

## 7. SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

### 7.1. Substantial Shareholders and Promoters

#### 7.1.1. Shareholdings in GHL Systems

Based on the Register of Shareholders of GHL Systems as at the date of this Prospectus, the direct and indirect interests of the substantial shareholders and Promoters in the issued share capital of the Company are as follows:-

| Name   | Nationality /<br>Place of<br>Incorporation | Before Issue               |        |                              | After Issue                |       |                              | After Full Exercise of ESOS <sup>g</sup> |       |                              |
|--|--|----------------------------|--------|------------------------------|----------------------------|-------|------------------------------|--|-------|------------------------------|
|  |  | Direct<br>No. of<br>Shares | %      | Indirect<br>No. of<br>Shares | Direct<br>No. of<br>Shares | %     | Indirect<br>No. of<br>Shares | Direct<br>No. of<br>Shares               | %     | Indirect<br>No. of<br>Shares |
| BSNC <sup>a</sup>                                    | Malaysia                                   | 56,150,850                 | 30.00  | -                            | 56,150,850                 | 22.45 | -                            | 56,150,850                               | 20.41 | -                            |
| Bank Simpanan Nasional <sup>b,c</sup>                | Malaysia                                   | -                          | -      | 56,150,850                   | 30.00                      | -     | 56,150,850                   | 22.45                                    | -     | 56,150,850                   |
| Tabung Amanah<br>Warisan Negeri Johor <sup>b,c</sup> | Malaysia                                   | -                          | -      | 56,150,850                   | 30.00                      | -     | 56,150,850                   | 22.45                                    | -     | 56,150,850                   |
| Tay Beng Lock <sup>a,d</sup>                         | Malaysian                                  | *22,800,270                | *12.18 | -                            | 22,800,270                 | 9.11  | -                            | <sup>h</sup> 23,800,270                  | 8.65  | -                            |
| Yeng Fook Hoo <sup>a,d</sup>                         | Malaysian                                  | 14,600,100                 | 7.80   | -                            | 14,600,100                 | 5.84  | -                            | <sup>h</sup> 15,600,100                  | 5.67  | -                            |
| Goh Kuan Ho <sup>a,d</sup>                           | Malaysian                                  | 79,000,460                 | 42.21  | -                            | 79,590,460                 | 31.82 | -                            | 79,590,460                               | 28.92 | -                            |
| Joshua Tan Siew Meng <sup>a</sup>                    | Malaysian                                  | 12,100,100                 | 6.47   | -                            | 12,100,100                 | 4.84  | -                            | 12,100,100                               | 4.40  | -                            |

#### Notes:-

<sup>a</sup> Promoters of GHL Systems.

<sup>b</sup> Disclosure of indirect interests by virtue of shares held in a downstream company is restricted only to the immediate downstream company.

<sup>c</sup> Deemed substantial interest through BSNC.

<sup>d</sup> Directors of GHL Systems.

<sup>e</sup> The shareholding shown is after the completion of the ESS, pursuant to which Tay Beng Lock will offer up to 2,500,000 Shares ("Offer Shares") out of a total of 25,300,270 Shares held by him, for sale to the eligible employees of the Group for a nominal consideration of RM1.00 per employee. The Offer Shares will be transferred to the employees during the prescription period. Further details of the ESS are disclosed in Section 9.5. of this Prospectus.

<sup>f</sup> Based on her allocation in respect of the 8,000,000 Issue Shares made available for application by the eligible directors and employees of the Group, and other persons who have contributed to the success of the Group.

<sup>g</sup>

The ESOS will only be implemented i.e. the Options under the ESOS will only be offered to the eligible directors and employees of the Group, on the date of the Company's listing on the MESDAQ Market. The shareholdings shown here are based on the assumption that the number of Options to be granted under the ESOS is 10% of the Company's enlarged issued and paid-up capital on the date of listing. Under the terms of the Bye-Laws of the ESOS, the quantum of the ESOS is up to 10% of the Company's issued and paid-up capital at any time during the existence of the ESOS.

Based on their respective indicative ESOS allocations as follows:-  
Indicative No. of ESOS Options

|               |           |
|---------------|-----------|
| Tay Beng Lock | 1,000,000 |
| Yeng Fook Hoo | 1,000,000 |

<sup>h</sup>

### 7.1.2. Background on Substantial Shareholders and Promoters

The Promoters of GHL Systems are Tay Beng Lock, Yeng Fook Hoo, Goh Kuan Ho, Joshua Tan Siew Meng and BSNC. **Tay Beng Lock, Yeng Fook Hoo and Goh Kuan Ho** are directors of GHL Systems and their profiles are set out in Section 7.4 "Board of Directors".

A brief background of the substantial shareholders of GHL Systems, apart from those who are also directors of the Company, is set out below.

**Joshua Tan Siew Meng**, a Malaysian aged 36, graduated with a Bachelor of Science degree in Electrical Engineering from Bradley University, Illinois, USA in 1990. Upon completing his degree, he joined Hewlett-Packard (M) Sdn. Bhd. in Penang as a Technology Specialist. He left in 1991 to take up the position of Corporate Account Manager with Hewlett-Packard Sales (Malaysia) Sdn. Bhd. ("HPSM"). Two (2) years later, he was promoted to Channel Manager of HPSM, responsible for channel segmentation strategy and planning, recruitment and relationship management. In 1995, he was again promoted to Country Marketing Manager of HPSM and one (1) year later, he became the Asia Pacific Business Unit Manager of Hewlett-Packard Far East Pte Ltd. In 1998, he left Hewlett-Packard Far East Pte Ltd to join GHL Technologies Sdn. Bhd. ("GHL Technologies") as its Sales and Marketing Director. In July 2000, he left GHL Technologies to join JOS Systems Sdn. Bhd. as its General Manager. He is currently the Managing Director of Digiland Malaysia Sdn. Bhd.

**BSNC** was incorporated in Malaysia on 16 July 1975 under the Companies Act, 1965 as a public limited company with the name of Bank Buruh (M) Berhad. It changed its name to BSN Commercial Bank (Malaysia) Berhad on 11 March 1995 and assumed its present name on 3 October 2001 after its banking business was acquired by and merged with Affin Bank. BSNC is now operating as an investment holding company with plans to establish new business activities. Its issued and paid-up capital is RM210,245,100 comprising 210,245,100 ordinary shares of RM1.00 each. The directors of BSNC are currently Tunku Dato' Abdul Malek Bin Tunku Kassim, Tan Sri (Dr.) J.G. Daniel, Tuan Haji Noordin Bin Mohd Noor, Ahmad Zaki Bin Abdul Razak and Dato' Haji Baderi Bin Haji Dasuki. As at 21 February 2003, the substantial shareholders of BSNC are Bank Simpanan Nasional, Tabung Amanah Warisan Negeri Johor and National Land Finance Cooperative Society Ltd, holding 86,926,863, 63,073,500 and 14,717,000 ordinary shares of RM1.00 each in BSNC respectively, which are equivalent to 41.35%, 30.00% and 7.00% of the issued and paid-up capital of BSNC respectively.

The investment by BSNC in GHL Systems is its first in a technology-based company. The directors of BSNC believe that with the current advancements in technology, the potential for growth and earnings of such companies is bright. BSNC's investment in GHL Systems is anticipated to add value to the Group through BSNC's resourceful Bumiputra participation backed by vast banking business experience and networks in the financial industry which will assist the Group in its merchant-acquiring business. The directors of BSNC further believe that the Group, with its track record and past performance, is poised for further growth as Malaysia moves towards a cash-less environment via the use of Debit e-POS, MEPS Cash and credit cards.

**7.1.3. Directorships in Other Public Corporations**

None of the substantial shareholders or Promoters of GHL Systems has held directorships in any other public corporations for the past two (2) years ended 21 February 2003.

**7.1.4. Substantial Shareholdings in Other Public Corporations**

None of the substantial shareholders or Promoters of GHL Systems has had substantial shareholdings, whether directly or indirectly, in any other public corporations for the past two (2) years ended 21 February 2003.

## 7.2. Changes in Substantial Shareholders

The changes in the registered substantial shareholders of GHL Systems and their shareholdings since incorporation up to the date of this Prospectus are as follows:-

| Name                       | As at 29.03.1994 |       | As at 02.12.1994 |        | As at 24.02.1998 |        | As at 28.01.1999 |       | As at 05.02.1999 |       | As at 01.04.1999 |       | As at 15.06.2001 |       |
|----------------------------|------------------|-------|------------------|--------|------------------|--------|------------------|-------|------------------|-------|------------------|-------|------------------|-------|
|                            | No. of Shares    | %     | No. of Shares    | %      | No. of Shares    | %      | No. of Shares    | %     | No. of Shares    | %     | No. of Shares    | %     | No. of Shares    | %     |
| Tay Beng Lock              | -                | -     | -                | -      | -                | -      | 1                | 50.00 | 40,000           | 40.00 | 30,000           | 30.00 | 1,530,000        | 30.00 |
| Yeng Fook Hoo              | -                | -     | -                | -      | -                | -      | -                | -     | 5,000            | 5.00  | 10,000           | 10.00 | 510,000          | 10.00 |
| Goh Kuan Ho                | 1                | 50.00 | -                | -      | -                | -      | 1                | 50.00 | 50,000           | 50.00 | 50,000           | 50.00 | 2,550,000        | 50.00 |
| Joshua Tan Siew Meng       | -                | -     | -                | -      | -                | -      | -                | -     | 5,000            | 5.00  | 10,000           | 10.00 | 510,000          | 10.00 |
| Goh Heng Loo               | 1                | 50.00 | -                | -      | -                | -      | -                | -     | -                | -     | -                | -     | -                | -     |
| GHL Technologies Sdn. Bhd. | -                | -     | 2                | 100.00 | -                | -      | -                | -     | -                | -     | -                | -     | -                | -     |
| GHL Automation Sdn. Bhd.   | -                | -     | -                | -      | 2                | 100.00 | -                | -     | -                | -     | -                | -     | -                | -     |

  

| Name                 | As at 31.12.2001 |       | As at 02.01.2002 |       | As at 30.05.2002 |                    | As at 27.06.2002 |       | As at 29.06.2002 <sup>b</sup> |       | As at 05.07.2002 <sup>c</sup> |       |
|----------------------|------------------|-------|------------------|-------|------------------|--------------------|------------------|-------|-------------------------------|-------|-------------------------------|-------|
|                      | No. of Shares    | %     | No. of Shares    | %     | No. of Shares    | %                  | No. of Shares    | %     | No. of Shares                 | %     | No. of Shares                 | %     |
| BSNC                 | -                | -     | -                | -     | 4,715,000        | 30.00              | 4,715,000        | 30.00 | 47,150,000                    | 30.00 | 56,150,850                    | 30.00 |
| Tay Beng Lock        | 3,030,000        | 30.00 | 3,300,053        | 30.00 | 3,300,053        | <sup>a</sup> 21.00 | 1,900,053        | 12.09 | 19,000,530                    | 12.09 | 25,300,270                    | 13.52 |
| Yeng Fook Hoo        | 1,010,000        | 10.00 | 1,100,018        | 10.00 | 1,100,018        | <sup>a</sup> 7.00  | 1,250,018        | 7.95  | 12,500,180                    | 7.95  | 14,600,100                    | 7.80  |
| Goh Kuan Ho          | 5,050,000        | 50.00 | 5,500,089        | 50.00 | 5,500,089        | <sup>a</sup> 35.00 | 6,850,089        | 43.59 | 68,500,890                    | 43.59 | 79,000,460                    | 42.21 |
| Joshua Tan Siew Meng | 1,010,000        | 10.00 | 1,100,018        | 10.00 | 1,100,018        | <sup>a</sup> 7.00  | 1,000,018        | 6.36  | 10,000,180                    | 6.36  | 12,100,100                    | 6.47  |

### Notes:-

- a* Shareholding diluted due to increase in issued and paid-up capital.
- b* Sub-division of the par value of shares of RM1.00 each into shares of RM0.10 each.
- c* Issue of 30,000,000 new Shares at par, vide a Rights Issue to existing shareholders.

### 7.3. Moratorium on Promoters' Shares

Pursuant to the Listing Requirements, Shares held by the Promoters amounting to 45% of the nominal issued and paid-up capital of the Company at the date of admission of the Company to the Official List of the MESDAQ Market, are to be placed under moratorium. The Promoters whose Shares are subject to moratorium are as follows:-

| Promoters            | Under Moratorium<br>After Issue |              | Under Moratorium<br>After Full Exercise of ESOS <sup>a</sup> |              |
|----------------------|---------------------------------|--------------|--|--------------|
|                      | No. of Shares                   | %            | No. of Shares  | %            |
| BSNC                 | 49,530,050                      | 19.80        | 49,530,050   | 18.00        |
| Tay Beng Lock        | 11,144,270                      | 4.46         | 11,144,270   | 4.05         |
| Yeng Fook Hoo        | 7,429,500                       | 2.97         | 7,429,500  | 2.70         |
| Goh Kuan Ho          | 48,291,860                      | 19.31        | 48,291,860   | 17.55        |
| Joshua Tan Siew Meng | 7,429,500                       | 2.97         | 7,429,500  | 2.70         |
|                      | <u>123,825,180</u>              | <u>49.50</u> | <u>123,825,180</u>   | <u>45.00</u> |

**Note:-**

- a *The ESOS will only be implemented i.e. the Options under the ESOS will only be offered to the eligible directors and employees of the Group, on the date of the Company's listing on the MESDAQ Market. The shareholdings shown here are based on the assumption that the number of Options to be granted under the ESOS is 10% of the Company's enlarged issued and paid-up capital on the date of listing. Under the terms of the Bye-Laws of the ESOS, the quantum of the ESOS is up to 10% of the Company's issued and paid-up capital at any time during the existence of the ESOS.*

The moratorium has been fully accepted by the Promoters. They will not be allowed to sell, transfer or otherwise dispose of any part of their interest in the Shares under the moratorium within one (1) year from the date of admission of the Company to the Official List of the MESDAQ Market, and thereafter, they are permitted to sell, transfer or otherwise dispose of up to a maximum of one third per annum of their respective shareholdings under moratorium on a straight-line basis.

This restriction is specifically endorsed on the Share certificates of GHL Systems representing the respective shareholdings of the Promoters which are under moratorium to ensure that the Company's Registrars shall not register any transfer not in compliance with the moratorium restrictions.

### 7.4. Board of Directors

**Tunku Dato' Abdul Malek Bin Tunku Kassim**, a Malaysian aged 68, is the Non-Executive Chairman of GHL Systems. He graduated from Queen's University of Belfast, United Kingdom in 1959 with a Bachelor of Science (Economics) degree and subsequently obtained a Master's degree in Arts from Vanderbilt University, USA in 1973. He was admitted as a Fellow member of the Institute of Bankers Malaysia in 1992.

Tunku Dato' Abdul Malek started his career as an administrator with the Kedah Civil Service from 1959 to 1962. From there, he joined the Malaysian Civil Service where he was posted to the Treasury, Ministry of Finance as an officer in the Economic and Tax Divisions from 1962 to 1974. He was seconded to the International Monetary Fund ("IMF") in Washington DC as an adviser to an Executive Director in the IMF's Board of Directors from 1975 to 1976. Upon his return to Kuala Lumpur to resume service with the Ministry of Finance, he was appointed head of the Tax Division and later, the Finance Division. In 1983, he was appointed to the Board of the Asian Development Bank ("ADB") in Manila as an Executive Director.

Upon his return to Malaysia after his stint with the ADB in 1987, Tunku Dato' Abdul Malek became an Executive Director of Kewangan Usaha Bersatu Berhad (“KUBB”) from 1987 until 1993. During his tenure at KUBB, he was also a Chairman of the Association of Finance Companies, a director of Cagamas Berhad as well as a Council Member of the Institute of Bankers Malaysia. He was in retirement from 1993 to 1995. Between 1995 and 1999, he was on the Boards of Directors of Commerce Asset-Holding Berhad, Commerce International Merchant Bankers Berhad and CIMB Securities Sdn. Bhd.

In June 1999, he joined BSN Commercial Bank (Malaysia) Berhad (“BSNC Bank”) as a director and its Chairman. BSNC Bank was renamed BSNC following the disposal of its banking business to Affin Bank and Tunku Dato' Abdul Malek remained in his position as Chairman. He is also currently a director of Amal Assurance Berhad.

**Tay Beng Lock**, a Malaysian aged 41, is the Group Managing Director of GHL Systems. He obtained his Bachelor's degree in Electrical Engineering with distinction from Carleton University, Canada in 1984 and a Master's degree in Business Administration with distinction from Middlesex University, United Kingdom in 1986. He began his career in 1984 as a Sales Engineer with Mecomb Malaysia Sdn. Bhd., where he was responsible for the sales of electronic test and measurement instruments to the telecommunications and broadcasting industries. He moved to Hewlett-Packard Sales (Malaysia) Sdn. Bhd. in 1986, taking up the position of Staff Field Engineer. When he left Hewlett-Packard Sales (Malaysia) Sdn. Bhd. in 1992, he was its Business Manager and was managing the company's overall Test and Measurement business in Malaysia. He then joined Delteq (M) Sdn. Bhd. as its General Manager and was responsible for the overall management of the company's operations.

In 1996, Mr. Tay left Delteq (M) Sdn. Bhd. to join GHL Automation Sdn. Bhd. as its General Manager and was responsible for the overall management of the company's operations. He left eight (8) months later to join Tekmark Sdn. Bhd. as its Chief Executive Officer for a period of three (3) months. In late 1997, he joined GHL Technologies Sdn. Bhd. (“GHL Technologies”) and subsequently became the Managing Director of GHL Technologies as well as GHL Transact and GHL Payments. He is well-placed to lead the Group; with 18 years of experience in sales, he was instrumental in convincing several local banks to outsource their merchant acquiring businesses to the GHL Systems Group.

**Yeng Fook Hoo**, a Malaysian aged 46, is the Deputy Group Managing Director of GHL Systems. He obtained his Bachelor's degree in Economics and Mathematics from the University of London in 1979 and completed a Senior Management Program at Harvard Business School in 1988. He has 17 years of experience in the banking industry, with ten (10) years of experience in handling the implementation of major banking systems.

Mr. Yeng started his career with Pacific Bank Berhad as a Trainee Officer in 1981. In 1984, he was promoted to Branch Manager, managing three (3) branches in Rengit, Batu Pahat and Johor Bahru. In 1988, he was promoted to the position of Senior Manager of Operations / Information Technology (“IT”), whereby he created and implemented the first integrated bank-in slip to streamline and simplify the bank-in process for Pacific Bank Berhad's customers, and was also responsible for conceiving, designing, creating and implementing the first “instant” ATM card that allowed customers to use their new and replacement ATM cards instantly at the point of registration. He was also instrumental in co-developing and overseeing the migration effort of Pacific Bank Berhad's retail backend banking system from the legacy Honeywell System to the new Tandem System. This extensive exercise was completed within nine (9) months. He left Pacific Bank Berhad in 1994 to join Hong Leong Bank Berhad.

From 1994 to 1997, Mr. Yeng was the General Manager of the Operations / IT division of Hong Leong Bank Berhad, where he implemented a new branch delivery system and the first branch system operating on a Windows platform. When he joined GHIL Systems in 1997, he was managing the research and development efforts for various transaction-processing and payment-related technologies and solutions such as *NetAccess*, *NetMerchant*, *NetSync* and *PivotPoints*. He also oversees the operations of *WHOOOPS* and *PayDirect*. In addition, he was also responsible for conceiving the EDC Pool Program, which was successfully implemented with three (3) partner banks. He was designated as the Deputy Group Managing Director of GHIL Systems in 2002, responsible for the business development and R & D activities of the Group.

**Goh Kuan Ho**, a Malaysian aged 38, is a Non-Executive Director of GHIL Systems. She sat for the Sijil Peperiksaan Malaysia in 1982 and in 1984, she was awarded a Certificate in Computer Programming and Information Processing from Tunku Abdul Rahman College, Kuala Lumpur. She started her career as an Administrator with Nortek Computer Sdn. Bhd. in 1984. In 1988, she joined GHIL Automation (a sole proprietorship) as an Administrator, and left in 1991 to join GHIL Automation Sdn. Bhd. as a Customer Service Manager. She was later appointed to the Board of Directors of GHIL Automation Sdn. Bhd. In late 1991, she was appointed to the Board of Directors of Info Era Sdn. Bhd. ("**Info Era**") and also assumed the position of Retail Manager of Info Era. She resigned as a director of GHIL Automation Sdn. Bhd. and Info Era in April 1999 and April 2001 respectively. In 1997, she was appointed to the Board of Directors of GHIL Technologies and also assumed the position of Corporate Business Manager of GHIL Technologies. She resigned from all her positions in GHIL Technologies in 2000 to take up her current position of Corporate Account Manager with Jardine OneSolution (2001) Sdn. Bhd.

**Mohamad Isa Bin Abdullah**, a Malaysian aged 46, is a Non-Executive Director of GHIL Systems. He graduated from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia) in 1979 with a Bachelor Science Agribusiness degree. He began his career as an officer with Bank Bumiputra Malaysia Berhad (now known as Bumiputra-Commerce Bank Berhad) in 1979 and left three (3) years later to join the Corporate Planning Department of Perwira Affin Bank Berhad (now known as Affin Bank) ("**PABB**") as a Senior Officer. In 1987, he was promoted to the position of Head of the Corporate Planning Department of PABB. He left PABB in 1995 to join BSN Commercial Bank (Malaysia) Berhad as the Head of the Strategic Planning Department and was subsequently promoted to Assistant General Manager in 2000. He is currently the General Manager of BSNC and sits on the Boards of Directors of the subsidiary companies of BSNC, namely BSNC Leasing (M) Sdn. Bhd., BSNC Ringgit Sdn. Bhd., BSNC Partners Sdn. Bhd. and Card Pay.

**Chong Teck Foh**, a Malaysian aged 46, is an Independent Non-Executive Director of GHIL Systems. He has extensive experience in sales, general management and support, and a strong technical background. He obtained a Diploma in Electronics from Tunku Abdul Rahman College, Kuala Lumpur in 1979. He began his career as a Computer Engineer with Computer Information System Sdn. Bhd. in late 1979. He left Computer Information System Sdn. Bhd. in 1981 to pursue a Master's Degree in Very Large Scale Integration Systems Design at the University of West London, United Kingdom, which he obtained in 1982. He returned to Malaysia in 1983 and joined Philips Malaysia Sdn. Bhd. ("**Philips Malaysia**") as a Systems Engineer. In 1988, he left Philips Malaysia to join Unisys (M) Sdn. Bhd., where he started the company's financial line of business and was responsible for the management of several large financial services accounts.

Mr. Chong was part of the pioneering team recruited by Compaq Computer Corporation Malaysia Sdn. Bhd. ("**Compaq**") to set up its Malaysian operations in 1993. In 1994, he joined Tandem Computers International Incorporated ("**Tandem**") as Manager, Customer Support and Services. In the following year, he was promoted to Manager, Channel Marketing, responsible for the development and implementation of Tandem's channel strategy. In October 1997, he was promoted to General Manager of Tandem in Malaysia. As a result of Compaq's acquisition of Tandem in May 1998, he joined Compaq as General Manager of its Tandem Business Unit.

Mr. Chong is currently the Managing Director of Hewlett-Packard Sales (Malaysia) Sdn. Bhd (“HPSM”). Prior to his appointment as the Managing Director of HPSM in 2002, he was the Managing Director of Compaq Computer Corporation Malaysia Sdn. Bhd., a post which he assumed in January 2000. As an IT activist in the local market, he is a member of the Association of the Computer and Multimedia Industry of Malaysia (PIKOM), a self-funding association representing the IT industry in Malaysia. He is also a member of the American Malaysian Chamber of Commerce (AMCHAM) in Malaysia. Under his leadership, Compaq was reported by International Data Corporation (IDC) as the No. 1 IT vendor in Malaysia for two (2) consecutive years in 2000 and 2001.

**Yen Siw Kuin**, a Malaysian aged 46, is an Independent Non-Executive Director of GHL Systems. She graduated with a Bachelor of Science (Economics) degree in Accounting and Finance from the London School of Economics and Political Science, University of London, United Kingdom in 1980. Prior to joining the Khee San Berhad Group of Companies in 1989 as its Group Financial Controller, she was attached to the international accounting firms of Touche Ross in the United Kingdom as an Audit Executive from 1981 to 1983 and as a Tax Executive from 1983 to 1985, and Price Waterhouse in Malaysia as a Tax Manager from 1985 to 1989. As the Group Financial Controller of the Khee San Berhad Group of Companies, she was responsible for the operations of the finance and accounts departments. Her responsibilities at Khee San Berhad have expanded to include overseeing the company's quality assurance and quality control departments, as well as human resource matters and product development. She was appointed to the Board of Directors of Khee San Berhad as an Executive Director in 2000. She is also the Company Secretary and a member of the Audit Committee of Khee San Berhad, and holds directorships in several private limited companies. She is a member of the Institute of Chartered Accountants in England and Wales as well as the Malaysian Institute of Accountants.

The Company has purchased key personnel insurance on the lives of Tay Beng Lock, the Group Managing Director, and Yeng Fook Hoo, the Deputy Group Managing Director.



### Shareholdings in GHL Systems

Based on the Register of Directors' Shareholdings of GHL Systems as at the date of this Prospectus, the direct and indirect interests of the directors in the issued and paid-up capital of the Company are as follows:-

| Name of Director                         | Before Issue            |                          | After Issue             |                          | After Full Exercise of ESOS <sup>c</sup> |                          |
|--|-------------------------|--------------------------|-------------------------|--------------------------|--|--------------------------|
|  | Direct No. of Shares    | Indirect No. of Shares % | Direct No. of Shares    | Indirect No. of Shares % | Direct No. of Shares                     | Indirect No. of Shares % |
| Tunku Dato' Abdul Malek Bin Tunku Kassim | -                       | -                        | <sup>b</sup> 100,000    | -                        | 100,000                                  | -                        |
| Tay Beng Lock                            | <sup>a</sup> 22,800,270 | <sup>a</sup> 12.18       | 22,800,270              | -                        | <sup>d</sup> 23,800,270                  | -                        |
| Yeng Fook Hoo                            | 14,600,100              | 7.80                     | 14,600,100              | -                        | <sup>e</sup> 15,600,100                  | -                        |
| Goh Kuan Ho                              | 79,000,460              | 42.21                    | <sup>b</sup> 79,590,460 | -                        | 79,590,460                               | -                        |
| Mohamed Isa Bin Abdullah                 | -                       | -                        | <sup>b</sup> 25,000     | -                        | 25,000                                   | -                        |
| Chong Teck Foh                           | -                       | -                        | -                       | -                        | -  | -                        |
| Yen Siw Kuin                             | -                       | -                        | -                       | -                        | -  | -                        |

#### Notes:-

- a The shareholding shown is after the completion of the ESS, pursuant to which Tay Beng Lock will offer up to 2,500,000 Shares ("Offer Shares") out of a total of 25,300,270 Shares held by him, for sale to the eligible employees of the Group for a nominal consideration of RM1.00 per employee. The Offer Shares will be transferred to the employees during the prescription period. Further details of the ESS are disclosed in Section 9.5. of this Prospectus.
- b Based on their respective allocations in respect of the 8,000,000 Issue Shares made available for application by the eligible directors and employees of the Group, and other persons who have contributed to the success of the Group.
- c The ESOS will only be implemented i.e. the Options under the ESOS will only be offered to the eligible directors and employees of the Group, on the date of the Company's listing on the MESDAQ Market. The shareholdings shown here are based on the assumption that the number of Options to be granted under the ESOS is 10% of the Company's enlarged issued and paid-up capital on the date of listing. Under the terms of the Bye-Laws of the ESOS, the quantum of the ESOS is up to 10% of the Company's issued and paid-up capital at any time during the existence of the ESOS.
- d Based on their respective indicative ESOS allocations as follows:-

#### Indicative No. of ESOS Options

|               |           |
|---------------|-----------|
| Tay Beng Lock | 1,000,000 |
| Yeng Fook Hoo | 1,000,000 |

**Directorships of Directors in Other Public Corporations**

None of the directors of GHL Systems has held directorships in other public corporations during the last two (2) years except for the following:-

| Name of Director                         | Name of Company                          | Date of Appointment | Date of Resignation |
|--|--|---------------------|---------------------|
| Tunku Dato' Abdul Malek Bin Tunku Kassim | General Soil Engineering Holdings Berhad | 18.04.1997          | 18.07.2001          |
|  | Amal Assurance Berhad                    | 05.12.2000          | -                   |
|  | BSNC                                     | 01.06.1999          | -                   |
| Mohamad Isa Bin Abdullah                 | Global Carriers Berhad                   | 01.01.2003          | -                   |
| Yen Siw Kuin                             | Khee San Berhad                          | 05.09.2000          | -                   |

**Substantial Shareholdings of Directors in Other Public Corporations**

None of the directors of GHL Systems has had substantial shareholdings (5% or more), whether direct or indirect, in other public corporations during the last two (2) years up to 21 February 2003.

**Directors' Remuneration**

For the financial year ended 31 December 2002, a total sum of RM680,700 was paid to the directors of GHL Systems as remuneration for their service in all capacities to the Company and its subsidiaries. For the financial year ending 31 December 2003, a total sum of RM983,700 is proposed to be paid to the directors of GHL Systems. The directors fall within the following remuneration bands:-

| Remuneration Band (RM) | Number of Directors   |                        |
|------------------------|-----------------------|------------------------|
|                        | Year Ended 31.12.2002 | Year Ending 31.12 2003 |
| 0 – 50,000             | 3                     | 4                      |
| 50,001 – 100,000       | -                     | 1                      |
| 100,001 – 150,000      | -                     | -                      |
| 150,001 – 200,000      | -                     | -                      |
| 200,001 – 250,000      | -                     | -                      |
| 250,001 – 300,000      | -                     | -                      |
| 300,001 – 350,000      | 2                     | -                      |
| 351,000 – 400,000      | -                     | 1                      |
| 400,001 – 450,000      | -                     | 1                      |

**7.5. Audit Committee**

GHL Systems has set up an Audit Committee which comprises the following Board members:-

| Name                     | Designation | Directorship                       |
|--------------------------|-------------|------------------------------------|
| Yen Siw Kuin             | Chairman    | Independent Non-Executive Director |
| Chong Teck Foh           | Member      | Independent Non-Executive Director |
| Mohamad Isa Bin Abdullah | Member      | Non-Executive Director             |

The main functions of the Audit Committee include the review of audit plans and audit reports with the Group's auditors, review of the auditors' evaluation of internal accounting controls and management information systems, review of the scope of internal audit procedures, review of the balance sheet and profit and loss accounts, and nomination of the auditors.

#### 7.6. Key Management and Technical Personnel

**Chin Fook Kheong**, a Malaysian aged 39, is the Group Finance Director of GHL Systems. He has been a fellow member of the Chartered Institute of Management Accountants since 1992 as well as a Registered Accountant with the Malaysian Institute of Accountants since 1998. The Malaysian Institute of Accountants re-designated all its members as Chartered Accountants (C.A.(M)) in 2001. He is currently pursuing a Master's degree in Business Administration with the University of Nottingham in Malaysia. He started his career in auditing with S F Yap & Co in 1987 and later joined Nanyang Union Sdn. Bhd. in 1988 as its Group Accountant, managing all the financial matters of a group of companies involved in the fabrication and manufacture of rubber gloves and machines, manufacture of ceramic products and pesticides, and trading of industrial chemicals. He was also in charge of the corporate affairs of Nanyang Union Sdn. Bhd., as well as secretarial and taxation matters.

In 1990, Mr. Chin joined Mulpha International Berhad as a Divisional Manager, managing its sports and cosmetics trading divisions for Hong Kong, Macau, Malaysia, Singapore, Brunei and Indonesia, and was also responsible for the management of Mulpha International Berhad's corporate affairs. In 1994, he worked as a General Manager in the Forsixten Sdn. Bhd. Group of Companies, which specialised in the manufacture of bags and belts. He re-joined Nanyang Union Sdn. Bhd. in 1995 as its Group Financial Controller and was responsible for managing the Nanyang Union Sdn. Bhd. Group's financial matters, corporate affairs and larger scale development and construction projects.

In 1998, Mr. Chin moved to Jac Malaysia Sdn. Bhd. as General Manager of Finance, responsible for the finance division and corporate affairs. He left two (2) years later to join GHL Systems as its General Manager of Finance and Administration, responsible for managing the finance division, credit control and corporate affairs of the GHL Systems Group. In June 2002, he was promoted to Group Finance Director.

**Wong Y-Mi**, a Malaysian aged 32, is the Chief Technology Officer of GHL Systems for Back-End Systems. He obtained his degrees in Computer Science, and Electrical and Computer Systems Engineering (Honours) from the University of Queensland, Australia in 1993 and 1994 respectively. He started his career in 1994 with Terra Control Technologies Sdn. Bhd. as an Applications Specialist, and two (2) years later, he moved to Intergraph Systems (M) Sdn. Bhd. as a Software Engineer. In 1998, he joined GHL Systems as its Software Development Manager and was responsible for the management of the Company's professional services organisation team, project and software development as well as R & D activities. He was instrumental in the success of several of the Company's projects, including the BP Loyalty System Program and *WHOOOPS* Prepaid Mobile Reload Service. He also led the team in the SET Certificate Authority implementation project, which successfully underwent the Visa certification. In 1999, he was promoted to Chief Technology Officer for Back-End Systems.

**Yap Ke Lip**, a Malaysian aged 29, is the Chief Technology Officer of GHL Systems for Physical Payments. He graduated from the University of Reading, United Kingdom in 1995 with a Bachelor's degree in Electronic Engineering, majoring in Video Engineering and Image Processing. He has previously worked as an Applications Specialist with Terra Control Technologies Sdn. Bhd. (September 1995 to January 1996), a Communications Engineer with Mutiara Telecommunications Sdn. Bhd. (now known as DiGi Telecommunications Sdn. Bhd.) (February 1996 to December 1996) and a Software Engineer with the AIT Systems Sdn. Bhd. Group of Companies (December 1996 to April 1997). From September 1997 to April 1999, he was working for Intergraph Systems (M) Sdn. Bhd., first as a Software Engineer and then as a Project Manager. He has been with GHL Systems since May 1999. As a Software Development Manager, he oversaw the software development of the Company. In 2000, he was promoted to Chief Technology Officer for Physical Payments and he currently oversees the technology direction and product and service development of GHL Systems.

**Derrick Chia Kah Wai**, a Malaysian aged 31, is the Solutions Director in Software Development of GHL Systems. He graduated from the University of British Columbia, Canada with a Bachelor of Commerce degree in 1994. He began his career in 1994 as a Programmer with Powercomp Automation Sdn. Bhd. and worked there until 1996. From 1996 to 1997, he was a Software Engineer with Intergraph Systems (M) Sdn. Bhd. He then joined GHL Systems in January 1998 as a Software Engineer and was promoted to Software Development Manager in December 1999. In GHL Systems, he has contributed to numerous projects such as *PayDirect* and *WHOOPS* Prepaid Mobile Reload Service.

**Phua Kim Sim**, a Malaysian aged 31, is the Business Development Manager and General Manager for Prepaid Services of GHL Systems. She holds a Bachelor's degree in Economics, majoring in Accounting from the University of Sydney, Australia. Upon completing her degree in 1994, she joined Andersen Consulting (now known as Accenture) as a Change Management Consultant and was involved in the design, development and implementation of numerous change management projects for several major companies and financial institutions. In 1999, she joined GHL Systems and was responsible for the identification, definition and implementation framework for several of GHL Systems' projects, including the BP Loyalty Program, *PayDirect* Online Payment Hosting Services and *WHOOPS* Prepaid Mobile Reload Service. She was also involved in the SET Certificate Authority implementation project, which was successfully certified by Visa.

**Lee Kean Fook**, a Malaysian aged 30, is the Software Development Manager of GHL Systems for Terminal Programming. He graduated from UMIST, United Kingdom with a Bachelor's degree in Engineering. Upon completing his degree in 1995, he joined Tekmark Sdn. Bhd. as a Software Engineer, responsible for the design and implementation of an online censorship program for Mega TV. He left Tekmark Sdn. Bhd. in 1996 to take up the position of Software Engineer with Tektronix Inc, where he led teams in the design and implementation of a commercial queuing system for HBP Singapore and a broadcast system for ESPN Singapore. He has been with GHL Systems since 1998 and has assisted in the implementation of the BP Loyalty Program.

**Seah Chong Kai**, a Malaysian aged 29, is the Service Manager for the 24-hour Support Services of GHL Systems. He holds Bachelor's degrees in Computer Engineering and Electrical Engineering from the University of Missouri, Columbia, USA. Upon completing his undergraduate studies in 1995, he joined GHL Systems. He is responsible for managing a team of 30 support engineers who provide 24-hour on-site service nationwide as well as managing the Customer Representative teams, which provide 24-hour helpdesk services. He is currently pursuing a Master's degree in Business Administration (specialising in Information Technology) at the Multimedia University of Malaysia.

**Lee Gim Chuan**, a Malaysian aged 35, is the General Manager of PaymentOne. He holds a Bachelor of Computer Science (Computer Systems) from Universiti Teknologi Malaysia ("UTM"). Prior to furthering his studies at UTM, he was a RZ Technician in the Organisation and Data Processing Department of Siemens Components Sdn. Bhd. from August 1989 to March 1990, and a R & D Engineer with Computer Systems Advisers (M) Sdn. Bhd. (now known as Computer Systems Advisers (M) Berhad) from March 1990 to July 1990. Upon his graduation from UTM in 1994, he joined Advanced Logic Research (Pte) Ltd ("ALR") as Senior Pre-Sales Engineer and was involved in pre-sales technical support for the company's new technology and products. He left ALR in 1996 to join Hitechniaga Sdn. Bhd. (MBf) as a Smart Card Consultant, where he was responsible for smart card consultation, R & D, systems integration and migration, applications design and implementation. In 1998, he moved to VeriFone Private Limited as a Business Development Manager. He was promoted to Country Manager for Malaysia one (1) year later and in 2001, he was promoted to the position of Regional Sales Manager for the Malaysia, Thailand, Indonesia and Singapore markets, responsible for enhancing the performance of VeriFone's electronic payment systems, and identifying and exploring potential business opportunities in the area of smart card and payment transactions in these markets, as well as formulating business strategies for related payment solutions. He has been involved in the business performance of EFTPOS terminals and solutions in Malaysia including the MEPS CASH project (Proton e-Cash Programs). He joined PaymentOne in late 2002.

**Shareholdings in GHIL Systems**

Save as disclosed below, none of the key management and technical personnel holds any Shares or options in respect of any Shares in GHIL Systems.

| Name of Key Management and Technical Personnel | Before Issue         |      |                        |   | After Issue          |      |                        |   | After Full Exercise of ESOS <sup>d</sup> |      |                        |   |
|--|----------------------|------|------------------------|---|----------------------|------|------------------------|---|--|------|------------------------|---|
|  | Direct No. of Shares | %    | Indirect No. of Shares | % | Direct No. of Shares | %    | Indirect No. of Shares | % | Direct No. of Shares                     | %    | Indirect No. of Shares | % |
| Chin Fook Kheong                               | <sup>b</sup> 500,000 | 0.27 | -                      | - | <sup>c</sup> 880,000 | 0.35 | -                      | - | <sup>e</sup> 1,580,000                   | 0.57 | -                      | - |
| Wong Y-Mi                                      | <sup>b</sup> 150,000 | 0.08 | -                      | - | <sup>c</sup> 195,000 | 0.08 | -                      | - | <sup>e</sup> 845,000                     | 0.31 | -                      | - |
| Yap Ke Lip                                     | <sup>b</sup> 150,000 | 0.08 | -                      | - | <sup>c</sup> 250,000 | 0.10 | -                      | - | <sup>e</sup> 900,000                     | 0.33 | -                      | - |
| Derrick Chia Kah Wai                           | <sup>b</sup> 100,000 | 0.05 | -                      | - | 100,000              | 0.04 | -                      | - | <sup>e</sup> 600,000                     | 0.22 | -                      | - |
| Phua Kim Sim <sup>a</sup>                      | <sup>b</sup> 100,000 | 0.05 | -                      | - | <sup>c</sup> 120,000 | 0.05 | -                      | - | <sup>e</sup> 620,000                     | 0.23 | -                      | - |
| Lee Kean Fook                                  | <sup>b</sup> 100,000 | 0.05 | -                      | - | 100,000              | 0.04 | -                      | - | <sup>e</sup> 400,000                     | 0.15 | -                      | - |
| Seah Chong Kai                                 | <sup>b</sup> 100,000 | 0.05 | -                      | - | <sup>c</sup> 400,000 | 0.16 | -                      | - | <sup>e</sup> 700,000                     | 0.25 | -                      | - |
| Lee Gim Chuan                                  | -                    | -    | -                      | - | <sup>c</sup> 250,000 | 0.10 | -                      | - | <sup>e</sup> 750,000                     | 0.27 | -                      | - |

**Notes:-**

- a Spouse of Wong Y-Mi.
- b The shareholding shown is after the completion of the ESS, pursuant to which Tay Beng Lock will offer up to 2,500,000 Shares ("Offer Shares") out of a total of 25,300,270 Shares held by him, for sale to the eligible employees of the Group for a nominal consideration of RM1.00 per employee. The Offer Shares will be transferred to the employees during the prescription period. Further details of the ESS are disclosed in Section 9.5. of this Prospectus.
- c Based on their respective allocations in respect of the 8,000,000 Issue Shares made available for application by the eligible directors and employees of the Group, and other persons who have contributed to the success of the Group.
- d The ESOS will only be implemented i.e. the Options under the ESOS will only be offered to the eligible directors and employees of the Group, on the date of the Company's listing on the MEXDAQ Market. The shareholdings shown here are based on the assumption that the number of Options to be granted under the ESOS is 10% of the Company's enlarged issued and paid-up capital on the date of listing. Under the terms of the Bye-Laws of the ESOS, the quantum of the ESOS is up to 10% of the Company's issued and paid-up capital at any time during the existence of the ESOS.
- e Based on their respective indicative ESOS allocations as follows:-

|                      | Indicative No. of ESOS Options | Indicative No. of ESOS Options |
|----------------------|--------------------------------|--------------------------------|
| Chin Fook Kheong     | 700,000                        | Phua Kim Sim                   |
| Wong Y-Mi            | 650,000                        | Lee Kean Fook                  |
| Yap Ke Lip           | 650,000                        | Seah Chong Kai                 |
| Derrick Chia Kah Wai | 500,000                        | Lee Gim Chuan                  |
|                      |                                | 500,000                        |

***Directorships in Other Public Corporations***

None of the key management and technical personnel of the Group has held directorships in other public corporations during the last two (2) years.

***Substantial Shareholdings in Other Public Corporations***

None of the key management and technical personnel of the Group has had substantial shareholdings (5% or more), whether direct or indirect, in other public corporations during the last two (2) years.

**7.7. Relationships and Associates**

There are no family or business relationships amongst the substantial shareholders, Promoters, directors, key management and technical personnel of the Group save for the following:-

- (a) Tunku Dato' Abdul Malek Bin Tunku Kassim, the Non-Executive Chairman of the Company, is the Chairman of BSNC;
- (b) Mohamad Isa Bin Abdullah, a Non-Executive Director of the Company, is the General Manager of BSNC; and
- (c) Wong Y-Mi and Phua Kim Sim are husband and wife.

See Section 9.9 "Statutory Information – Related-Party Transactions and Conflict of Interest" for details of any related-party transactions.

**7.8. Service Agreements**

The executive directors and key management and technical personnel are employed under ordinary letters of appointment with no special terms. All employees of the Group have standard employment contracts.

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**8. SUMMARY OF FIVE-YEAR BUSINESS DEVELOPMENT PLAN**

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The following is a summary of the Five-Year Business Development Plan dated 19 July 2002 prepared by GHIL Systems for the purpose of inclusion in this Prospectus.

**8.1. Background of the Group**

The Group's core business is primarily focused on online transactions, with emphasis on payment solutions, transaction processing and customer loyalty programs. Over the last three (3) years, the Group has been involved in both physical payment and virtual payment. On 28 December 1998, GHIL Systems was accorded the MSC status by MDC.

**8.2. Plans and Strategy**

The Group's overall strategy is to build businesses around a focus technology core and service infrastructure to obtain maximum leverage of its core competencies so as to differentiate the Group from its competitors in the markets in which the Group operates. One of the Group's strengths is its investment in a dedicated R & D team that is able to produce competitive software solutions in the online transaction arena facilitating various modes of payment, loyalty programs, prepaid services and OLTP. The Group plans to offer total solutions to its customers by developing software and hardware to complement, enhance and provide value-added functionalities to the Group's existing products and services. The Group's listing will enable the Group to invest further in its EDC network infrastructure and extend its market share in Malaysia.

**8.3. Human Resource Policy**

In line with the Group's expansion plan, the Group will continue to employ additional staff to support the level of business and operations. The Group recognises the importance of its employees and updates them on the latest developments in the industry as well as increases their know-how by sending them to various courses throughout the year as and when the need arises. The Group has ambitious plans for growth and with the higher profile achieved through the listing exercise, the ability of the Group to attract qualified knowledge workers in the future to cater for the anticipated growth will be enhanced. In recognition of the employees' contribution to the Group's success, the ESOS will be implemented in conjunction with the Company's listing on the MESDAQ Market.

**8.4. Conclusion**

The Group is poised to take advantage of the expected migration of magnetic-based cards to chip-based cards, and with this, the Group expects to achieve significant growth in its merchant acquiring and EDC sales business. The above represents the strategies and policies of the Group to achieve its mission to be a business and technology leader in online transactions with emphasis on payment and loyalty.

As the Five-Year Business Development Plan was dated July 2002 and GHIL Systems acquired PaymentOne on 28 September 2002, the term "Group" throughout this Section 8 "Summary of Five-Year Business Development Plan" does not include PaymentOne.

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**9. STATUTORY INFORMATION**

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**9.1. History of the Group**

GHL Systems was incorporated in Malaysia on 29 March 1994 under the Companies Act, 1965 as a private limited company with the name of Info Era (Kuantan) Sdn. Bhd. Subsequently, the Company changed its name to GHL Automation (Kuantan) Sdn. Bhd. and later assumed its present name on 30 January 1999. GHL Systems was subsequently converted to a public limited company on 16 July 2002.

On 28 December 1998, GHL Systems was granted MSC status by MDC. GHL Systems commenced operations in June 1999, focusing on R & D activities on software development of online transaction technologies and the marketing of its software solutions. Its early customers were BP Malaysia Sdn. Bhd. and Shell Malaysia Trading Sdn. Bhd.

On 29 December 2001, GHL Systems acquired 100% equity interests in GHL Transact, GHL Payments and GHL EFTPOS vide share sale and purchase agreements with N-Blue Star Sdn. Bhd. for a total cash consideration of RM4 million. In arriving at the purchase consideration, the management of GHL Systems has taken into consideration the forecast results of GHL Transact, GHL Payments and GHL EFTPOS for the financial year ending 31 December 2002. On 30 May 2002, GHL Systems obtained a new investor, BSNC, which has also become one of its substantial shareholders.

On 28 September 2002, GHL Systems acquired a 100% equity interest in PaymentOne for a cash consideration of RM2. The issued and paid-up share capital of PaymentOne is currently RM400,000 comprising 400,000 ordinary shares of RM1.00 each. PaymentOne has entered into a joint venture with BSNC, via Card Pay, a company incorporated on 17 July 2002. The issued and paid-up share capital of Card Pay is currently RM900,000 comprising 900,000 ordinary shares of RM1.00 each, of which PaymentOne and BSNC hold 400,000 and 500,000 ordinary shares of RM1.00 each respectively.

**9.2. Incorporation**

GHL Systems was incorporated in Malaysia on 29 March 1994 under the Companies Act, 1965 as a private limited company with the name of Info Era (Kuantan) Sdn. Bhd. Subsequently, the Company changed its name to GHL Automation (Kuantan) Sdn. Bhd. and later assumed its present name on 30 January 1999. GHL Systems was subsequently converted to a public limited company on 16 July 2002.

**9.3. Share Capital and Changes in Share Capital**

As at the date of this Prospectus, GHL Systems has an authorised capital of RM50,000,000 comprising 500,000,000 Shares and an issued and paid-up capital of RM18,715,178 comprising 187,151,780 Shares. Upon completion of the Issue, the enlarged issued and paid-up capital of GHL Systems will be RM25,015,178 comprising 250,151,780 Shares.



The details of the changes in the Company's issued and paid-up share capital since its date of incorporation are set out below:-

| Date of Allotment | No. of Shares | Par Value (RM) | Consideration   | Total (RM) |
|-------------------|---------------|----------------|---|------------|
| 29.03.1994        | 2             | 1.00           | Cash  | 2          |
| 05.02.1999        | 99,998        | 1.00           | Cash  | 100,000    |
| 15.06.2001        | 5,000,000     | 1.00           | Non-cash <sup>b</sup>   | 5,100,000  |
| 31.12.2001        | 500,000       | 1.00           | Bonus issue <sup>c</sup>  | 5,600,000  |
| 31.12.2001        | 500,000       | 1.00           | Cash  | 6,100,000  |
| 31.12.2001        | 4,000,000     | 1.00           | Cash  | 10,100,000 |
| 02.01.2002        | 900,178       | 1.00           | Bonus issue <sup>d</sup>  | 11,000,178 |
| 30.05.2002        | 4,715,000     | 1.00           | Cash  | 15,715,178 |
| 29.06.2002        | -             | 0.10           | Subdivision of shares of RM1.00 each into shares of RM0.10 each | 15,715,178 |
| 05.07.2002        | 30,000,000    | 0.10           | Rights issue <sup>e</sup>                                       | 18,715,178 |

**Notes:-**

- a All ordinary shares of the Company were issued at par value.*
- b In consideration for the acquisition of software amounting to RM5,000,000 as per the software agreement dated 15 December 2000.*
- c Capitalisation of RM500,000 of the retained profits of GHL Systems to allot 500,000 ordinary shares of RM1.00 each on the basis of five (5) new ordinary shares for every 51 existing ordinary shares of RM1.00 each.*
- d Capitalisation of RM900,178 of the retained profits of GHL Systems to allot 900,178 ordinary shares of RM1.00 each on the basis of 50 new ordinary shares for every 561 existing ordinary shares of RM1.00 each.*
- e Issuance of 30,000,000 new Shares at par to existing shareholders.*

**9.4. Share Options**

As at the date of this Prospectus, apart from the ESOS, no person has an option or is entitled to be given an option to subscribe for any Shares of the Company or its subsidiary companies.

**9.5. Restructuring Scheme**

In conjunction with, and as an integral part of the proposed listing of and quotation for the entire enlarged issued and paid-up share capital of GHL Systems on the MESDAQ Market, the Company has undertaken the following restructuring:-

**9.5.1. Share Split and Increase in Authorised Share Capital**

On 29 June 2002, GHL Systems undertook a share split pursuant to which its existing ordinary shares of RM1.00 each were each split into ordinary shares of RM0.10 each ("Shares"). Following the share split, GHL Systems' issued and paid-up capital was converted from 15,715,178 ordinary shares of RM1.00 each to 157,151,780 Shares. On 6 July 2002, the Company increased its authorised share capital to RM50,000,000.

### 9.5.2. Rights Issue

On 5 July 2002, GHL Systems undertook a Rights Issue of 30,000,000 Shares ("Rights Shares"), at an issue price of RM0.10 per Rights Share. The Rights Issue was fully subscribed by all the existing shareholders of GHL Systems, on the basis of each shareholder's percentage shareholding prior to the Rights Issue. Following the issuance of the Rights Shares, GHL Systems' issued and paid-up share capital was increased from RM15,715,178 comprising 157,151,780 Shares to RM18,715,178 comprising 187,151,780 Shares.

The Rights Shares rank pari passu in all respects with the existing Shares of the Company except that they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the Rights Shares.

Through an ESS to be introduced, Tay Beng Lock, the Group Managing Director of GHL Systems, will offer up to 2,500,000 Shares ("Offer Shares"), out of a total of 25,300,270 Shares held by him in the Company, for sale to the eligible employees of the Group for a nominal consideration of RM1.00 per employee. The Offer Shares will be transferred to the employees during the prescription period. The ESS is to be undertaken to reward the said employees for their service and past contribution to the Group. The criteria for allocation of the Offer Shares will be primarily based on, but not limited to, the past contribution and performance of the eligible employees.

### 9.6. Listing Proposals

The Company's listing proposals comprise the following, which were approved by the SC and the KLSE on 12 November 2002 and 15 November 2002 respectively:-

#### (a) Public Issue

The initial public offering by GHL Systems will involve the Issue of 63,000,000 new Shares at an Issue Price of RM0.20 per Share. Upon completion of the Issue, the issued and paid-up share capital of GHL Systems will be increased from RM18,715,178 comprising 187,151,780 Shares to RM25,015,178 comprising 250,151,780 Shares. The Issue of a total of 63,000,000 Shares representing 25.18% of the enlarged issued and paid-up share capital of 250,151,780 Shares, is to be allocated in the following manner:-

- (i) 54,000,000 Issue Shares will be made available for application under the private placement;
- (ii) 1,000,000 Issue Shares will be made available for application under the public offer; and
- (iii) 8,000,000 Issue Shares will be made available for application by the eligible directors and employees of the Group, and other persons who have contributed to the success of the Group.

The Issue Shares under paragraphs (ii) and (iii) will be underwritten by the Underwriters in compliance with the Listing Requirements. The Placement Agent has received irrevocable undertakings from selected investors to take up the Issue Shares under paragraph (i) above. In the event of an under-subscription of the public offer, the unsubscribed public offer Shares may be made available for application under the private placement. Any Shares, which are made available for application by the eligible directors and employees of the Group, and other persons who have contributed to the success of the Group, which are not subscribed for, will be made available for application under the public offer and / or private placement. Any further Shares not subscribed for will be made available for subscription by the Underwriters in the proportions specified in the Underwriting Agreement dated 20 February 2003.

All the Issue Shares to be issued pursuant to the Issue shall rank *pari passu* in all respects with the existing issued Shares of the Company including voting rights and rights to all dividends and distributions that may be declared, paid or made subsequent to the date of allotment thereof.

The Issue is for a total of 63,000,000 Shares at RM0.20 per Share. There is no minimum level of subscription in respect of the Issue.

**(b) ESOS**

In conjunction with its proposed listing, the Company proposes to implement an ESOS involving up to 10% of the Company's issued and paid-up share capital at any time during the existence of the ESOS, to be issued pursuant to the Options to be granted under the ESOS to the executive directors and eligible employees of the Group.

On the date of the listing of the Company on the MESDAQ Market, the directors of the Company propose to grant up to 21,090,000 Options to the executive directors and eligible employees of the Group ("**Initial Grant**"). The exercise price of the Options which are the subject matter of the Initial Grant is the Issue Price of the Shares.

In addition to the Initial Grant, the Board of Directors of the Company shall, within the duration of the ESOS, make offers to grant Options to the executive directors and eligible employees of the Group in accordance with the ESOS Bye-Laws adopted by the shareholders of the Company. Each such Option which is not part of the Initial Grant shall be exercisable at a price which is the weighted average market price of the Company's Shares for the five (5) market days immediately preceding the date on which the Option is granted less, if the directors of the Company shall decide at their discretion from time to time, a discount of not more than 10%.

The ESOS shall be in force for a duration of two (2) years. However, the ESOS may be extended for up to eight (8) years at the discretion of the Board upon the recommendation of the Option Committee. The new Shares to be issued upon the exercise of the Options will, upon allotment and issue, rank *pari passu* in all respects with the existing issued and paid-up Shares of the Company, except that the new Shares will not be entitled to any dividends, rights, allotments or other distributions, the entitlement date of which is prior to the date of allotment of the said Shares. The new Shares will be subject to all the provisions of the Articles of Association of the Company.

## 9.7. Statutory Information on GHL Systems, and its Subsidiary and Associated Companies

Statutory information on GHL Systems, and its subsidiary and associated companies is set out below.

### 9.7.1. Information on GHL Systems

#### (a) History and Business

GHL Systems was incorporated in Malaysia on 29 March 1994 under the Companies Act, 1965 as a private limited company with the name of Info Era (Kuantan) Sdn. Bhd. Subsequently, the Company changed its name to GHL Automation (Kuantan) Sdn. Bhd. and later assumed its present name on 30 January 1999. GHL Systems was subsequently converted to a public limited company on 16 July 2002. The principal activities of the Company are the development and sale of payment and payment-related technologies.

#### (b) Share Capital

The authorised and issued and paid-up capital of GHL Systems are as follows:-

|                    | No. of Shares | Par Value (RM) | Amount (RM) |
|--------------------|---------------|----------------|-------------|
| Authorised         | 500,000,000   | 0.10           | 50,000,000  |
| Issued and Paid-Up | 187,151,780   | 0.10           | 18,715,178  |

Details of the changes in the issued and paid-up share capital of GHL Systems since its date of incorporation are as follows:-

| Date of Allotment | No. of Shares | Par Value (RM) | Consideration   | Total (RM) |
|-------------------|---------------|----------------|---|------------|
| 29.03.1994        | 2             | 1.00           | Cash  | 2          |
| 05.02.1999        | 99,998        | 1.00           | Cash  | 100,000    |
| 15.06.2001        | 5,000,000     | 1.00           | Non-cash <sup>b</sup>   | 5,100,000  |
| 31.12.2001        | 500,000       | 1.00           | Bonus issue <sup>c</sup>  | 5,600,000  |
| 31.12.2001        | 500,000       | 1.00           | Cash  | 6,100,000  |
| 31.12.2001        | 4,000,000     | 1.00           | Cash  | 10,100,000 |
| 02.01.2002        | 900,178       | 1.00           | Bonus issue <sup>d</sup>  | 11,000,178 |
| 30.05.2002        | 4,715,000     | 1.00           | Cash  | 15,715,178 |
| 29.06.2002        | -             | 0.10           | Subdivision of shares of RM1.00 each into shares of RM0.10 each | 15,715,178 |
| 05.07.2002        | 30,000,000    | 0.10           | Rights issue <sup>e</sup>                                       | 18,715,178 |

#### Notes:-

- a All ordinary shares of the Company were issued at par value.
- b In consideration for the acquisition of software amounting to RM5,000,000 as per the software agreement dated 15 December 2000.
- c Capitalisation of RM500,000 of the retained profits of GHL Systems to allot 500,000 ordinary shares of RM1.00 each on the basis of five (5) new ordinary shares for every 51 existing ordinary shares of RM1.00 each.

d Capitalisation of RM900,178 of the retained profits of GHL Systems to allot 900,178 ordinary shares of RM1.00 each on the basis of 50 new ordinary shares for every 561 existing ordinary shares of RM1.00 each.

e Issuance of 30,000,000 new Shares at par to existing shareholders.

**(c) Substantial Shareholders**

The direct and indirect interests of the substantial shareholders of GHL Systems have been set out in Section 7.1.1 "Shareholdings in GHL Systems" of this Prospectus.

**(d) Subsidiary and Associated Companies**

Details of the subsidiary and associated companies of GHL Systems are as follows:-

| Name of Company       | Date and Place of Incorporation | Issued and Paid-Up Capital (RM) | Effective Equity Interest (%) | Principal Activities   | Directors  |
|-----------------------|---------------------------------|---------------------------------|-------------------------------|--|--|
| GHL Transact          | 25.05.2000<br>Malaysia          | 754,000                         | 100.00                        | Dealing with EDC equipment and related services, including rental, installation, training and maintenance                        | 1. Tay Beng Lock<br>2. Yeng Fook Hoo<br>3. Goh Kuan Ho   |
| GHL Payments          | 08.03.2000<br>Malaysia          | 100,000                         | 100.00                        | Dealing with EDC equipment and related services, including rental, installation, training and maintenance                        | 1. Tay Beng Lock<br>2. Yeng Fook Hoo<br>3. Goh Kuan Ho   |
| GHL EFTPOS            | 24.04.2001<br>Malaysia          | 100,000                         | 100.00                        | Dealing with EDC equipment and related services, including rental, installation, training and maintenance                        | 1. Tay Beng Lock<br>2. Yeng Fook Hoo<br>3. Goh Kuan Ho   |
| PaymentOne            | 17.09.2002<br>Malaysia          | 400,000                         | 100.00                        | Investment holding and dealing with EDC equipment and related services, including rental, installation, training and maintenance | 1. Tunku Dato' Abdul Malek Bin Tunku Kassim<br>2. Tay Beng Lock<br>3. Yeng Fook Hoo<br>4. Goh Kuan Ho<br>5. Mohamad Isa Bin Abdullah             |
| Card Pay <sup>a</sup> | 17.07.2002<br>Malaysia          | 900,000                         | 44.44                         | Pre-operating  | 1. Tunku Dato' Abdul Malek Bin Tunku Kassim<br>2. Tay Beng Lock<br>3. Yeng Fook Hoo<br>4. Mohamad Isa Bin Abdullah<br>5. Tan Sri (Dr) J G Daniel |

**Note:-**

a Held through PaymentOne.

**(e) Employees**

As at 21 February 2003, GHL Systems had 58 employees.

**9.7.2. Information on GHL Transact****(a) History and Business**

GHL Transact was incorporated in Malaysia on 25 May 2000 under the Companies Act, 1965 as a private limited company with the name of Clarion Technology Sdn. Bhd. GHL Transact assumed its present name on 11 August 2000. GHL Transact is principally involved in dealing with EDC equipment and related services, including rental, installation, training and maintenance.

**(b) Share Capital**

The authorised and issued and paid-up capital of GHL Transact are as follows:-

|                    | No. of Shares | Par Value (RM) | Amount (RM) |
|--------------------|---------------|----------------|-------------|
| Authorised         | 1,000,000     | 1.00           | 1,000,000   |
| Issued and Paid-Up | 754,000       | 1.00           | 754,000     |

Details of the changes in the issued and paid-up share capital of GHL Transact since its date of incorporation are as follows:-

| Date of Allotment | No. of Shares | Par Value (RM) | Consideration | Total (RM) |
|-------------------|---------------|----------------|---------------|------------|
| 25.05.2000        | 2             | 1.00           | Cash          | 2          |
| 10.08.2000        | 753,998       | 1.00           | Cash          | 754,000    |

*Note: All ordinary shares of GHL Transact were issued at par value.*

**(c) Substantial Shareholders**

GHL Transact is a wholly owned subsidiary of GHL Systems.

**(d) Subsidiary and Associated Companies**

GHL Transact does not have any subsidiary or associated companies.

**(e) Employees**

As at 21 February 2003, GHL Transact had 70 employees.

**9.7.3. Information on GHL Payments****(a) History and Business**

GHL Payments was incorporated in Malaysia on 8 March 2000 under the Companies Act, 1965 as a private limited company. GHL Payments is principally involved in dealing with EDC equipment and related services, including rental, installation, training and maintenance.

**(b) Share Capital**

The authorised and issued and paid-up capital of GHL Payments are as follows:-

|                    | No. of Shares | Par Value (RM) | Amount (RM) |
|--------------------|---------------|----------------|-------------|
| Authorised         | 100,000       | 1.00           | 100,000     |
| Issued and Paid-Up | 100,000       | 1.00           | 100,000     |

Details of the changes in the issued and paid-up share capital of GHL Payments since its date of incorporation are as follows:-

| Date of Allotment | No. of Shares | Par Value (RM) | Consideration | Total (RM) |
|-------------------|---------------|----------------|---------------|------------|
| 08.03.2000        | 4             | 1.00           | Cash          | 4          |
| 17.04.2000        | 99,996        | 1.00           | Cash          | 100,000    |

*Note: All ordinary shares of GHL Payments were issued at par value.*

**(c) Substantial Shareholders**

GHL Payments is a wholly owned subsidiary of GHL Systems.

**(d) Subsidiary and Associated Companies**

GHL Payments does not have any subsidiary or associated companies.

**(e) Employees**

As at 21 February 2003, GHL Payments had 2 employees.

**9.7.4. Information on GHL EFTPOS****(a) History and Business**

GHL EFTPOS was incorporated in Malaysia on 24 April 2001 under the Companies Act, 1965 as a private limited company. GHL EFTPOS is principally involved in dealing with EDC equipment and related services, including rental, installation, training and maintenance.

**(b) Share Capital**

The authorised and issued and paid-up capital of GHL EFTPOS are as follows:-

|                    | No. of Shares | Par Value (RM) | Amount (RM) |
|--------------------|---------------|----------------|-------------|
| Authorised         | 100,000       | 1.00           | 100,000     |
| Issued and Paid-Up | 100,000       | 1.00           | 100,000     |

Details of the changes in the issued and paid-up share capital of GHL EFTPOS since its date of incorporation are as follows:-

| Date of Allotment | No. of Shares | Par Value (RM) | Consideration | Total (RM) |
|-------------------|---------------|----------------|---------------|------------|
| 24.04.2001        | 4             | 1.00           | Cash          | 4          |
| 10.05.2001        | 99,996        | 1.00           | Cash          | 100,000    |

*Note: All ordinary shares of GHL EFTPOS were issued at par value.*

**(c) Substantial Shareholders**

GHL EFTPOS is a wholly owned subsidiary of GHL Systems.

**(d) Subsidiary and Associated Companies**

GHL EFTPOS does not have any subsidiary or associated companies.

**(e) Employees**

As at 21 February 2003, GHL EFTPOS had 30 employees.

**9.7.5. Information on PaymentOne**

**(a) History and Business**

PaymentOne was incorporated in Malaysia on 17 September 2002 under the Companies Act, 1965 as a private limited company. The principal activities of PaymentOne are investment holding and dealing with EDC equipment and related services, including rental, installation, training and maintenance.

**(b) Share Capital**

The authorised and issued and paid-up capital of PaymentOne are as follows:-

|                    | No. of Shares | Par Value (RM) | Amount (RM) |
|--------------------|---------------|----------------|-------------|
| Authorised         | 500,000       | 1.00           | 500,000     |
| Issued and Paid-Up | 400,000       | 1.00           | 400,000     |

Details of the changes in the issued and paid-up share capital of PaymentOne since its date of incorporation are as follows:-

| Date of Allotment | No. of Shares | Par Value (RM) | Consideration | Total (RM) |
|-------------------|---------------|----------------|---------------|------------|
| 17.09.2002        | 2             | 1.00           | Cash          | 2          |
| 08.11.2002        | 399,998       | 1.00           | Cash          | 400,000    |

*Note: All ordinary shares of PaymentOne were issued at par value.*

**(c) Substantial Shareholders**

PaymentOne is a wholly owned subsidiary of GHL Systems.



**(d) Subsidiary and Associated Companies**

Details of the associated company of PaymentOne are as follows:-

| Name of Company | Date and Place of Incorporation | Issued and Paid-Up Capital (RM) | Effective Equity Interest (%) | Principal Activities |
|-----------------|---------------------------------|---------------------------------|-------------------------------|----------------------|
| Card Pay        | 17.07.2002<br>Malaysia          | 900,000                         | 44.44                         | Pre-operating        |

PaymentOne does not have any subsidiary companies.

**(e) Employees**

As at 21 February 2003, PaymentOne had one (1) employee.

**9.7.6. Information on Card Pay****(a) History and Business**

Card Pay was incorporated in Malaysia on 17 July 2002 under the Companies Act, 1965 as a private limited company. Card Pay has yet to commence operations. Its proposed principal activity is merchant acquiring for MEPS CASH, Debit ePOS and PMPC.

**(b) Share Capital**

The authorised and issued and paid-up capital of Card Pay are as follows:-

|                    | No. of Shares | Par Value (RM) | Amount (RM) |
|--------------------|---------------|----------------|-------------|
| Authorised         | 5,000,000     | 1.00           | 5,000,000   |
| Issued and Paid-Up | 900,000       | 1.00           | 900,000     |

Details of the changes in the issued and paid-up share capital of Card Pay since its date of incorporation are as follows:-

| Date of Allotment | No. of Shares | Par Value (RM) | Consideration | Total (RM) |
|-------------------|---------------|----------------|---------------|------------|
| 17.07.2002        | 2             | 1.00           | Cash          | 2          |
| 10.10.2002        | 499,998       | 1.00           | Cash          | 500,000    |
| 05.11.2002        | 400,000       | 1.00           | Cash          | 900,000    |

**Note:** All ordinary shares of Card Pay were issued at par value.

**(c) Substantial Shareholders**

Based on the Register of Substantial Shareholders of Card Pay as at the date of this Prospectus, the direct and indirect interests of the substantial shareholders in the issued share capital of Card Pay are as follows:-

| Shareholder                                     | Nationality / Place of Incorporation | Direct        |       | Indirect             |        |
|---|--------------------------------------|---------------|-------|----------------------|--------|
|   |                                      | No. of Shares | %     | No. of Shares        | %      |
| PaymentOne                                      | Malaysia                             | 400,000       | 44.44 | -                    | -      |
| BSNC  | Malaysia                             | 500,000       | 55.56 | <sup>b</sup> 400,000 | 44.44  |
| GHL Systems <sup>a</sup>                        | Malaysia                             | -             | -     | 400,000              | 44.44  |
| Goh Kuan Ho <sup>b</sup>                        | Malaysian                            | -             | -     | 400,000              | 44.44  |
| Bank Simpanan Nasional <sup>c</sup>             | Malaysia                             | -             | -     | 900,000              | 100.00 |
| Tabung Amanah Warisan Negeri Johor <sup>c</sup> | Malaysia                             | -             | -     | 900,000              | 100.00 |

**Notes:-**

- a* Deemed substantial interest through PaymentOne.  
*b* Deemed substantial interest through GHL Systems.  
*c* Deemed substantial interest through BSNC.

**(d) Subsidiary and Associated Companies**

Card Pay does not have any subsidiary or associated companies.

**(e) Employees**

As at 21 February 2003, Card Pay had one (1) employee.

**9.8. Related Companies with Similar Trade**

None of the directors or substantial shareholders of the Company or its subsidiary companies has any interest, direct or indirect, in any business carrying on a similar trade as the Company or its subsidiary companies.

**9.9. Related-Party Transactions and Conflict of Interest****(a) Related-Party Transactions**

None of the directors of the Company has any interest, direct or indirect, in the promotion of, or in any assets which have, within the two (2) years preceding the date of this Prospectus, been acquired or proposed to be acquired or disposed of or proposed to be disposed of by or leased or proposed to be leased to, the Company or its subsidiary companies or in 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, save as disclosed in Section 13.6 "Material Contracts and Agreements" of this Prospectus.

Save as disclosed below, there are no current and/or subsisting related-party transactions or arrangements between the Group and its shareholders and/or directors and/or key management and technical personnel and/or persons connected with any of the aforementioned persons:-

- (i) The Group's premises located at Nos. 37, 39 and 41 Cangkat Bukit Bintang, 50200 Kuala Lumpur, having a total floor space of approximately 16,000 square feet, are rented from GHL Enterprise Sdn. Bhd., a company in which Goh Kuan Ho, a Non-Executive Director of the Company, is a director and shareholder, vide a Tenancy Agreement dated 1 June 2002. The Tenancy Agreement is for a fixed term of three (3) years, from 1 June 2002 to 31 May 2005 at a monthly rental of RM44,200. On 30 November 2002, the parties entered into a Supplemental Tenancy Agreement to reduce the monthly rental payable to RM41,000 with effect from 1 January 2003. The Company is also granted an option to renew the tenancy for another one (1) year at a new monthly rental at the prevailing market rate or RM41,000, whichever is lower.

**(b) Conflict of Interest**

AmMerchant Bank, Anuarul, Azizan, Chew & Co. and Wong, Beh & Toh believe there is no issue of conflict of interest in respect of their respective roles in the proposed listing of the Group.