 72 - Reduction of capital

The Company may by special resolution reduce its share capital and any capital redemption reserve or share premium account in any manner authorised by law.

Articles 73 - Resolution to increase capital

Without prejudice to the rights attached to any existing shares or class of shares, the Company in general meeting may by ordinary resolution increase its capital by the creation of shares of such nominal amounts, and carrying such rights and restrictions, as the resolution specifies provided that where the capital of the Company consists of shares of different monetary denominations, voting rights (if specified in such resolution) shall be prescribed in such a manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.

3. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- (i) The names, addresses and occupations of the Directors of HIB are set out in the Corporate Directory section of this Prospectus.
- (ii) A Director is not required to hold any qualification share in the Company unless otherwise so fixed by the Company in general meeting.
- (iii) None of the Directors or proposed Directors of the Company have any existing or proposed service contracts with the Company or its subsidiaries which are not terminable by notice without payment of compensation (other than statutory compensation) within 1 year.
- (iv) Save as disclosed in Section VIII(2), none of the Directors or major shareholders of HIB has any interest in any contract or arrangement which is significant in relation to the business of the Group subsisting at the date of this Prospectus.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

(v) Based on the Register of Substantial Shareholders as at the date hereof, the substantial shareholders and their respective beneficial interests in the shares of the Company, before and after the Public Issue, are as follows:

Name	Before the Public Issue			After the Public Issue		
	Direct	Indirect	Indirect	Direct	Indirect	Indirect
	No. of ordinary shares of RM0.50 each Held	Percentage of issued and paid-up share capital %	No. of ordinary shares of RM0.50 each held	Percentage of issued and paid-up share capital %	No. of ordinary shares of RM0.50 each held	Percentage of issued and paid-up share capital %
Sau Kim Hing @ Soo Kim Sin	22,282,650	17.56	⁽¹⁾ 52,895,915	41.69	22,282,650	14.86
Saw Kam Fook @ Saw Kim Hock	18,530,346	14.61	⁽²⁾ 56,648,219	44.65	18,530,346	12.35
Soo Kim Tek @ Saw Kim Teik	6,978,859	5.50	⁽³⁾ 68,199,706	53.75	6,978,859	4.65
Saw Kam Weng	8,441,030	6.65	⁽⁴⁾ 66,737,535	52.60	8,441,030	5.63
Saw Kim Chuan	13,593,542	10.71	⁽⁵⁾ 61,585,023	48.54	13,593,542	9.06
Saw Guat Choo	5,352,138	4.22	⁽⁶⁾ 69,826,427	55.03	5,352,138	3.57
Toh Kim Heoh*	6,686,039	5.27	-	-	6,686,039	4.46
Mohd. Yusof Bin Mohd. Rashidi*	7,171,549	5.65	-	-	7,171,549	4.78
Mohamed Azahari Bin Mohamed Kamil	31,842,641	25.10	-	-	31,842,641	21.23

Notes:

- ⁽¹⁾ Deemed interested by virtue of the shareholdings of his brothers, Saw Kam Fook @ Saw Kim Hock, Soo Kim Tek @ Saw Kim Teik, Saw Kam Weng, Saw Kim Chuan and his sister Saw Guat Choo.
- ⁽²⁾ Deemed interested by virtue of the shareholdings of his brothers, Sau Kim Hing @ Soo Kim Sin, Soo Kim Tek @ Saw Kim Teik, Saw Kam Weng, Saw Kim Chuan and his sister Saw Guat Choo.
- ⁽³⁾ Deemed interested by virtue of the shareholdings of his brothers, Sau Kim Hing @ Soo Kim Sin, Saw Kam Fook @ Saw Kim Hock, Saw Kam Weng, Saw Kim Chuan and his sister Saw Guat Choo.
- ⁽⁴⁾ Deemed interested by virtue of the shareholdings of his brothers, Sau Kim Hing @ Soo Kim Sin, Saw Kam Fook @ Saw Kim Hock, Soo Kim Tek @ Saw Kim Teik, Saw Kim Chuan and his sister Saw Guat Choo.
- ⁽⁵⁾ Deemed interested by virtue of the shareholdings of his brothers, Sau Kim Hing @ Soo Kim Sin, Saw Kam Fook @ Saw Kim Hock, Soo Kim Tek @ Saw Kim Teik, Saw Kam Weng, and his sister Saw Guat Choo.
- ⁽⁶⁾ Deemed interested by virtue of the shareholdings of her brothers, Sau Kim Hing @ Soo Kim Sin, Saw Kam Fook @ Saw Kim Hock, Soo Kim Tek @ Saw Kim Teik, Saw Kam Weng and Saw Kim Chuan.

* Ceased to be substantial shareholders after the Public Issue.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

- (vi) According to the Register of Directors' Shareholdings as at the date hereof, the direct and indirect interests of the Directors in the shares of the Company, before and after the Public Issue, are as follows:

Name	Before the Public Issue			After the Public Issue			
	Direct	Indirect	Indirect	Direct	Indirect	Indirect	
	No. of ordinary shares	Percentage of issued share capital %	No. of ordinary shares	Percentage of issued share capital %	No. of Ordinary shares	Percentage of issued share capital %	
Sau Kim Hing @ Soo Kim Sin	22,282,650	17.56	⁽¹⁾ 52,895,915	41.69	22,282,650	⁽¹⁾ 52,895,915	35.26
Saw Kam Fock @ Saw Kim Hock	18,530,346	14.61	⁽²⁾ 56,648,219	44.65	18,530,346	⁽²⁾ 56,648,217	37.77
Saw Guat Choo	5,352,138	4.22	⁽³⁾ 69,826,427	55.03	5,352,138	⁽³⁾ 69,826,427	46.55
Saw Kim Chuan	13,593,542	10.71	⁽⁴⁾ 61,585,023	48.54	13,593,542	⁽⁴⁾ 61,585,023	41.06
Dato' Syed Azman Bin Syed Ibrahim	-	-	-	-	-	-	-
Lam Kee Soon	-	-	-	-	-	-	-

Notes:

- ⁽¹⁾ Deemed interested by virtue of the shareholdings of his brothers, Saw Kam Fock @ Saw Kim Hock, Soo Kim Tek @ Saw Kim Tek, Saw Kim Chuan and his sister Saw Guat Choo.
- ⁽²⁾ Deemed interested by virtue of the shareholdings of his brothers, Sau Kim Hing @ Soo Kim Sin, Soo Kim Tek @ Saw Kim Tek, Saw Kam Weng, Saw Kim Chuan and his sister Saw Guat Choo.
- ⁽³⁾ Deemed interested by virtue of the shareholdings of her brothers, Sau Kim Hing @ Soo Kim Sin, Saw Kam Fock @ Saw Kim Hock, Soo Kim Tek @ Saw Kim Tek, Saw Kam Weng and Saw Kim Chuan.
- ⁽⁴⁾ Deemed interested by virtue of the shareholdings of his brothers, Sau Kim Hing @ Soo Kim Sin, Saw Kam Fock @ Saw Kim Hock, Soo Kim Tek @ Saw Kim Tek, Saw Kam Weng and his sister Saw Guat Choo.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

4. GENERAL

- (i) The nature of HIB's business is described in Section V of this Prospectus. As at 16 September 2002 there are no other corporations which are deemed to be related to HIB by virtue of Section 6 of the Companies Act, 1965.
- (ii) The times of the opening and closing of the application lists of the Public Issue are set out in the Indicative Timetable section, Section III(4) and Section XIV of this Prospectus.
- (iii) The amount payable in full on application is RM0.65 per Issue Share.
- (iv) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section XIV of this Prospectus.
- (v) Save as disclosed in Sections V(2), VIII(3) and X of this Prospectus, no amount or benefit has been paid or given within the 2 years preceding the date of this Prospectus, nor is it intended to be paid or given, to any promoter.
- (vi) As at 16 September 2002, the Group has not established a place of business outside Malaysia save for HIPL, HGCL and HGBSB, its subsidiary incorporated in Singapore, Cambodia and Brunei respectively, details of which are set out in Section V(4) of this Prospectus.
- (vii) Save as disclosed in this Prospectus, the financial conditions and operations of HIB and its subsidiaries are not affected by any of the following:
 - (a) Known trends, demands, commitments, events or uncertainties that have had or that the corporation reasonably expects to have, a material favourable or unfavourable impact on financial performance, position and operations of the Group;
 - (b) Material capital expenditure commitments;
 - (c) Unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the Group and the extent to which the financial performance, position and operations of the Group was so affected;
 - (d) Substantial increase in revenue and the extent to which the increase is attributable to prices, volume of goods or services being sold, the introduction of new products or services or any other factors; and
 - (e) Known events, circumstances, trends, uncertainties and commitments that will result in or are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

As far as the Directors are aware, the Group is not vulnerable to any specific factors or events of a particular nature other than normal commercial risks experienced during the normal course of business.

- (viii) Save as disclosed in 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 Group.
- (ix) Save as disclosed in Sections IX(2) and X of this Prospectus, as at 16 September 2002, there is no loan capital outstanding or mortgages and charges in relation to the Group.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

- (x) Save as disclosed in Sections III(7)(note 2) and IX(2)(ii), neither HIB nor its subsidiaries has any outstanding convertible debt securities.
- (xi) The names and addresses of the Auditors and Reporting Accountants of the Company are set out in the Corporate Directory section of this Prospectus.

5. EXPENSES AND COMMISSIONS

- (i) Underwriting commission and managing underwriting commission are payable by the Company to the Managing Underwriter at the rate of 2.0% and 0.5% of the issue price of RM0.65 for each of the 11,500,000 Issue Shares being underwritten.
- (ii) Brokerage of 1% of the issue price of RM0.65 per Issue Share is payable by the Company in respect of successful applications bearing the stamps of CIMB, member companies of the KLSE, members of the Association of Banks of Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.
- (iii) The underwriting commission, brokerage and stamp duty (if any), in relation to the Public Issue and estimated expenses and fees incidental to the Public Issue and the listing of and quotation for the entire enlarged issued and paid-up share capital of HIB on the Main Board of KLSE amounting to RM2.2 million will be borne by HIB.
- (iv) Save as disclosed in sub-paragraph (iii) above, no commission, discounts, brokerage or other special terms were granted by the Company within the 2 years immediately preceding the date of this Prospectus in connection with the issue or sale of any capital of the Company or its subsidiaries.

6. PUBLIC TAKE-OVERS

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

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

7. MATERIAL LITIGATION

As at 16 September 2002, neither HIB nor its subsidiaries is engaged in any litigation and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of HIB or its subsidiaries and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of HIB or its subsidiaries.

8. MATERIAL CONTRACTS

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

- (i) Conditional Share Sale Agreement dated 17 December 2001 between HIB and the vendors of HASB, Soo Kim Tek @ Saw Kim Teik, Sau Kim Hing @ Soo Kim Sin, Saw Kam Fock @ Saw Kim Hock, Saw Kam Weng, Saw Kim Chuan, Saw Guat Choo, Mohd. Yusof Bin Mohd. Rashidi, Mohamed Azahari Bin Mohamed Kamil and W Shalihudin Bin W Ibrahim to acquire the entire issued and fully paid-up share capital of HASB comprising 9,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM32,921,643 to be satisfied by the issuance of 55,799,598 new ordinary shares of RM0.50 each in HIB at approximately RM0.59 per share;

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

- (ii) Conditional Share Sale Agreement dated 17 December 2001 between HIB and the vendors of HGSB, Soo Kim Tek @ Saw Kim Teik, Sau Kim Hing @ Soo Kim Sin, Saw Kam Fock @ Saw Kim Hock, Saw Kam Weng, Saw Kim Chuan, Saw Guat Choo, Toh Kim Heoh, Mohd. Yusof Bin Mohd. Rashidi, Mohamed Azahari Bin Mohamed Kamil and W Shalihudin Bin W Ibrahim to acquire the entire issued and fully paid-up share capital of HGSB comprising 4,320,000 ordinary shares of RM1.00 each for a total purchase consideration of RM20,994,525 to be satisfied by the issuance of 35,584,070 new ordinary shares of RM0.50 each in HIB at approximately RM0.59 per share ;
- (iii) Conditional Share Sale Agreement dated 17 December 2001 between HIB and the vendors of HHSB, Soo Kim Tek @ Saw Kim Teik, Sau Kim Hing @ Soo Kim Sin, Saw Kam Fock @ Saw Kim Hock, Saw Kam Weng, Saw Kim Chuan, Saw Guat Choo, Toh Kim Heoh, Mohamed Azahari Bin Mohamed Kamil and W Shalihudin Bin W Ibrahim to acquire the entire issued and fully paid-up share capital of HHSB comprising 1,200,000 ordinary shares of RM1.00 each for a total purchase consideration of RM1,935,683 to be satisfied by the issuance of 3,280,831 new ordinary shares of RM0.50 each in HIB at approximately RM0.59 per share ;
- (iv) Conditional Share Sale Agreement dated 17 December 2001 between HIB and the vendors of HPSB, Sau Kim Hing @ Soo Kim Sin, Saw Kam Fock @ Saw Kim Hock, Toh Kim Heoh and Mohd. Yusof Bin Mohd. Rashidi, to acquire the entire issued and fully paid-up share capital of HPSB comprising 870,000 ordinary shares of RM1.00 each for a total purchase consideration of RM1,909,529 to be satisfied by the issuance of 3,236,502 new ordinary shares of RM0.50 each in HIB at approximately RM0.59 per share;
- (v) Conditional Share Sale Agreement dated 17 December 2001 between HIB and the vendors of LTSB, Sau Kim Hing @ Soo Kim Sin, Saw Kam Fock @ Saw Kim Hock, Saw Kam Weng, Toh Kim Heoh and Mohd. Yusof Bin Mohd. Rashidi to acquire the entire issued and fully paid-up share capital of LTSB comprising 860,000 ordinary shares of RM1.00 each for a total purchase consideration of RM2,761,778 to be satisfied by the issuance of 4,680,997 new ordinary shares of RM0.50 each in HIB at approximately RM0.59 per share;
- (vi) Conditional Share Sale Agreement dated 26 August 2002 between HIB and HGSB to acquire the entire issued and fully paid-up share capital of HIPL comprising 100,000 ordinary shares of SGD1.00 each for a total cash consideration of RM174,100;
- (vii) Conditional Share Sale Agreement dated 26 August 2002 between HIB and HASB to acquire the entire issued and fully paid-up share capital of HGCL comprising 100 ordinary shares of USD15,000 each for a cash consideration of RM5,695,225; and
- (viii) Underwriting Agreement dated 18 September 2002 between HIB, CIMB, Southern Investment Bank Berhad and PM Securities Sdn Bhd, for the underwriting of 11,500,000 Issue Shares for an underwriting commission and managing underwriting commission of 2.0% and 0.5% respectively of the issue price of RM0.65 per Issue Share.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

9. MATERIAL AGREEMENTS

Save as disclosed below, the Group does not have any other material agreements including but not limited to shareholders' agreements, agreements underlying the basis of the Group's business, supplier agreements, customer agreements and directors' service agreements:

- (i) The Group has purchased material insurance policies from various insurers as follows:
- (a) Various insurance policies from Hong Leong Assurance Berhad for an aggregate sum insured of RM182.435 million for the insurance coverage of the following:
- fire for WBSB's office equipment, stocks and fixtures and fittings, LTSB's and HASB's plant and machinery, HASB's and HGSB's building and extensions, office furniture, fixtures and fittings, electrical plant and machinery, raw materials, stocks, containers, packing materials and electrical installations, as well as LTSB's stocks, plant and machinery, renovation, office furniture and fittings and electrical installations;
 - fire consequential loss for HASB's gross profit and auditors' fees;
 - products liability for HGSB's and HASB's tangible property in relation to Disney garments;
 - machinery and equipment for LTSB's mobile equipments and plants and HASB's property; and
 - group personal accident for some of HASB's employees.
- (b) Various insurance policies from the Cambodian National Insurance Company for an aggregate sum insured of USD1.940 million for the insurance coverage of the following:
- fire for HGCL's renovation, office furniture, plant and machinery and stock in trade; and
 - fire consequential loss for HGCL's gross profit and auditor's fee.
- (c) Various insurance policies from QBE Insurance (International) Limited for an aggregate sum insured of SGD1.558 million for the insurance coverage of the following:
- fire for HIPL's furniture, fixture and fittings, renovations, all equipment, computers, printers and accessories, stock in trade and goods on consignment to outlets; and
 - general workmen's compensation for HIPL's directors and employees.
- (ii) The Group has entered into material hire purchase agreements with Mayban Finance Berhad, RHB Leasing Sdn Bhd, Arab-Malaysian Finance Berhad and Aseam Credit Sdn Bhd for a total facility amount of RM10.116 million to finance the purchase of HASB's machinery and equipment; and
- (iii) The major licensing agreements described in Section V(3.10) of this Prospectus.

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

10. LETTERS OF CONSENT

The written consents of the Adviser, Managing Underwriter and Placement Agent, Underwriters, Company Secretaries, Principal Bankers, Solicitors, Registrar, Auditors and Reporting Accountants, Market Research Company and MIH to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of its name, Accountants' Report, letters relating to the consolidated profit forecast of the HIB Group for the financial year ending 31 March 2003 and the proforma consolidated balance sheets of HIB as at 31 March 2002 in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of the Market Research Company to the inclusion in this Prospectus of its name and the Executive Summary Report in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

11. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours for a period of 12 months from the date of this Prospectus:

- (i) Memoranda and Articles of Association of HIB and its subsidiaries;
- (ii) The Accountants' Report and Directors' Report as included in Sections X and XII of this Prospectus respectively;
- (iii) The Reporting Accountants' letter on the consolidated profit forecast of the HIB Group for the financial year ending 31 March 2003 referred to in Section IX(4) of this Prospectus;
- (iv) The Reporting Accountants' letter on the proforma consolidated balance sheets of HIB as at 31 March 2002 referred to in Section IX(9) of this Prospectus;
- (v) The Executive Summary Report by the Market Research Company as included in Section XI of this Prospectus and the full independent market research report by the Market Research Company dated 20 December 2001 as submitted to the SC on 21 December 2001;
- (vi) The audited accounts of HHSB for the past 5 financial years ended 31 March 2002;
- (vii) The audited accounts of HASB for the past 5 financial years ended 31 March 2002;
- (viii) The audited accounts of HGSB for the past 3 financial years ended 31 December 1999, the financial period from 1 January 2000 to 31 March 2000 and the 2 financial years ended 31 March 2002;
- (ix) The audited accounts of HPSB for the past 3 financial years ended 31 December 1999, the financial period from 1 January 2000 to 31 March 2000 and the 2 financial years ended 31 March 2002;
- (x) The audited accounts of LTSB for the past 5 financial years ended 31 March 2002;

XIII. STATUTORY AND OTHER INFORMATION (CONT'D)

- (xi) The audited accounts of HIPL for the past 5 financial years ended 31 March 2002;
- (xii) The audited accounts of HGCL for the past 5 financial years ended 31 March 2002;
- (xiii) The audited accounts of WBSB for the financial period from 28 February 1997 (Date of incorporation) to 31 March 1998 and the 4 financial years ended 31 March 2002;
- (xiv) The material contracts referred to in Section XIII(8) of this Prospectus;
- (xv) The material agreements referred to in Section XIII(9) of this Prospectus; and
- (xvi) The consent letters referred to in Section XIII(10) of this Prospectus.

12. RESPONSIBILITY

CIMB acknowledges that, to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts about the Public Issue and the HIB Group and is satisfied that the consolidated profit forecast of the HIB Group for the financial year ending 31 March 2003, for which the Directors of HIB are solely responsible, have been stated by the Directors of HIB after due and careful inquiry and have been duly reviewed by the Reporting Accountant.

This Prospectus has been seen and approved by the Directors of HIB and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.

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