

21 January 2014

Mr Andy Weaver  
ASX Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

Dear Mr Weaver

**GHL Bidder's Statement incorporating the Supplementary Bidder's  
Statement changes**

e-pay Asia Limited (ASX: EPY) - has received the attached documents from  
GHL Systems Berhad (GHL) - a clean version of the GHL Bidder's Statement  
incorporating the changes made by the first Supplementary Bidder's  
Statement released earlier today

Attached are:

- the GHL cover letter,
- the GHL Bidder's Statement incorporating the changes of the First  
Supplementary Bidder's Statement.

Yours faithfully



**Robert Lees**  
Company Secretary



**GHL Systems Bhd**  
293040-D

21 January 2014

**ASX RELEASE**

**GHL Systems Berhad (GHL)**

**Takeover bid by GHL for e-pay Asia Limited ABN 99 089 227 887 (EPY) – clean version of bidder’s statement**

We refer to GHL’s off-market takeover bid for all of the shares in EPY.

Further to earlier correspondence with ASX today in relation to GHL’s Supplementary Bidder’s Statement, we **attach** a clean version of GHL’s Bidder’s Statement, incorporating the changes made by the Supplementary Bidder’s Statement.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION**  
IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONSULT YOUR STOCKBROKER,  
LEGAL OR FINANCIAL ADVISER



## **GHL SYSTEMS BERHAD**

(Company No. 293040-D)  
(Incorporated in Malaysia under the Companies Act, 1965)

# **BIDDER'S STATEMENT**

### **OFFER BY GHL SYSTEMS BERHAD (GHL)**

(a company incorporated and registered in Malaysia with company registration number 293040-D)

### **TO ACQUIRE ALL OF YOUR ORDINARY SHARES IN: E-PAY ASIA LIMITED ABN 99 089 227 887 (ASX:EPY)**

**You can elect to receive either AUD0.40 or 2.75 GHL Shares for each EPY Share you hold.  
Offer closes at 7:00pm (Melbourne time) on 21 February 2014, unless extended**

## Important Dates

Date of Bidder's Statement	7 November 2013
Date First Supplementary Bidder's Statement is lodged with ASIC	21 January 2014
Date of Offer	15 November 2013
Offer closes – 7:00pm (Melbourne time) unless extended*	21 February 2014

\* The Closing Date was extended from 24 January 2014 to 21 February 2014 on 16 January 2014. The Offer may be further extended to the extent permissible under the Corporations Act.

## Important Notices

### Bidder's Statement

This Bidder's Statement dated 7 November 2013 is given by GHL to EPY under Part 6.5 of the Corporations Act. It includes an Offer dated 15 November 2013 on the terms set out in **section 13**. This Bidder's Statement incorporates changes made by a First Supplementary Bidder's Statement dated 21 January 2014. A copy of this Bidder's Statement was lodged with ASIC on 7 November 2013. Neither ASIC nor any of its officers takes responsibility for the contents of this Bidder's Statement.

### Defined terms

A number of important words and phrases with particular meanings are used in this document. These terms are explained in the Glossary in **section 16** of this Bidder's Statement.

### Investment decisions

This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each EPY Shareholder or any other person. You should consider seeking independent financial and taxation advice before making a decision as to whether or not to accept the Offer and, if you decide to accept the Offer, whether you elect to receive the Cash Consideration or the Scrip Consideration.

### Value of Scrip Consideration

The implied value of the Scrip Consideration will vary with the market price of GHL Shares and the exchange rate between Malaysian and Australian currency. Further information on the implied value of the Offer is contained in this document. Before accepting the offer, EPY Shareholders should consider seeking independent financial advice.

### Investment Risks

There are a number of risks that may have a material impact on the value of the Scrip Consideration under the Offer, the future performance of the Merged Group and the value of GHL Shares. These are described in **section 10** of this Bidder's Statement.

### Forward looking statements

This Bidder's Statement includes information that is historical in character and forward looking statements. The forward looking statements relate to future matters and are subject to various inherent risks and uncertainties. These risks and uncertainties include the risks described in **section 10**, as well as other matters not yet known to GHL or not currently considered material by GHL.

Actual events or results may differ materially from the events or results expressed or implied by any forward looking statements. The past performance of the GHL Group and the EPY Group is no guarantee of future performance. None of GHL, any of the directors or officers of GHL, any other person named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in the Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

## EPY information

The information on EPY, EPY Shares and the EPY Group (including, but not limited to, the Pro Forma Historical Financial Information) contained in this Bidder's Statement has been prepared by GHL using publicly available information.

The information in this Bidder's Statement concerning the EPY Group and the assets and liabilities, financial position and performance, profits and loss and prospects of the EPY Group has not been independently verified by GHL. GHL does not, except to the extent required by law, make any representation or warranty, express or implied, as to the accuracy or completeness of such information. The information regarding the EPY Group in this Bidder's Statement should not be considered comprehensive.

Further information relating to the EPY Group's business may be included in EPY's Target's Statement to be issued in response to this Bidder's Statement.

## Merged Group information

The information on the Merged Group contained in this Bidder's Statement, to the extent that it incorporates or reflects information on EPY or the EPY Group, has been prepared using publicly available information and has not been independently verified by GHL. GHL does not, except to the extent required by law, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

## Value of GHL Shares

The implied value of the Scrip Consideration of the Offer will vary with the market price of GHL Shares. Further information on the implied value of the Offer is contained in this document. Before accepting the Offer and electing to receive Scrip Consideration, EPY Shareholders should obtain current quotes for GHL Shares from their stockbroker or other financial adviser.

## Foreign jurisdictions

The distribution of this Bidder's Statement and the making of the Offer may be restricted by the laws of foreign jurisdictions, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. The Offer is not being made, directly or indirectly, in or into and will not be capable of acceptance from within any jurisdiction, if to do so would not be in compliance with the laws of that jurisdiction. The entitlements of EPY Shareholders who are located in jurisdictions outside Australia and its external territories are set out in **section 13.11**.

No action has been taken to register the Bidder's Statement or qualify GHL or to otherwise permit a public offering of GHL Shares outside Australia. In particular, GHL Shares have not been, and will not be, registered under the *Securities Act 1933* of the United States of America (**Securities Act**) and may not be offered or sold in the United States or to, or for the account or benefit of, a US person (as defined in Regulation S under the Securities Act), except in a transaction exempt from the registration requirements of the Securities Act and applicable United States state securities laws.

## How to accept

Acceptances must be received by the end of the Offer Period. The manner by which you accept the Offer will depend on the nature and type of your holding. Full details of how to accept the Offer are set out in **sections 13.6** and **13.7**. A summary is set out in **section 1.3**.

## Effect of rounding

Figures, amounts, percentages, prices, estimates and calculations of value and fractions in this Bidder's Statement may be subject to the effect of rounding. Accordingly, the actual figures may vary from those included in this Bidder's Statement.

## Currencies

In this Bidder's Statement, references to Australian Dollars, AUD, \$ or cents are to the lawful currency of Australia. References to RM, Malaysian Ringgit or sen are to the lawful currency of Malaysia.

This Bidder's Statement contains conversions of Malaysian currency to Australian currency (or vice versa) for convenience. These conversions should not be construed as representations that the relevant currency could be converted into the other currency at the rate used or at any other rate.

Unless otherwise stated, the exchange rate of the AUD1.00 : RM3.03, being the selling rate of the exchange rate published by Bank Negara Malaysia on 2 October 2013, being the latest practicable date prior to the finalisation of

the Offer proposal, is used throughout this Bidder's Statement. As at 6 November 2013, being the last trading day before the date of this Bidder's Statement, the exchange rate was AUD1.00 : RM3.03 (being the selling rate of the exchange rate published by Bank Negara Malaysia).

Conversions that have been calculated as at 2 October 2013, as at the date of this Bidder's Statement or as at any other relevant date may not correspond to the amounts shown in the historic or financial statements of GHL or EPY in respect of which different exchange rates may have been, or may be, used.

**Privacy statement**

GHL has collected your information from the EPY register of members for the purpose of making the Offer and, if accepted, administering acceptances of the Offer in respect of your holding of EPY Shares. The type of information GHL has collected about you includes your name, contact details and information on your shareholding in EPY. Without this information, GHL will be hindered in its ability to carry out the Offer. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to GHL's Related Bodies Corporate and external service providers (such as Computershare, print and mail services providers), and may be required to be disclosed to regulators such as ASIC. If you would like details of information about you held by GHL or Computershare please contact them at the addresses set out in the Corporate Directory.

**Queries**

If you have any questions about the Bidder's Statement, please contact the Offer Information Line on 1300 389 265 (or +613 9415 4124 for international callers) or your stockbroker, legal or financial adviser.

Dear EPY Shareholder

GHL, a company listed on Bursa Securities, is pleased to provide to you its Offer to acquire all Your EPY Shares. Under the terms of the Offer, you will receive cash of AUD0.40 (**Cash Consideration**) for every EPY Share you own.

As an alternative to the Cash Consideration, you may elect to receive 2.75 GHL Shares (**Scrip Consideration**) for every EPY Share you own.

The Cash Consideration values EPY at approximately AUD22.8 million based on the total issued 56,930,320 EPY Shares as at the date of this Bidder's Statement.

The Cash Consideration of AUD0.40 per EPY Share was arrived at after taking into consideration, amongst others, the following:

- (a) the range of traded market prices of EPY Shares of AUD0.315 to AUD0.38 for the past one month up to 2 October 2013, being the latest practicable date prior to the finalisation of the Offer proposal; and
- (b) the earnings potential of EPY.

The Cash Consideration represents a premium of AUD0.025 or 6.67% to the closing price of EPY Shares of AUD 0.375 on 2 October 2013 (being the latest practicable date prior to the finalisation of the Offer proposal).

Based on the share price of GHL Shares as at the date of this Bidder's Statement, you should carefully consider whether you should accept Scrip Consideration instead of Cash Consideration given that the Scrip Consideration represents a value which currently exceeds the Cash Consideration. However, the price of GHL Shares does vary from time to time and accepting the Scrip Consideration involves a higher level of risk.

The major beneficial shareholder of EPY, Tobikiri Capital Limited (a company controlled by Mr Simon Loh Wee Hian, a director of GHL) (**TCL**) has entered into an agreement with GHL under which TCL has agreed to accept the Offer in respect of 11,386,063 of the EPY Shares owned or controlled by it, subject to the terms of such agreement. This represents 19.99% of the total issued shares of EPY. TCL has agreed to accept the Scrip Consideration in respect of these EPY Shares.

TCL has also informed GHL that, assuming that it considers that no superior proposal has been received, its intention is to accept the Offer for the remainder of the issued ordinary shares in EPY owned or controlled by it. These further shares consist of 23,684,541 EPY Shares (representing 41.61% of the total EPY Shares on issue) (**Remainder Shares**). TCL has stated that if it accepts the Offer in respect of the Remainder Shares, it will elect to receive the Scrip Consideration in respect of all such shares.

On 21 November 2013, TCL accepted the Offer with respect to its entire EPY shareholding (representing 61.60% of EPY Shares) and elected to receive the Scrip Consideration.

GHL has entered into a share subscription agreement (**SSA**) with Cycas for the proposed issuance and allotment of new GHL shares (**New Issue Shares**) to be satisfied in cash for purposes of part financing the Offer (**Proposed Share Issuance**). Pursuant to the SSA, the issuance of the New Issue Shares to Cycas shall represent 20% of the enlarged share capital of GHL i.e. upon completion of the Offer (including the issue of Scrip Consideration to EPY Shareholders whom accepted the Scrip Consideration under the Offer or as part of the compulsory acquisition process) and the Proposed Share Issuance.

GHL and EPY have one director in common (Mr Simon Loh). EPY announced to ASX on 7 October 2013 that it had appointed an independent board committee to evaluate the Offer and appoint an independent expert to provide an opinion on the Offer.

It is GHL's intention that, if it meets the required thresholds under Part 6A.2 of the Corporations Act, GHL will proceed to compulsory acquisition of the remaining EPY Shares. Alternatively, if GHL acquires majority control of

EPY but is not entitled to proceed to compulsory acquisition, GHL may procure that EPY conducts a program of acquiring unmarketable parcels held by EPY Shareholders and will seek to delist EPY if it is entitled to do so.

The Offer is in line with the GHL Group's plan to expand its electronic payment business. The EPY Group is one of Asia's largest regional electronic payment networks consisting of 18,000 points of sale that can accept cash and electronic payments for pre-paid mobile, reload, bills payment and process debit and credit card transactions. Pursuant to the Proposed Acquisition, the enlarged group should have an Electronic Data Capture (**EDC**) terminal network of more than 50,000 terminals in Malaysia alone. GHL believes this shall open up opportunities for the Group to increase revenue through the cross-selling of products and services both in Malaysia as well as regionally.

This is an important document, which you should retain throughout the Offer Period.

Please read this document carefully. The Offer is open for your acceptance until 7:00pm (Melbourne time) on 21 February 2014 unless extended.

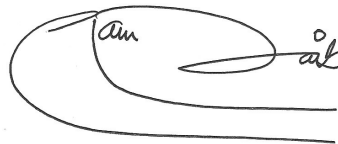
If you have any questions about the Offer, please contact the Offer Information Line on 1300 389 265 (or +613 9415 4124 for international callers for international callers) or your stockbroker, legal or financial adviser.

Yours sincerely

**GHL Systems Berhad**

A handwritten signature in black ink, appearing to read 'Kanagaraj Lorenz', with a long horizontal line extending from the bottom of the signature.

**Kanagaraj Lorenz**  
Group Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Datuk Kamaruddin Bin Taib', with a long horizontal line extending from the bottom of the signature.

**Datuk Kamaruddin Bin Taib**  
Independent Non-Executive Chairman



## Why you should accept the Offer

The information in this section should be read together with the detailed information set out in the Bidder's Statement. You should read the Bidder's Statement in full before deciding whether or not to accept the Offer and, if you accept the Offer, whether you elect to receive Cash Consideration or Scrip Consideration. If you are in any doubt as to how to deal with this Bidder's Statement you should consult your stockbroker, legal or financial adviser as soon as possible.

### 1 Premium

The Cash Consideration under the Offer represents a premium of AUD0.025 or 6.67% to the closing price of EPY Shares of AUD 0.375 on 2 October 2013 (being the latest practicable date prior to the finalisation of the Offer proposal).

### 2 Limited liquidity and share price outlook

The trading in EPY Shares over the period leading to the Announcement of the Offer shows limited liquidity in EPY Shares.

Following the close of the Offer and assuming that the Offer becomes unconditional, liquidity in EPY Shares is expected to be minimal particularly if GHL acquires majority control of EPY but is not entitled to proceed to compulsory acquisition. In these circumstances, GHL may procure that EPY conducts a program of acquiring Unmarketable Parcels held by EPY Shareholders and will seek to delist EPY if it is entitled to do so, in which case Your EPY Shares will no longer be quoted nor be traded on ASX.

### 3 No competing offer

As at the date of this Bidder's Statement, GHL's Offer is the only offer under a takeover bid that has been made for EPY Shares.

### 4 Major shareholder supports Offer

The major beneficial shareholder of EPY, TCL has entered into a Pre-Bid Agreement under which it has agreed to accept the Offer within 5 days of the commencement of the Offer Period with respect to 19.99% of EPY Shares owned or controlled by it.

Further, TCL has stated that, assuming that it considers that no superior proposal has been received, its intention is to accept the Offer in respect of the remainder of the EPY Shares owned or controlled by it (representing a further 41.61% of EPY Shares).

TCL has also stated that it will accept the Scrip Consideration in respect of all EPY Shares in respect of which it accepts the Offer.

TCL accepted the Offer in respect of its entire EPY shareholding (representing 61.60% of EPY Shares) on 21 November 2013. TCL has accepted the Scrip Consideration in respect of its entire shareholding and has advised GHL that it will not exercise its Withdrawal Rights.

### 5 Larger group

By accepting the Offer and electing to receive the Scrip Consideration, EPY Shareholders will benefit from becoming a shareholder in a larger group with a market capitalisation that is greater than that of EPY.

### 6 Presence in the ASEAN region

Based on the audited financial statements for the financial year ended 31 December 2012, 71% of the GHL Group's revenue is derived from its Malaysian operations while 29% of its revenue is from its overseas operations in the Philippines and Thailand.

### 7 Premium to previous capital reduction proposal

The Offer represents a substantial premium to the AUD0.23 per EPY Share capital reduction proposal considered by EPY Shareholders early in 2012.

## 8 Premium to price history

The Offer represents a price which is greater than the EPY Share price at any time during the 5 years prior to the Announcement.

## Contents

1	Summary of the Offer	10
2	Profile of GHL	27
3	Information on GHL Shares	63
4	Profile of EPY	70
5	Information on EPY Shares	74
6	GHL's intentions	77
7	Effect of acquisition	79
8	Sources of Consideration	99
9	Rights and liabilities attaching to GHL Shares	103
10	Risks associated with owning GHL Shares	108
11	Taxation considerations	118
12	Additional information	120
13	Offer terms	127
14	Authorisation	140
15	Interpretation	140
16	Glossary	142
	Attachments	150

# 1 Summary of the Offer

This summary provides an overview of the Offer and is qualified by the detailed information contained in the Bidder's Statement. You should read the Bidder's Statement in full before deciding whether or not to accept the Offer and, if you decide to accept the Offer, whether you elect to receive the Cash Consideration or the Scrip Consideration.

Defined terms used in this summary are capitalised. The definitions of these terms are set out in the Glossary in **section 16**.

## 1.1 Overview of GHL and GHL's business model

Question	Answer	More information
<b>Who is GHL?</b>	GHL is GHL Systems Berhad, a public limited company incorporated and registered in Malaysia and listed on the Main Market of Bursa Securities (the Malaysian Stock Exchange).	See <b>section 2</b> for further information about GHL.
<b>Who are the GHL directors?</b>	<p>The directors of GHL are:</p> <p>Datuk Kamaruddin Bin Taib (Independent Non-Executive Chairman)</p> <p>Simon Loh Wee Hian (Simon Loh) (Executive Vice Chairman)</p> <p>Kanagaraj Lorenz (Group Chief Executive Officer)</p> <p>Ng King Kau (Executive Director)</p> <p>Fong Seow Kee (Senior Independent Non-Executive Director)</p> <p>Goh Kuan Ho (Independent Non-Executive Director)</p> <p><b>Independent directors</b></p> <p>Datuk Kamaruddin Bin Taib, Fong Seow Kee and Goh Kuan Ho are considered by the Board to be "independent" directors of GHL.</p> <p>Datuk Kamaruddin Bin Taib is considered an independent director as he does not hold any shares in GHL and is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of the person's judgement.</p> <p>Fong Seow Kee is generally considered an independent director of GHL notwithstanding his shareholding of 0.23% in GHL, as the Board considers that Fong Seow Kee is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of the person's judgement. For the purposes of the Offer, however, Fong Seow Kee is not considered independent, as he has direct and indirect interests in 0.89% of EPY Shares.</p> <p>Goh Kuan Ho is considered an independent director as, notwithstanding her shareholding of 7.3% in GHL, the Board considers that Goh Kuan Ho is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise</p>	<p>See <b>section 2.5</b> for further information about GHL's directors and their experience and <b>section 3.7</b> for further information about substantial holdings in GHL.</p>

Question	Answer	More information
	<p>of the person's judgement.</p> <p><b>Directors that are nominees or representatives of substantial shareholders</b></p> <p>Simon Loh and Goh Kuan Ho are considered to have substantial holdings in GHL (in accordance with the definition of "substantial holding" in the Corporations Act).</p> <p>Simon Loh represents himself on the GHL Board as a substantial shareholder in GHL. As noted above, despite her shareholding of 7.3%, Goh Kuan Ho is considered to be an independent director.</p>	
<p><b>Do the directors of GHL have any securities in, or potential conflicts of interest in relation to, EPY?</b></p>	<p>Mr Simon Loh is interested in the Offer by virtue of him being a major shareholder of GHL and EPY (by virtue of his shareholding interest in TCL) and a common director of both GHL and EPY.</p> <p>Mr Simon Loh wholly owns TCL, which holds 61.6% of EPY Shares. TCL is the party to the Pre-Bid Agreement with GHL (under which TCL has agreed to accept the Offer in respect of 19.99% of EPY Shares) and the party which has issued the Statement of Intention (under which TCL has stated that, assuming that it considers no superior proposal has been received, its intention is to accept the Offer for its remaining shares, being 41.61% of EPY Shares). TCL accepted the Offer in respect of its entire EPY shareholding (representing 61.60% of EPY Shares) on 21 November 2013. TCL has accepted the Scrip Consideration in respect of its entire shareholding and has advised GHL that it will not exercise its Withdrawal Rights.</p> <p>Mr Simon Loh also has an interest in the Proposed Exemption the subject of the Condition in <b>section 13.13(c)</b>, as the Proposed Exemption allows him to increase his equity stake in GHL without having an obligation to extend a mandatory takeover offer for the remaining GHL Shares not held by him and persons acting in concert with him pursuant to the Malaysian Code.</p> <p>Mr Fong Seow Kee has direct and indirect interests in 0.89% of EPY Shares.</p> <p>Mr Simon Loh and Mr Fong Seow Kee have and will continue to abstain from deliberating and voting at board meetings on the Offer and the Proposed Exemption (other than to the extent necessary for the directors of GHL to approve this Bidder's Statement by unanimous resolution in accordance with section 637(1) of the Corporations Act). Mr Simon Loh and Mr Fong Seow Kee will also abstain and ensure that persons connected to them will abstain from voting in respect of his and their direct and/or indirect shareholdings in GHL on the resolutions pertaining to the Offer and the Proposed Exemption.</p> <p>No director in GHL other than Mr Simon Loh and Mr Fong Seow Kee has any interest in EPY or any</p>	<p>See <b>sections 5.5, 5.6, 5.7, 7.3 and 12.9.</b></p>

Question	Answer	More information
	potential conflict of interest in relation to EPY.	
<b>What is the nature of GHIL's business?</b>	<p>GHIL is one of the leading payment solutions providers in the ASEAN region deploying payment infrastructure, technology and services.</p> <p>GHIL Group has the following 3 main businesses:</p> <p><b>Shared Services</b> comprises mainly revenue derived from the sales, rental and maintenance of EDC terminals and other card acceptance devices and the supply of cards to banks and other operators.</p> <p><b>Solution Services</b> comprises mainly revenue derived from the sales and services of payment and other solutions including network devices and related software, outsourced payment networks, management/processing of payment and loyalty cards, internet payment processing and the implementation of prepaid card management systems.</p> <p><b>Transaction Payment Acquisition (TPA)</b> comprises revenue derived from directly contracting with merchants to accept payment and loyalty cards and other payment services.</p>	See <b>section 2.12</b> for further information.
<b>What is GHIL's corporate structure?</b>	Refer to <b>sections 2.3</b> and <b>2.4</b> for details of the corporate structure of the GHIL Group.	See <b>sections 2.3</b> and <b>2.4</b> for further information.

Question	Answer	More information
<p><b>What is GHL's business model?</b></p>	<p>GH L's principal customers are banks that contract with merchants for the provision of credit and debit card services (<b>Acquiring Banks</b>). In this regard, GH L will provide services to the Acquiring Banks in the form of EDC deployment and ongoing maintenance at the merchants' premises in return for which GH L will charge the Acquiring Bank a monthly rental fee to cover the capital cost of the EDC terminal and the ongoing servicing and maintenance costs.</p> <p>In some cases, GH L plays an additional role in which its staff and agents will solicit merchants on behalf of the Acquiring Banks. In such cases, the monthly rental fee is normally directly paid by the merchant to GH L. In addition, the Acquiring Bank will also compensate GH L for the sales acquisition effort by sharing a portion of the merchant discount rate (<b>MDR</b>) paid by the merchant to the Acquiring Bank. Other than hardware and payment card sales which are non-annuity in nature, the other aspects of the Shared Services business are generally annuity in nature.</p> <p>In terms of the Solutions Services, GH L's software and hardware solutions are sold to banks as well as larger retailers and merchants. Revenue derived by GH L in respect of the Solution Services business can be annuity in nature or non-recurring depending on whether the buyer prefers to buy outright the software or lease it. Even when the software is purchased outright, GH L will continue to earn an annuity income from the ongoing maintenance of the software.</p>	<p>See <b>section 2.12</b> for further information.</p>
<p><b>How does GH L generate its income?</b></p>	<p>GH L generates income from rental and maintenance of EDC terminals, outright sales of EDC terminals, cards, software solutions, payment devices, maintenance fee and MDR sharing.</p>	<p>See <b>section 2.12</b> for further information.</p>
<p><b>What products and services does GH L sell?</b></p>	<p>GH L sells the following products and services within its 3 main businesses:</p> <p><b>Shared Services</b> comprises mainly revenue derived from the sales, rental and maintenance of EDC terminals and other card acceptance devices and the supply of cards to banks and other operators.</p> <p><b>Solution Services</b> comprises mainly revenue derived from the sales and services of payment and other solutions including; network devices and related software, outsourced payment networks, management/processing of payment and loyalty cards, internet payment processing and the implementation of prepaid card management systems.</p> <p><b>TPA</b> comprises revenue derived from directly contracting with merchants to accept payment and loyalty cards and other payment services.</p>	<p>See <b>section 2.12(e)</b> for further information.</p>

Question	Answer	More information
<b>What are the key strengths of GHL?</b>	GHL offers end-to-end payment solutions and has a presence in the ASEAN region, mainly in Malaysia, Thailand and Philippines.	See <b>section 2.12(c)</b> for further information.
<b>What are GHL's key drivers of growth?</b>	<p>GHL's businesses are in line with the efforts and commitment of the central banks in the ASEAN region to promote e-payment. The adoption of electronic payment inevitably grows in line with higher purchasing power and more sophisticated consumers.</p> <p>The debit and credit card usage rate in ASEAN is relatively low compared to developed countries.</p>	See <b>section 2.12(d)</b> for further information.
<b>What are GHL's growth strategy and plans?</b>	<p>GHL believes it is well positioned to benefit from the underlying market growth in the ASEAN region. GHL aims to increase its market share through:</p> <ul style="list-style-type: none"> <li>• Continuation of investment in the ASEAN market with anticipated higher adoption of e-payment with central banks committed to promote e-payment.</li> <li>• Expansion of customer base.</li> <li>• Introduction of new products - loyalty program and cashless bill payment organically.</li> </ul>	See <b>section 2.12(j)</b> for further information.
<b>What are GHL's significant dependencies for successfully conducting its business?</b>	<p>The key factors GHL depends upon to successfully conduct its business are:</p> <ul style="list-style-type: none"> <li>• contracts with banks and key retailers (refer to <b>section 10.6(j)</b> for further information with respect to the risks arising from reliance on contracts with banks);</li> <li>• the maintenance and reliability of the payment network infrastructure (refer to <b>section 10.6(o)</b> for further information with respect to the risks arising from reliance on the maintenance and reliability of this infrastructure); and</li> <li>• key personnel (refer to <b>section 10.6(k)</b> for further information with respect to the risks arising from reliance on key personnel).</li> </ul> <p>Contracts with key retailers cover the provision of terminal software, rental of EDC terminal and provision of other software solutions.</p> <p>Besides the terminal rental contract with e-pay (M) Sdn Bhd, all other key contracts are non-related party agreements.</p>	See <b>section 10.6</b> for further information.



Question	Answer	More information
<p><b>How does GHF fund its operations?</b></p>	<p>GHF funds its ongoing operations through a combination of debt and equity.</p> <p>Most recently, GHF completed a RM8.7 million (equivalent to AUD2.87 million<sup>1</sup>) rights issue in July 2013. As at 30<sup>th</sup> Sep 2013, GHF had total debt of RM3.26 million (equivalent to AUD1.08 million<sup>1</sup>).</p> <p>GHF's level of gearing is 0.06 times (based on 3Q 2013 results for the period ended 30 September 2013). GHF is able to meet its capital and interest payments from earnings.</p>	
<p><b>What markets does GHF compete in?</b></p>	<p>GHF competes in the payment market in Malaysia, Philippines, Thailand and Australia. In particular, GHF focuses on offering payment solutions to banks and large corporates including outsourced merchant acquisition, EDC terminal and card supply, software solutions sales and hosting services and third party acquirer services. GHF is headquartered in Kuala Lumpur, Malaysia and has offices in Bangkok (Thailand), Manila (Philippines), Sydney (Australia) and Wuhan (China).</p>	<p>See <b>section 2.12(h)</b> for further information.</p>
<p><b>What are the barriers to entry to the electronic payment industry and what is GHF's competitive advantage?</b></p>	<p>In the opinion of the directors of GHF, there are medium levels of barriers of entry to the industry, with key barriers to entry including the need to establish:</p> <ul style="list-style-type: none"> <li>• long term bank contracts through the delivery of consistent nationwide high level services and relationships;</li> <li>• nationwide service coverage;</li> <li>• nationwide payment network infrastructure; and</li> <li>• in-house research and development (R&amp;D) capability.</li> </ul> <p>The directors of GHF consider that GHF has a competitive advantage due to its:</p> <ul style="list-style-type: none"> <li>• nationwide branch networks in Malaysia, Philippines and Thailand that enable it to meet the banks' high service level requirements;</li> <li>• in-house R&amp;D capability (devices and payment solutions); and</li> <li>• multiple offerings to merchants (including acceptance of credit/debit, prepaid and loyalty cards).</li> </ul>	

<sup>1</sup> Based on the exchange rate of AUD1.00 : RM3.03, being the selling rate of the exchange rate published by Bank Negara Malaysia on 2 October 2013, being the latest practicable date prior to the finalisation of the Offer proposal.

Question	Answer	More information
<b>Who are GHL's competitors?</b>	<p>In the opinion of the directors of GHL, GHL's key competitors are:</p> <ul style="list-style-type: none"> <li>• Nera Telecommunications Ltd (Malaysia, Thailand, Philippines);</li> <li>• Paysys Sdn Bhd (Malaysia);</li> <li>• Revenue Harvest Sdn Bhd (Malaysia); and</li> <li>• Managepay Systems Bhd (Malaysia).</li> </ul>	See <b>sections 2.12(h)</b> and <b>10.6(e)</b> for further information.
<b>Who are GHL's key customers?</b>	<p>GHL key customers are mainly the leading banks in the countries in which GHL operates in. In addition, GHL also has direct contractual relationships with large non-bank entities such as telecommunications companies, insurance companies, nationwide retailer chains and airline companies.</p> <p>The contracts with banks mainly relate to merchant acquisition, rental and maintenance of EDC terminals. This allows GHL to acquire merchants on behalf of banks to accept credit card transactions and to generate rental and MDR revenue. The contracts with banks also allow GHL to carry out maintenance service on the banks' EDC terminals to generate maintenance revenue.</p>	See <b>section 2.12(f)</b> for further information.
<b>How does GHL sell its products or services?</b>	<p>Within the countries that it operates in, GHL sells its products and services directly to the leading banks through good customer relationship management and promotional activities. GHL relies on its overseas reseller network as the primary sales channel to sell its products and services in countries where it has no presence in.</p>	See <b>section 2.12(e)</b> for further information.
<b>Who are GHL's suppliers?</b>	<p>The GHL Group has two major suppliers for its EDC terminals and related spare parts, being VeriFone Systems International Limited and Ingenico International (Singapore) Pte Ltd.</p>	See <b>section 2.12(g)</b> for further information.
<b>What is GHL's capital management policy?</b>	<p>The GHL Group's management manage the GHL Group's capital to maintain a strong capital base and safeguard the GHL Group's ability to continue as a going concern and maintain an optimal capital structure, so as to maximise shareholder value.</p> <p>The management reviews the capital structure by considering the cost of capital and the risks associated with the capital.</p> <p>In order to maintain or adjust the capital structure, the GHL Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.</p> <p>Total capital managed at GHL Group level comprises shareholders' funds, cash and cash equivalents and bank borrowings.</p> <p>As discussed in <b>section 8.3(b)(viii)</b>, any surplus funds from the Proposed Share Issuance will be used as working capital for the GHL Group for the next 12 months.</p>	See <b>section 8.3</b> for further information.

Question	Answer	More information
<b>What is GHL's dividend policy?</b>	GHL has no fixed dividend policy. As discussed in <b>sections 3.10</b> and <b>7.10</b> , GHL did not pay a dividend for the financial year ended 31 December 2012 and did not pay any interim dividend during the six months financial period ended 30 June 2013.	See <b>sections 3.10</b> and <b>7.10</b> for further information.

## 1.2 Summary of the Offer

Question	Answer	More information
<b>What is the Offer?</b>	GHL is offering to acquire Your EPY Shares on the terms and subject to the conditions of the Offer.	See <b>section 13</b> for details of the Offer.
<b>What will I receive if I accept the Offer?</b>	<p>If you accept the Offer, subject to the satisfaction of the Conditions of the Offer, you will have a choice of receiving either:</p> <ul style="list-style-type: none"> <li>AUD0.40 cash for each of Your EPY Shares (the <b>Cash Consideration</b>); or</li> <li>2.75 GHL Shares for each of Your EPY Shares (the <b>Scrip Consideration</b>).</li> </ul> <p>You must elect whether you wish to receive the Cash Consideration or the Scrip Consideration when you complete your Acceptance Form. If you do not make an election or your election is invalid, indistinct or conflicting, you will be deemed to have elected to receive the Cash Consideration.</p> <p>If you become entitled to a fraction of a GHL Share upon acceptance of the Offer and elect to receive the Scrip Consideration, your entitlement will be rounded down to the nearest whole share.</p>	<p>See <b>section 13.1</b> regarding the Offer Consideration.</p> <p>See <b>section 13</b> for the full Offer terms.</p>
<b>Who are the offerees?</b>	The Offer relates to EPY Shares that exist as at the Relevant Date (7 November 2013). The Offer is being made to all holders of EPY Shares as at the Relevant Date.	See <b>section 13.3</b> .

Question	Answer	More information
<p><b>What is the value of the Offer?</b></p>	<p>The Cash Consideration is AUD0.40 for each EPY Share. This represents a premium of AUD0.025 or 6.67% to the closing price of EPY Shares of AUD0.375 on 2 October 2013 (being the latest practicable date prior to the finalisation of the Offer proposal).</p> <p>The Scrip Consideration is 2.75 GHL Shares for each EPY Share.</p> <p>The implied value of the Scrip Consideration was AUD0.40 per EPY Share<sup>2</sup> on 2 October 2013 (being the latest practicable date prior to the finalisation of the Offer proposal). This represents a premium of AUD0.025 or 6.67% to the price of EPY Shares on 2 October 2013.</p> <p>On 6 November 2013 (the last trading day prior to the date of this Bidder's Statement), the implied value of the Scrip Consideration was AUD0.72 per EPY Share.<sup>3</sup> This represents a premium of AUD0.02 or 2.86% to the closing share price of EPY Shares of AUD0.70 on 6 November 2013.</p> <p>The value of the Scrip Consideration may change as a consequence of changes in the market price of GHL Shares and the AUD/RM exchange rate from time to time.</p> <p>The latest market price for GHL Shares may be obtained by EPY Shareholders from the Bursa Securities website: <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a> (Bursa Code: GHLSYS).</p>	<p>See <b>section 12.6</b> for further information on the implied value of the Scrip Consideration.</p>
<p><b>Are there conditions to the Offer?</b></p>	<p>The Offer is subject to the Conditions set out in <b>section 13.13</b>. The Conditions include:</p> <ul style="list-style-type: none"> <li>• GHL shareholders' approval being obtained for the Offer in accordance with Malaysian regulatory requirements;</li> <li>• approval of Bursa Securities being obtained for the listing of and quotation for the GHL Consideration Shares and New Issue Shares to be issued pursuant to the Offer and the Proposed Share Issuance on the Main Market of Bursa Securities;</li> <li>• the Securities Commission, Malaysia granting an exemption under the Malaysian Code to Mr Simon Loh and his PACs from the obligation to extend a mandatory takeover offer for GHL Shares not held by them upon accepting the Scrip Consideration of the Offer;</li> </ul>	<p>See <b>section 13.13</b> for the full Conditions.</p> <p>See <b>section 12.9</b> for further information on certain Conditions.</p>

<sup>2</sup> Based on the five day volume weighted average price (VWAP) of GHL Shares up to 2 October 2013 of RM0.44 (the latest practicable date prior to the finalisation of the Offer proposal and converted at the exchange rate of the AUD1.00 : RM3.03, being the selling rate of the exchange rate published by Bank Negara Malaysia on 2 October 2013 the exchange rate used throughout this Bidder's Statement unless otherwise specified).

<sup>3</sup> Based on the five day VWAP of GHL Shares up to 6 November 2013 of RM 0.79 (the last trading day prior to the date of the Bidder's Statement and converted at the exchange rate of the AUD1.00 : RM3.03, being the selling rate of the exchange rate published by Bank Negara Malaysia on 6 November 2013).

Question	Answer	More information
	<ul style="list-style-type: none"> <li>• all regulatory approvals required by law or by any Government Agency necessary to permit the Offer to be lawfully made and any transaction contemplated by the Offer to be completed being granted;</li> <li>• there being an absence of regulatory actions in consequence of or in connection with the Offer;</li> <li>• no superior proposal being recommended by the EPY board of directors or any independent board committee appointed by it in relation to the Offer;</li> <li>• restrictions on the conduct of the EPY business, including restrictions on material acquisitions, entering into material agreements, incurring or committing to material capital expenditure or entering into or varying contracts of service or management contracts;</li> <li>• no distributions (whether by way of dividend, capital reduction or otherwise) being made, declared or announced;</li> <li>• no material adverse change occurring in respect of EPY; and</li> <li>• no Prescribed Occurrences occurring in respect of EPY or any member of the EPY Group.</li> </ul> <p>This is only a summary of the Conditions.</p>	
<p><b>What if the Conditions are not satisfied or waived?</b></p>	<p>If the Offer closes and the Conditions are not satisfied or waived, the Offer will lapse, and your acceptance will be void. In other words, you will continue to hold your EPY Shares (unless you otherwise sell them). GHL will give notice to ASX of whether the Conditions have been satisfied or waived during the Offer Period in accordance with its obligations under the Corporations Act.</p>	<p>See <b>section 13.17</b>.</p>

### 1.3 How do I accept the Offer?

Question	Answer	More information
<p><b>I hold my EPY Shares in an Issuer Sponsored Holding (my Security Holder Reference Number (SRN) begins with an “I”). How do I accept the Offer?</b></p>	<p>To accept the Offer, you must complete and sign the accompanying Acceptance Form in accordance with the instructions on it and return it, together with any other documents required by those instructions, to:</p> <p><b>(By mail)</b></p> <p>Computershare Investor Services Pty Limited GPO Box 2115 Melbourne VIC 3001 Australia</p> <p>so that it is received by GHL before the end of the Offer Period. A reply paid envelope for Australian shareholders and self addressed envelope for overseas shareholders is enclosed for your convenience (overseas EPY Shareholders must affix their own postage).</p> <p><b>If you wish to elect to receive Scrip Consideration (but are not an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder), you must also complete and return to Computershare by the Closing Date a direction and indemnity form in the form set out in Attachment F to provide details of your CDS Account (Direction and Indemnity Form). This form is available by contacting the Offer Information Line or by sending an email request to GHLOFFER@computershare.com.au. If you are an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder, you are not required to complete the Direction and Indemnity Form.</b></p>	<p>See <b>sections 13.6</b> and <b>13.7</b> for further details on how to accept the Offer.</p> <p>See <b>sections 1.5</b> and <b>1.6</b> for further information on accepting Scrip Consideration.</p> <p>See <b>Attachment E</b> for information on opening a CDS Account.</p>
<p><b>I hold my EPY Shares in a CHES Holding (my HIN starts with an “X”). How do I accept the Offer?</b></p>	<p>To accept the Offer, you must either:</p> <ul style="list-style-type: none"> <li>• instruct your Controlling Participant (usually your stockbroker) to initiate an acceptance of the Offer on your behalf in sufficient time for the Offer to be accepted before the end of the Offer Period; or</li> <li>• correctly complete and sign the accompanying CHES Acceptance Form in accordance with the instructions on it and return it, together with any other documents required by those instructions, to the address listed above (however, GHL will merely send the acceptance request carried in this form onto your Controlling Participant who is the only person who can accept the Offer on your behalf).</li> </ul> <p>Acceptance Forms must be received in sufficient time for acceptance to be completed by 7:00pm (Melbourne time) on the Closing Date.</p> <p><b>If you wish to elect to receive Scrip Consideration (but are not an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder), you must also complete and return to Computershare by the Closing Date a Direction and Indemnity Form to provide details of your CDS Account. This form is</b></p>	<p>See <b>sections 13.6</b> and <b>13.7</b> for further details on how to accept the Offer.</p> <p>See <b>sections 1.5</b> and <b>1.6</b> for further information on accepting Scrip Consideration.</p> <p>See <b>Attachment E</b> for information on opening a CDS Account.</p>

Question	Answer	More information
	available by contacting the Offer Information Line or by sending an email request to <b>GHLOFFER@computershare.com.au</b> . If you are an <b>Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder</b> , you are not required to complete the <b>Direction and Indemnity Form</b> .	
<b>I am a Controlling Participant. How do I accept the Offer?</b>	<p>If you are a Controlling Participant, you must initiate acceptance of the Offer in accordance with the ASX Settlement Operating Rules before the end of the Offer Period.</p> <p>Controlling Participants are advised that there are two separate CHES codes:</p> <ul style="list-style-type: none"> <li>accept the Offer and elect Cash Consideration; and</li> <li>accept the Offer and elect Scrip Consideration and direct the GHL Shares to be electronically deposited into a particular CDS Account.</li> </ul> <p><b>If you wish to elect to receive Scrip Consideration (but are not an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder), you must also complete and return to Computershare by the Closing Date a Direction and Indemnity Form to provide details of your CDS Account. This form is available by contacting the Offer Information Line or by sending an email request to <b>GHLOFFER@computershare.com.au</b>. If you are an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder, you are not required to complete the Direction and Indemnity Form.</b></p>	<p>See <b>sections 13.6</b> and <b>13.7</b> for further details on how to accept the Offer.</p> <p>See <b>sections 1.5</b> and <b>1.6</b> for further information on accepting Scrip Consideration.</p> <p>See <b>Attachment E</b> for information on opening a CDS Account.</p>

*Please note, if you elect to receive Scrip Consideration, GHL will not be responsible for any delay or failure in issuing the GHL Shares to your CDS Account if incorrect or insufficient information has been provided in the Direction and Indemnity Form. Further, your acceptance of the Offer may be rejected if you provide incorrect or insufficient CDS Account details and Computershare does not receive correct details.*

#### 1.4 Other questions about accepting the Offer

Question	Answer	More information
<b>When does the Offer close?</b>	The Offer closes at 7:00pm (Melbourne time) on Friday, 21 February 2014, unless extended.	See <b>section 13.2</b> .
<b>Can the Offer Period be extended?</b>	The Offer Period can be extended at GHL's election, up to a maximum Offer Period of 12 months. EPY Shareholders will be sent written notice of any extension, and the extension will be announced to the ASX.	See <b>section 13.2</b> .
<b>When will I receive my Consideration?</b>	<p>Generally, GHL will pay Consideration due to you or, if elected by you, issue the GHL Shares to you under the Offer on or before the earlier of:</p> <ul style="list-style-type: none"> <li>one month after this Offer is accepted or one month after all of the Conditions have been waived or fulfilled (whichever is the later); or</li> <li>21 days after the end of the Offer Period.</li> </ul>	See <b>section 13.12</b> .

Question	Answer	More information
<p><b>What are the taxation consequences of accepting the Offer?</b></p>	<p>There may be taxation consequences for EPY Shareholders who accept the Offer. A general outline of the main Australian income tax consequences for an Australian resident individual EPY Shareholder is set out in <b>section 11</b>.</p> <p>All EPY Shareholders, and particularly non-resident Australian shareholders, should consult their own independent professional taxation advisers regarding the Australian and, if applicable, foreign income tax consequences of disposing of EPY Shares given the particular circumstances which apply to them.</p>	<p>See <b>section 11</b>.</p>
<p><b>Will I need to pay any transaction costs if I accept the Offer?</b></p>	<p>If Your EPY Shares are registered in a CHESS Holding, or if you are the beneficial owner whose EPY Shares are registered in the name of a bank, custodian, broker or other nominee, you will not be obliged to pay stamp duty by accepting the Offer but should ask your Controlling Participant (usually your broker) or nominee whether it will charge any transaction fees or service charges in connection with your acceptance of the Offer. Please also refer below for brokerage or fees you may be charged if you elect to receive the Scrip Consideration.</p> <p>If Your EPY Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to GHL, you will not be obliged to pay stamp duty in connection with your acceptance of the Offer.</p> <p>If you elect to receive the Scrip Consideration under the Offer and do not already have a CDS Account, Bursa Depository will charge you a fee of RM10 for opening a CDS Account.</p> <p>If you elect to receive the Scrip Consideration, brokerage or other fees may be charged by any Australian stockbroker, Authorised Nominee or Authorised Depository Agent appointed by you in order to receive GHL Shares.</p> <p>If you are an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder, the proceeds you receive from the sale of Your EPY Shares will be net of any costs including brokerage charges imposed by the Nominee.</p>	
<p><b>What happens if I am an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder?</b></p>	<p>If you:</p> <ul style="list-style-type: none"> <li>• are an Ineligible Foreign Shareholder and you elect to receive the Scrip Consideration; or</li> <li>• elect to receive the Scrip Consideration and the GHL Shares which would be issued to you as a consequence would not constitute a marketable parcel,</li> </ul> <p>the GHL Shares to which you would otherwise be entitled to receive will be sold through the nominee sale process set out in <b>section 13.11(c)</b>.</p> <p>In such circumstances, you will be paid the net sale proceeds received in cash, notwithstanding your</p>	<p>See <b>section 13.11</b> for details regarding Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders.</p>



Question	Answer	More information
	<p>election to receive Scrip Consideration.</p> <p>The cash you will be paid will be determined by the nominee sale process set out in <b>section 13.11(c)</b> and will depend upon a range of factors, including the prevailing share price of GHL Shares, the prevailing exchange rate of Malaysian and Australian currency and the date on which the Nominee sells the GHL Shares to which you would otherwise be entitled.</p> <p>As such, it is likely that you will receive a different (and possibly lesser) amount of cash per share than had you elected to receive the Cash Consideration.</p> <p>Bidder recommends you consult your financial adviser in relation to your election.</p> <p>Please note if you are an Ineligible Foreign Shareholder, you are not required to complete the Direction and Indemnity Form. You only need complete the Acceptance Form and then the process described above and in <b>section 13.11</b> will be followed.</p>	
<b>What happens if I do not accept the Offer?</b>	<p>If you do not accept the Offer and GHL becomes entitled to acquire Your EPY Shares compulsorily under the Corporations Act, it intends to do so. As a consequence, EPY will be paid the Offer Consideration in trust for dissenting EPY Shareholders. The proceeds must be claimed from EPY, so you will receive Consideration later than EPY Shareholders who choose to accept the Offer.</p> <p>If you do not elect the form of Consideration you wish to receive in time and in response to the compulsory acquisition material provided to you, you will only be entitled to receive the Cash Consideration for Your EPY Shares which will be held by EPY pending your claim.</p> <p>If GHL does not become entitled to compulsorily acquire Your EPY Shares, you will remain a shareholder in EPY. GHL will seek to have EPY delisted from ASX if EPY ceases to meet ASX's listing requirements, and if approved by ASX, the result will be that Your EPY Shares will no longer be quoted nor be traded on ASX.</p>	See <b>section 6</b> for information on GHL's intentions with respect to EPY.

## 1.5 Information about accepting Scrip Consideration

Question	Answer	More information
<b>If I accept the Offer and elect Scrip Consideration, how will I receive my GHL Shares?</b>	If you accept the Offer and elect Scrip Consideration, you will be required to provide details of a CDS Account and your GHL Shares will be credited to your CDS Account (unless you are an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder, in which case see <b>section 13.11</b> ).	See <b>Attachment E</b> for information on opening a CDS Account.

Question	Answer	More information
<b>How do I provide my CDS Account details?</b>	You must complete and execute in favour of GH L a Direction and Indemnity Form and return this form to Computershare by the Closing Date. You can obtain this form by calling the Offer Information Line or by sending an email request to GHLOFFER@computershare.com.au. It is your responsibility to complete and execute the Direction and Indemnity Form correctly. GH L will not be responsible for any delay or failure in issuing the GH L Shares to the CDS Account if incorrect or insufficient information has been provided. Your acceptance of the Offer may be rejected if you provide incorrect or insufficient CDS Account details and Computershare does not receive correct details.	See <b>sections 1.3, 1.6, 13.6</b> and <b>Attachment E</b> .
<b>How do I set up a CDS Account?</b>	<p>To set up a CDS Account you will need to:</p> <ul style="list-style-type: none"> <li>• select a stockbroker that is an Authorised Depository Agent (a list is available from the Offer Information Line); and</li> <li>• complete an Application for Opening of Account form (which you can obtain by calling the Offer Information Line) and submit it to your selected Authorised Depository Agent in accordance with the instructions on that form (together with any documents requested in that form).</li> </ul> <p>You may wish to engage an Australian stockbroker to set up an international share trading account for you to assist with this process. Please contact your stockbroker or the Offer Information Line if you would like further information about this.</p>	See <b>Attachment E</b> for further information on setting up a CDS Account.
<b>Will GH L Shares be quoted?</b>	<p>GH L Shares will not be quoted on ASX.</p> <p>GH L will apply for listing of and quotation for the GH L Shares on the Main Market of Bursa Securities (the Malaysian stock exchange) within seven days of this Bidder's Statement. Quotation for the GH L Shares will not be automatic but will depend on Bursa Securities exercising its discretion to list and quote them on the Main Market of Bursa Securities. However, GH L is already admitted to the Main Market of Bursa Securities and shares in GH L in the same class as to those to be issued under the Offer are already quoted. In accordance with the Corporations Act, the listing of and quotation for the GH L Shares to be issued under the Offer is a Condition to the Offer under <b>section 13.13(b)</b> and <b>section 13.19</b>. As announced on ASX via EPY on 22 November 2013, this Condition has been fulfilled.</p>	See <b>section 13.19</b> and <b>section 13.13(b)</b> .

Question	Answer	More information
<b>If I elect Scrip Consideration, how do I trade my GHL Shares on Bursa Securities?</b>	<p>If you accept the Offer and elect to receive Scrip Consideration, you will be issued GHL Shares (unless you are an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder – see <b>section 13.11</b>). These GHL Shares will only be quoted on Bursa Securities (and not ASX). Market trades for shares listed on Bursa Securities are settled electronically through CDS.</p> <p>To trade shares on Bursa Securities, you will need a CDS Account (which is an account which allows you to hold shares that are listed and quoted for trading on Bursa Securities), a trading account (maintained with a stockbroker who is an Authorised Depository Agent) and a bank account (with a bank account that can provide a direct crediting service).</p>	See <b>Attachment E</b> for further information on trading GHL Shares.

## 1.6 Alternatives for holding Scrip Consideration

A summary of the alternatives available to you in Malaysia with respect to how you may hold the GHL Shares issued to you on acceptance of the Scrip Consideration, together with the steps you will need to take for each alternative is set out in the table below. Please note these alternatives do not apply if you are an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholders (please refer to **section 1.4 and 13.11** if you are an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder).

	<b>If you choose to accept Scrip Consideration in this way:</b>	<b>Actions you will need to take to do this:</b>	<b>You will receive this:</b>	<b>Next steps:</b>
1	<b>Elect to receive GHL Shares through your CDS Account</b>	Accept the Offer as outlined in <b>section 1.3</b> . You must also provide Computershare with your CDS Account details in the Direction and Indemnity Form which is available through the Offer Information Line or by sending an email request to GHLOFFER@computershare.com.au. The CDS Account must be in your name.	Your GHL Shares will be deposited electronically into your CDS Account.	You can trade your GHL Shares through your CDS Account. Refer to <b>Attachment E</b> for further information on trading GHL Shares.
2	<b>Elect to direct your GHL Shares to be issued to the CDS Account maintained by your Authorised Nominee</b>	Accept the Offer as set out in <b>section 1.3</b> . You or your nominee must also provide Computershare with the details of the CDS Account maintained by your Authorised Nominee with you as the beneficial owner by completing and returning the Direction and Indemnity Form, which is available through the Offer Information Line or by sending an email request to GHLOFFER@computershare.com.au. You may not provide a CDS Account maintained by an Authorised Nominee with any other person other than yourself named as beneficial owner.	Your GHL Shares will be deposited electronically into the CDS Account maintained by your Authorised Nominee with you as beneficial owner.	You should contact your nominee to deal with the shares held in the CDS Account maintained by your Authorised Nominee. Refer to <b>Attachment E</b> for further information on trading GHL Shares.

You may wish to engage an Australian stockbroker to set up an international share trading account for you to assist with this process. Please contact your stockbroker or the Offer Information Line if you would like further information about this.

## 1.7 Key risks

Question	Answer	More information
<p><b>What are the risks if I accept Scrip Consideration?</b></p>	<p>If you accept the Offer and elect to receive the Scrip Consideration and the Offer becomes Unconditional, you will be issued GHL Shares (unless you are an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder). There are risks in holding GHL Shares.</p> <p>GHL Shares are subject to a range of risks that are consistent with the holding of shares in a listed entity. In addition, GHL Shares carry risks that are unique to GHL and which also relate to EPY Shares if EPY becomes controlled by GHL</p> <p>Three key risks from an EPY Shareholder perspective are:</p> <ul style="list-style-type: none"> <li>• The GHL Share price has risen substantially from the price at the time of the Announcement (RM0.44, the closing price on 2 October 2013, being the latest practicable date prior to the finalisation of the Offer proposal) to the price as at the last trading day prior to the date of this Bidder's Statement (RM0.83). No assurance can be given that this share price will be maintained or increased in the future if EPY Shareholders elect to receive the Scrip Consideration.</li> <li>• In order to become the holder of GHL Shares, it is necessary to set up a CDS Account and trade GHL Shares as set out in <b>Attachment E</b> in accordance with Malaysian laws. This will not necessarily suit every EPY Shareholder.</li> <li>• If EPY Shareholders elect to accept the Offer and receive Scrip Consideration, there is a risk of dilution of their GHL Shares. If the Offer is completed, there will be a dilution for GHL shareholders upon the issue of Scrip Consideration under the Offer and the Proposed Share Issuance. The level of acceptances, the proportion of acceptances that elect to receive Scrip Consideration and the number of GHL Shares to be issued pursuant to the Proposed Share Issuance is uncertain. Accordingly, the level of dilution to holders of GHL Shares is also uncertain. Future capital raisings or equity-funded acquisitions by the GHL Group may further dilute the holdings of GHL shareholders.</li> </ul> <p><b>Section 10</b> provides a more detailed explanation of the risks involved in holding in GHL Shares.</p>	<p>See <b>section 10</b> for more information on the risks of the Offer.</p>

## 1.8 Further questions

Question	Answer	More information
	<p>If you have any questions about the Offer, please contact the Offer Information Line on 1300 389 265 (or +613 9415 4124 for international callers).</p>	

## 2 Profile of GHL

### 2.1 Introduction

GHL is GHL Systems Berhad, a public limited company incorporated and registered in Malaysia with company registration number 293040-D. GHL is listed on the Main Market of Bursa Securities (the Malaysian stock exchange).

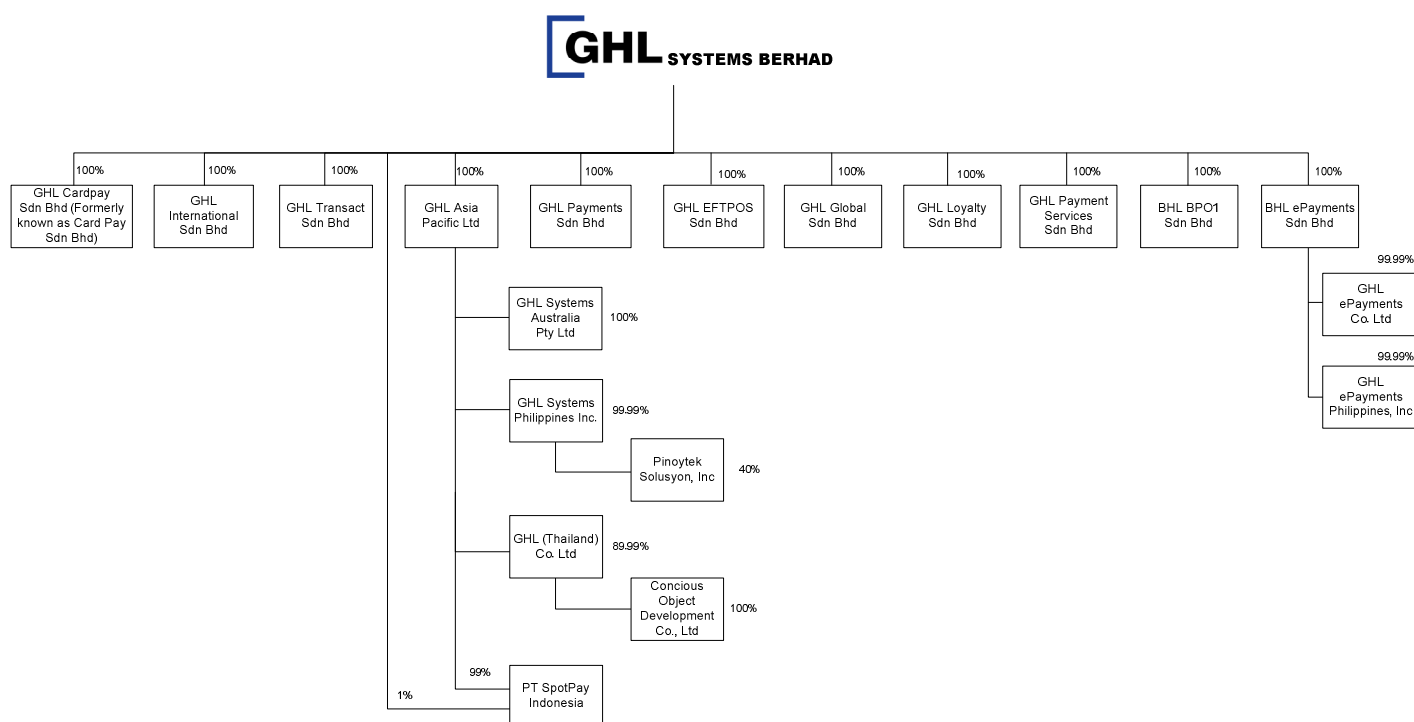
### 2.2 GHL – overview

The GHL Group is involved in the electronic payment industry as a provider of support and sale of EDC terminals, provision of payment network solutions and transaction payment acquisition, which comprises of revenue earned from transactional based activities undertaken by merchants.

### 2.3 Corporate information

GHL was incorporated in Malaysia on 29 March 1994 under the Companies Act as a private limited company with the name of Info Era (Kuantan) Sdn Bhd. Subsequently, on 17 February 1997, the company changed its name to GHL Automation (Kuantan) Sdn Bhd. On 30 January 1999, it changed its name to GHL Systems Sdn Bhd. GHL was converted into a public limited company on 16 July 2002 and was listed on the MESDAQ Market (now known as the ACE Market) of Bursa Securities on 9 April 2003. On 15 February 2007, GHL was transferred to the Main Board (now known as the Main Market) of Bursa Securities.

The current corporate structure of the GHL Group is shown in the diagram below:



### 2.4 Principal activities of GHL Group

The principal activities of GHL and its subsidiaries are of investment holding, developing and selling in-house software programmes, sale and rental of EDC equipment and its related software and services, inclusive of installation, training and maintenance.

On 28 December 1998, GHL was granted the Multimedia Super Corridor status by Multimedia Development Corporation Sdn Bhd. GHL is an end-to-end payment services enabler in Asia Pacific.

GHL's principal business comprises the following: Shared Services, Solutions Services and Transaction Payment Acquisition (TPA).

Within Shared Services, the core activities comprise the sale and rental of EDC equipment and its related software and services, outsourced sales services to banks and the production of payment cards for banks. Solutions Services comprise the sale or rental of proprietary software applications including,

prepaid card applications, loyalty and internet payment processing. TPA comprises services contracted directly and indirectly between GHL and merchants for payments and loyalty processing.

Geographically, as at the date of this Bidder's Statement, GHL's operations are mainly situated in Malaysia, as well as in other strategic locations in the ASEAN region, with 71% of the Group's revenue being derived from its Malaysian operations and 29% from its overseas operations for the financial year ended 31 December 2012. GHL's overseas operations are mainly in the Philippines and Thailand.

As at the date of this Bidder's Statement, the Subsidiaries and associated company of GHL are as follows:

<b>Name of company</b>	<b>Date / country of incorporation</b>	<b>Equity interest held %</b>	<b>Principal activities</b>
GHL Transact Sdn Bhd	25.05.2000 / Malaysia	100	Sales and rental of EDC equipment and its related software and services, inclusive of installation, training and maintenance
GHL Payments Sdn Bhd	08.03.2000 / Malaysia	100	Sales and rental of EDC equipment and its related software and services, inclusive of installation, training and maintenance
GHL EFTPOS Sdn Bhd	24.04.2001 / Malaysia	100	Sales and rental of EDC equipment and its related software & services, inclusive of installation, training and maintenance
GHL International Sdn Bhd ( <b>GISB</b> )	17.09.2002 / Malaysia	100	Investment holding, sales and rental of EDC equipment and its related software and services, inclusive of installation, training and maintenance
GHL Global Sdn Bhd	08.08.2008 / Malaysia	100	Development and sales of Net.Point software solution; software programmes and other related products and services
GHL Asia Pacific Ltd ( <b>GHL APL</b> )	08.12.2006 / Labuan, Malaysia	100	Investment holding
GHL Loyalty Sdn Bhd	19.10.2012 / Malaysia	100	Promote and distribute loyalty cards and to act as operator to issue, manage, offer and promote loyalty card program
GHL BPO1 Sdn Bhd	11.01.2013 / Malaysia	100	Provision of outsourcing services for card-related business processes
GHL Payment Services Sdn Bhd	11.01.2013 / Malaysia	100	Provision of electronic payment services
GHL ePayments Sdn Bhd ( <b>GESB</b> )	29.03.2013 / Malaysia	100	Provision of electronic payment services for online and mobile merchant acquisition as well as other related activities
<b>Subsidiary of GISB</b>			
GHL Cardpay Sdn Bhd ( <i>formerly known as Card Pay Sdn Bhd</i> )	17.07.2002 / Malaysia	100	Third party acquirer for e-debit and MEPS cash transactions, sales and rental of EDC equipment and its related software and services, inclusive of installation, training and maintenance.
<b>Subsidiaries of GHL APL</b>			
GHL Systems Philippines Inc ( <b>GHLSP</b> )	26.06.2006 / Philippines	99.99	Provision of end-of-end payment services and solutions through the deployment of payment infrastructure, technology and services.

Name of company	Date / country of incorporation	Equity interest held %	Principal activities
GHL (Thailand) Co. Ltd (GHLTCL)	15.05.2006 / Thailand	89.99	Sales, maintenance, installation and rental of card and non-card based payment processing systems and services, and relevant infrastructure including hardware and software for all kinds of payment solution systems.
GHL Systems Australia Pty Ltd	20.07.2012 / Australia	100	Sales of hardware, software and professional services.
PT Spotpay Indonesia	08.04.2013 / Indonesia	99 (1% held by GHL)	Provision of information technology consultancy and management services
<b>Subsidiaries of GESB</b>			
GHL ePayments Co. Ltd.	19.09.2013 Thailand	99.99	Dormant
GHL ePayments Philippines, Inc	8.10.2013 Philippines	99.99	Dormant
<b>Subsidiary of GHLTCL</b>			
Conscious Object Development Co., Ltd. (CODCL)	20.06.2007 / Thailand	100	Software development
<b>Associated company of GHLSP</b>			
Pinoytek Solusyon, Inc	07.01.2013 / Philippines	40	Provision of end-to-end payment services and solutions

## 2.5 Directors and senior management of GHL

The directors of GHL are as follows:

### **DATUK KAMARUDDIN BIN TAIB**

*Independent Non-Executive Chairman*

Datuk Kamaruddin Bin Taib, born in 1957, is currently the executive chairman of Germanischer Lloyd GLM Sdn Bhd, a leading technical service provider for the oil and gas industry in the Asian region. He holds a Bachelor of Science degree in Mathematics from the University of Salford, United Kingdom.

He started his career in 1980 with a leading merchant bank in Malaysia. Subsequently, he served as a director of several private companies and companies listed on Bursa Securities.

Apart from his vast experience of serving on the board of companies listed on Bursa Securities, his experience also included serving on the board of companies listed on the Stock Exchange of India as well as those listed on the Nasdaq (U.S.A.). Throughout his tenure on the board of companies, he has had significant experience in merchant banking, corporate finance, mergers and acquisitions.

He is currently also an independent and non-executive director of another company listed on Bursa Securities, namely IRIS Corporation Berhad.

He has also been appointed as an independent and non-executive chairman of Alkhair International Islamic Bank Berhad, which was the first to be licensed by Bank Negara Malaysia to conduct a full range of non-Malaysian Ringgit banking activities under the Malaysia International Islamic Finance Centre (MIFC) initiative. It is a wholly-owned subsidiary of Bank Alkhair B.S.C. (c) (Kingdom of Bahrain).

He is also an independent and non-executive director of Great Eastern Assurance (Malaysia) Berhad as well as an independent and non-executive chairman of Great Eastern Takaful Sdn Bhd.

Datuk Kamaruddin Bin Taib is considered an independent director of GHL as he does not hold any shares in GHL and is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of the person's judgement.

### **LOH WEE HIAN**

*Executive Vice Chairman*

Simon Loh Wee Hian, born in 1962, was appointed as non-independent non-executive Director on 28 December 2010. Subsequently on 18 January 2011, he was redesignated as non-independent non-executive chairman, and as executive chairman on 3 March 2011. Once again on 1 September 2012, Mr Loh redesignated to executive vice chairman.

He has a strong background in the telecommunications industry where he formed Telemas Corporation Sdn Bhd in 1989, a mobile phone retailer and master distributor for Ericsson. He then co-founded e-pay (M) Sdn Bhd in 1999 and was the Managing Director responsible for strategic planning and financial performance of the company. Under his leadership, e-pay (M) Sdn Bhd became one of the leading electronic top-up processors in the South East Asia region and one of the leading processors in Malaysia. He listed e-pay Asia Limited on the ASX in 2006, where he is a Director and the Executive Chairman.

He is one of the founding members of Young Entrepreneurs Organization Malaysia Chapter, a global, non-profit educational organisation for business owners.

In 2006, he was selected as the winner for Ernst & Young Entrepreneur of The Year Malaysia 2006 Award under the Technology Category.

Mr Simon Loh is also the Executive Chairman/Chief Executive Officer of EPY.

As noted in **section 3.3**, Simon Loh is considered to have a substantial holding in GHL (in accordance with the definition of "substantial holding" in the Corporations Act). Simon Loh represents himself on the GHL Board as a substantial shareholder in GHL.

### **KANAGARAJ LORENZ**

*Group Chief Executive Officer*

Raj, born in 1957, entered the payment solutions industry in 2001 when he joined DBS Bank Limited to create the first direct debit, online real time payment gateway in Singapore. In 2002, the business was sold to NETS Pte Ltd (**NETS**), a company owned by the Singapore Banks, which operates the national EFTPOS, Cashcard and ATM networks in Singapore. Raj was the Managing Director of NETS's Online Payment subsidiary, eNETS Pte Ltd's (**eNETS**) and was instrumental in growing the business from inception to its present dominant position in Singapore, serving banks in Singapore and regionally.

Concurrent to this role, Raj also managed (until 2007) the International Markets Business of NETS, a business group responsible for expanding NETS overseas through acquisitions, partnerships and alliances with overseas payment operators. While in this role, NETS acquired a subsidiary in China as well as entered into agreements with China UnionPay and MEPS that enable Malaysians and Chinese consumers to use their Bank cards on NETS's network.

Prior to NETS, Raj was employed for more than 12 years with Citibank Australia and Malaysia. He covered several functions during his career with the bank, including; Marketing Head for a Corporate Banking business unit, Financial Controller and Risk Manager. An accountant by training, Raj is a Fellow of the Institute of Chartered Accountants in England & Wales, and the Institute of Chartered Accountants in Australia. He is also a member of the Malaysian Institute of Certified Public Accountants.

### **NG KING KAU**

*Executive Director*

Mr Ng, born in 1950, began his career as a manager in an electrical chain store in Malaysia between 1975 – 1978 before joining American Express as the Country Manager of Malaysia & Brunei. He was the Vice President – General Manager for American Express in Malaysia and Brunei before being promoted to Vice President – Business Development for American Express Asia Pacific Australia Division based in Hong Kong. He was instrumental in building and making the American Express Card the leading payment card in Malaysia.



Mr Ng has a total of over 30 years of experience in building, operating and turning around payment and loyalty card businesses.

He left American Express in 1986 and joined MBf Group Malaysia where he organized and built MBf's Card business and led it to become one of the largest card companies in Malaysia and one of the largest MasterCard issuers in the ASEAN region in 1993. He left MBf as President of Card and Payment Services in 1995 and founded InterPay International Group which has investments in payment and loyalty card businesses.

He was a director of Maestro International Inc. from 1993 to 1995, which is a subsidiary of MasterCard International Inc. From 2006 to 2009, Mr Ng became the Chief Executive Officer of Cardtrend International Inc., a public listed holding company in the US which was involved in the payment and loyalty card businesses in China and other Asian countries. Prior to his resignation on March 1, 2011, Mr Ng was the Managing Director of Payment Business Solutions Bhd, which was spun off from Cardtrend International Inc. and is the holding company for a group of payment and loyalty related business, including Cardtrend Systems Sdn Bhd, a MSC status company in Malaysia.

### **FONG SEOW KEE**

*Senior Independent Non-Executive Director/Audit Committee Chairman*

Fong Seow Kee, born in 1957, was appointed to the Board on 28 December 2010. He is the Chairperson of the Audit Committee and member of the Nomination Committee and Remuneration Committee. He holds a BA (Hons) Economics & Social Studies from University of Manchester, England, is a Fellow of the Institute of Chartered Accountants in England & Wales and a Chartered Accountant of the Malaysian Institute of Accountants.

He has over 30 years experience in the finance industry, primarily in investment banking and private equity. After completing his articleship with Ernst & Young, UK in 1983, he worked with several leading investment banks in Malaysia, Hong Kong and Singapore where he advised companies on a variety of corporate finance transactions including M&A, Fund Raising and Corporate Restructuring. In 1992, he joined a US venture capital firm in Singapore where he managed a pan-Asian venture capital fund investing in the US and across Asia. In 2000, he co-founded iSpring Capital Group, a Malaysia based investment management and advisory firm which currently manages a Government owned venture capital fund.

Since returning to Malaysia in 1996, he has been active in the development of the venture capital and private equity in Malaysia. During that time, he has been involved in the Malaysia Venture Capital & Private Equity Association in various capacities and was Chairman from 2008 to 2010. He has also been invited to sit on various government working committees to provide Industry Feedback on regulatory policies, including that pertaining to the Capital Market reforms announced in 2009.

Fong Seow Kee is generally considered an independent director of GHL notwithstanding his shareholding of 0.23% in GHL, as the Board considers that Fong Seow Kee is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of the person's judgement. For the purposes of the Offer, however, Fong Seow Kee is not considered independent, as he has direct and indirect interests in 0.89% of EPY Shares. As disclosed in **section 1.1**, Fong Seow Kee has abstained from voting in respect of resolutions in respect of the Offer.

### **GOH KUAN HO**

*Independent Non-Executive Director*

Goh Kuan Ho, born in 1964, was appointed to the Board on 29 March 1994. She is also the Chairperson of the Nomination Committee and Remuneration Committee, and member of the Audit Committee of GHL. She started her career as an Administrator with Nortek Computer Sdn Bhd in 1984. In 1988, she joined GHL Automation (a sole proprietorship) as an administrator, and left in 1991 to join GHL Automation Sdn Bhd as a Customer Service Manager. She was later appointed to the Board of Directors of GHL 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 GHL Automation Sdn Bhd and Info Era in April 1999 and April 2001 respectively.

In 1997, she was appointed to the Board of Directors of GHL Technologies Sdn Bhd (**GHL Technologies**) and also assumed the position of Corporate Business Manager of GHL Technologies. She resigned from all her positions in GHL Technologies and joined Jardine OneSolution (2001) Sdn

Bhd (**Jardine OneSolution**) as a Corporate Account Manager in July 2000. In February 2004, she left Jardine OneSolution and took up her current position of General Manager with Microtree Sdn Bhd.

As noted in **section 3.3**, Goh Kuan Ho is considered to have a substantial holding in GHL (in accordance with the definition of “substantial holding” in the Corporations Act).

Goh Kuan Ho is considered an independent director as, notwithstanding her shareholding of 7.3% in GHL, the Board considers that Goh Kuan Ho is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of the person’s judgement.

The members of GHL’s senior management team are the executive directors referred to above and as follows:

### **YAP CHIH MING**

*Group Chief Financial Officer*

Mr Yap, born in 1972, joined GHL on 2 July 2012 as Group Chief Financial Officer. He is a Chartered Accountant with considerable experience in mergers and acquisitions and joint venture transactions both in Malaysia and offshore as well as in depth knowledge of South-East Asian accounting practices. He was previously Head of Accounts at Telemas Corporation Sdn Bhd, a leading mobile phone distributor based in Malaysia. Mr Yap has been an Associate member of the Chartered Institute of Management Accountants, United Kingdom, since 2000. He is a Malaysian citizen and resides in Kuala Lumpur. Mr Yap is also a Non-executive director of EPY.

## **2.6 Overview of the electronic payments industry in the ASEAN region, with focus on Malaysia, the Philippines and Thailand**

### **(a) Definition and coverage of the electronics payment industry**

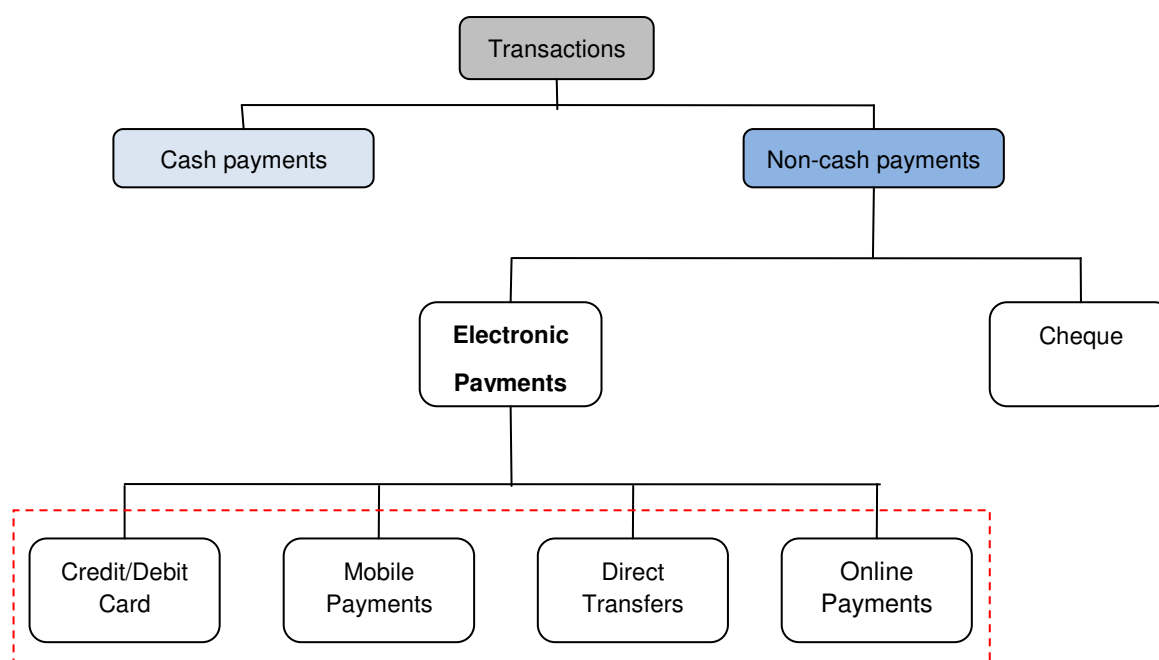
Electronic Payments, otherwise known as e-payments, are defined as digital payments that are made over the Internet or other electronic networks for commerce activities. They are distinct from payments made in cash, cheque or any other physical form of transactional medium.

E-payments are electronic transactions made over a network, which include, but are not limited to:

- point-of-sale payments for retail purchases;
- bill payments such as utilities, insurance, and credit cards;
- disbursements such as payroll and social benefits; and
- financial payments such as inter-business transactions and stock market transactions.

These e-payments can be effected through debit and credit cards, mobile payments, direct transfers, and online payments, among others.

**Figure 1: Electronics Payment as a subset of Non-Cash Transactions**



Note: - - - denotes segments where GHL Systems Berhad operates.

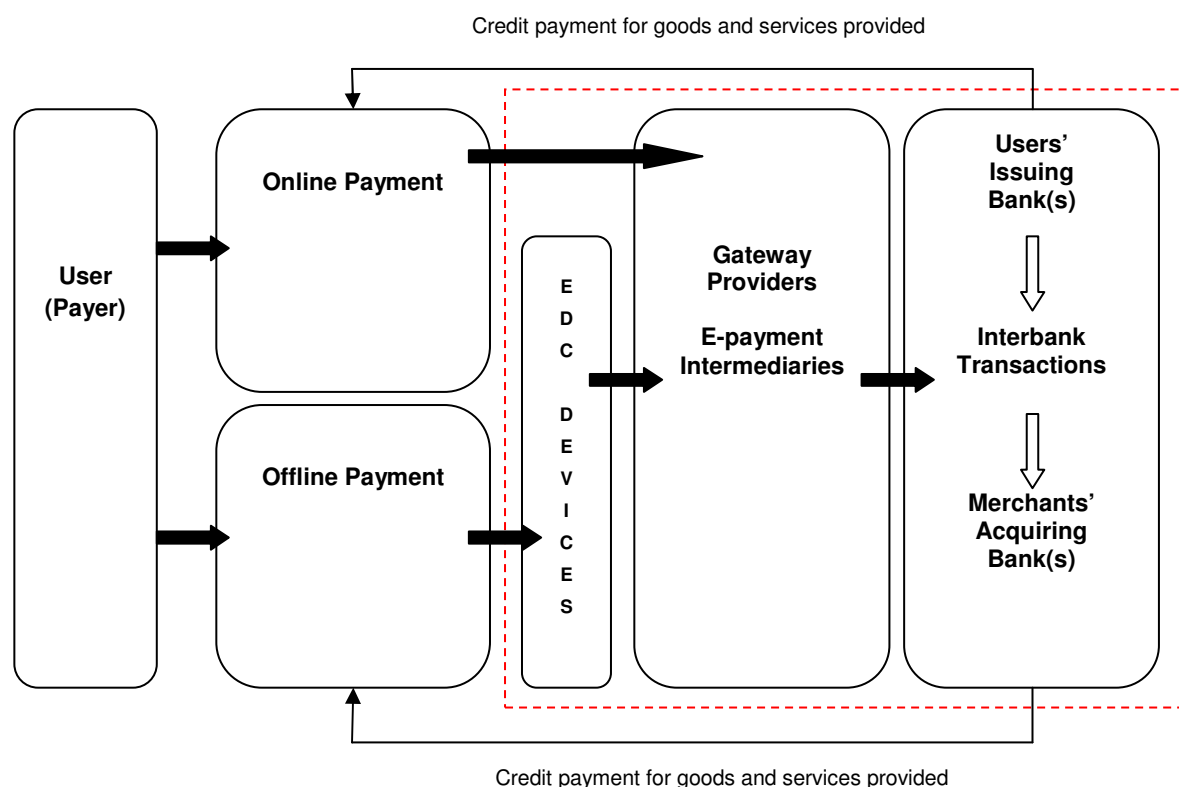
Source: **Converging Knowledge**

- (i) **Credit/ Debit/ Charge Card:** These are bank-issued electronic cards that tap on a network(s) to link users' transactions with the banks. Credit cards enable purchases to be made up to a stipulated credit limit. Credit used may be settled in full, or part thereof, by the end of a specified period, with interests imposed on the unpaid balance. Debit cards are tied to the users' bank accounts, and transactions are credited from the available account balance. Charge cards allow transactions to be charged to an account held with the card issuer, up to an authorised limit. The credit has to be settled in full at the end of a predefined period<sup>4</sup>.
- (ii) **Mobile Payments:** These are payments made through users' mobile phones (or mobile devices), and utilises the prepaid value stored in the users' cellular or digital accounts. Partnerships between some merchants and telecommunications service providers allow "postpaid" payments to be made through a mobile phone, with the charge being credited to the users' monthly bills.
- (iii) **Direct Transfers:** Direct transfers are made between the two parties, i.e. payer and payee, with limited mediation from a third party. Examples of direct transfers include wire transfers and transfers through an Automated Teller Machine (**ATM**) or a national Electronic Fund Transfer at Point Of Sale (**EFTPOS**).
- (iv) **Online Payments:** They are payments made via the Internet. While some online transactions may be based on prepaid cards and tokens, users may need to log in to their accounts or validate credit/ debit card payments online to complete the online transactions.

E-payments usually involve several parties that act to facilitate the transactions. There are several layers, with each layer consisting of individual parties with specific roles and specialisations. In the case of a debit card or EFTPOS card, the issuing bank usually holds the actual access to the funds of the users. When an e-payment is made from the payer (the "user") to the payee (the "merchant"), the gateway providers furnish the payment details over their proprietary network to the issuing banks, which, in turn, will arrange for credit transfers to the merchants' accounts.

<sup>4</sup> European Central Bank - Glossary of terms related to payment, clearing and settlement systems – <http://www.ecb.europa.eu/pub/pdf/other/glossaryrelatedtopaymentclearingandsettlementsystems.pdf>

**Figure 2: Cross-Section of Electronic Payments between Payer (the "user") and Payee (the "merchant")**



Notes:

"EDC" = Electronic Data Capture

- - - - denotes segments where GHL Systems Berhad operates.

Acquiring Banks are banks that process electronic payments of goods and services for the merchants, i.e. the collection stream. The term indicates that the bank "acquires" payments from the issuing banks.

**Source: Converging Knowledge**

EDC terminals capture card credentials, and are connected to a Point-of-Sale (**POS**) access router, and transaction details are then encrypted and forwarded through a switch to the network of the relevant payment gateway. Transactions are complete when payments have been approved by servers that handle transactions requests. These servers are maintained by financial institutions or charge card companies. GHL can provide end-to-end e-payment solutions by integrating individual e-payment components (as above) into single connected systems, for retailers and businesses, into the existing e-payment infrastructure available in the country. It also provides EFTPOS e-debit services to merchants on the national EFTPOS network.

(b) **Estimated size of the electronic payments industry, with focus on Malaysia, Philippines and Thailand**

E-payments stimulate consumption and commerce and thus, have a significant impact on an economy. They contributed USD983.0 billion to global GDP between 2008 and 2012<sup>5</sup>. The global non-cash payments are expected to reach 333 billion transactions in 2012, with regions such as Central Europe, the Middle East, Africa, and emerging Asia recording highest growth rates over developed markets<sup>6</sup>.

Within the ASEAN region, the e-payments industry has also witnessed rapid development, and is becoming increasingly of importance to economies in the region. For instance, it was reported

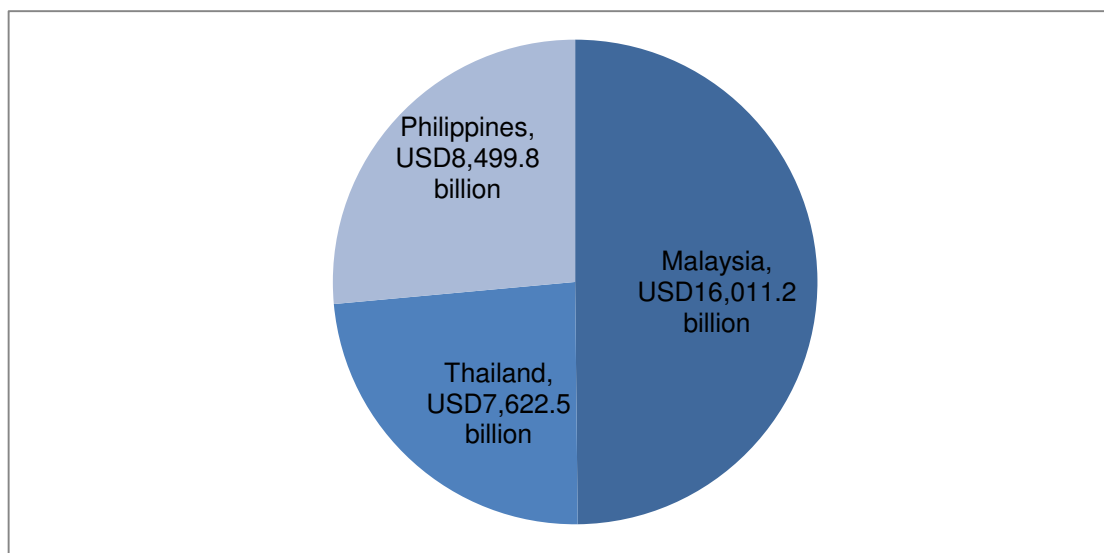
<sup>5</sup> [Converging Knowledge](#), Independent Market Researcher (**IMR**)

<sup>6</sup> Capgemini (2012). World Payments Report 2013 (extracted 19 December 2013) - [http://www.capgemini.com/resource-file-access/resource/pdf/wpr\\_2013.pdf](http://www.capgemini.com/resource-file-access/resource/pdf/wpr_2013.pdf)

that e-products in Vietnam added USD1.2 billion to the country's economy from 2008 to 2012<sup>7</sup>, whereas in Indonesia, credit and debit cards contributed USD6.4 billion in the same period<sup>8</sup>.

In 2012, the total market size of e-payments in Malaysia, the Philippines and Thailand reached USD32,133.5 billion. Malaysia constituted 49.8% of the combined market size, while the Philippines and Thailand accounted for 26.5% and 23.7% respectively.<sup>9</sup>

**Figure 3: Market Size of Electronic Payments, in terms of Transactions Value, for Malaysia, Philippines and Thailand in 2012**



Source: Bank Negara Malaysia, Bank of Thailand and Bangko Sentral ng Pilipinas

## 2.7 Competitive landscape in the electronic payments industry

### (a) Competitive dynamics

Service providers for e-payments can be categorised as either Bank or Non-Bank Service Providers, with most industry players trying to expand and diversify into offering a wider range of products and services. In general, these service providers compete with those that operate in the same value chain as them, i.e. banks versus banks, or EDC terminal solutions providers versus other EDC terminal solutions providers. However, increasingly, there are collaborations among banks and other service providers. Credit/debit card issuers are giving cash benefits and rewards to consumers, making it more competitive between competing brand names. Internationally, competition among credit/debit card companies is consolidated among a few major players. These include MasterCard, Visa, American Express and Diners International. There are significant barriers to entry in the debit/credit card industry such as financial regulations that require banking support, and technological expertise to provide security for payments.

However, with advancements in technology and the increasing adoption of online payment methods, technology companies such as Google and PayPal have emerged as new entrants into the e-payments industry. Google, for example introduced the Google Wallet, a mobile payment facility that can be used on the mobile phone using near-field technology. Hence, Google overcame high barriers to entry through technological innovation.

Merchants are looking for a single platform that can accommodate different payment schemes such as MasterCard, Visa and American Express at the same time. The effort of consolidating the payment schemes is being borne by acquiring banks<sup>10</sup>. Service providers may compete based on security features or geographic segmentation (for example, exclusively used by retailers in a specific country, cost to merchant, and rewards and benefits to members).

Within the industry, there are e-payment solution providers that provide the equipment to allow merchants and bankers to connect, thus, enabling e-payments for consumers. Industry players

<sup>7</sup> Converging Knowledge, IMR

<sup>8</sup> Converging Knowledge, IMR

<sup>9</sup> Bank Negara Malaysia, Bank of Thailand and Bangko Sentral ng Pilipinas

<sup>10</sup> Capgemini-[http://www.capgemini.com/resource-file-access/resource/pdf/global\\_trends\\_in\\_the\\_payment\\_card\\_industry\\_2012\\_acquirers.pdf](http://www.capgemini.com/resource-file-access/resource/pdf/global_trends_in_the_payment_card_industry_2012_acquirers.pdf)

compete based on proprietary software, applications and services. Therefore, they need to innovate and keep abreast of technology and global trends in electronic payments. Industry players can strive to simplify the transaction process and deliver cost savings to retailers and convenience to consumers, and can provide more comprehensive integration services to yield marketing value to retailers, and a better shopping experience to consumers.

(b) **Comparison of GHL’s core products and services with its closest competitors in Malaysia**

GHL is an end-to-end e-payment service provider. The company is engaged in the provision of software, equipment, and other services related to e-payments.

The company’s key products and services are grouped into three main business segments, namely Shared Services, Solutions, and Transaction Payment Acquisition. Each of these three business segments are described, as follows:

- Shared Services Business – Includes sale, rental, and maintenance of EDC terminals, sale of credit card payment services to merchants, and production of credit/debit, ATM, and loyalty cards for banks and merchants.
- Solutions Services Business – Includes sale and rental of network devices and software related to payment network solutions, consumer loyalty products, prepaid solutions, Internet payment processing, and development of various special purpose, back-end merchant applications.
- Transaction Payment Acquisition – Provides e-Debit services to merchants under a contractual arrangement with Malaysian Electronic Clearing Corporation Sdn Bhd, the owner and operator of the service, and a wholly owned subsidiary of Bank Negara Malaysia (**BNM**).

Research shows that competitors who engage in all three business segments similar to GHL in Malaysia are few. Most of the competitors compete in one or two business segments.

The table below provides an overview of the closest competitors to GHL. Note that the list may not be exhaustive.

**Table 1: Closest Competitors of GHL Systems Berhad**

Companies	Listed Company	Shared Services Business	Solutions Services Business	Transaction Payment Acquisition
<b>GHL Systems Berhad</b>	✓	✓	✓	✓
<b>Managepay Systems Berhad</b>	✓	✓	✓	✓
<b>Revenue Harvest Sdn Bhd</b>		✓	✓	
<b>Paysys (M) Sdn Bhd</b>		✓	✓	

Notes:

- Information above is based on the awareness of the GHL directors and may be subject to changes.
- Only companies that compete in at least two business segments of GHL Systems Berhad are included.

**Source: Compiled by Converging Knowledge**

## 2.8 Government regulations affecting the electronics payments industry

E-payment has gained recognition as one of the fastest growing non-cash payment methods. With its increasing importance in the financial system, financial and monetary authorities have realised the need for a better regulatory framework for e-payments. Regulatory alignment is therefore a key cornerstone for stable e-payment systems.

(a) **Malaysia**

BNM is the sole authority responsible for oversight and governance of payment systems in Malaysia. Under the Payment Systems Act 2003, payment system operators are required to obtain notification from the authority before operating these systems. Issuers of designated

payment instruments are required to obtain approval from the authority prior to the issuance of the instruments<sup>11</sup>.

BNM conducts on-site and off-site monitoring to ensure operational sustainability and regulatory compliance. It also oversees major e-payment systems such as<sup>12</sup>:

- Financial Process Exchange (**FPX**), an Internet based multibank payment gateway
- Interbank GIRO (**IBG**), a high-volume EFT payment system
- RTGS, real time gross settlement systems

In Malaysia, the minimum income requirement for credit card eligibility is an annual income of RM24,000 for new credit card applicants. In addition, credit card holders with income of RM36,000 and below are only allowed to own credit cards from a maximum of two issuing banks<sup>13</sup>. For prepaid electronic-money ("e-money") schemes, BNM imposes a purse limit of up to RM1,500 for large e-money schemes, and RM200 for small e-money schemes. Additionally, issuers of large e-money schemes should maintain minimum shareholders' fund of RM5 million. E-money issuers should also ensure compliance with the Anti-Money Laundering and Anti-Terrorism Financing Act 2001<sup>14</sup>.

BNM is pursuing a modernisation of the Malaysian payments infrastructure, with a blueprint target of 200 e-payments per capita by 2020. It aims to achieve faster execution of payments, for example, IBG to transition towards real time, with the target capability for funds to reach recipients within two hours by 2014. It also aims to improve disclosure of payment details to all users by 2014. Under the National Bill Payment Scheme, a new system will allow payments to any biller from any bank by 2014. Under the country's financial sector blueprint, one of the focus initiatives was to accelerate migration toward e-payments. In May 2013, fee for online IBG was capped at RM0.10, while a new cheque issuance fee of RM0.50 was implemented. This was to steer desired payment behaviour towards e-payments.

#### (b) **The Philippines**

The central bank in the Philippines, Bangko Sentral ng Pilipinas (**BSP**), oversees payment systems in the country, and operates the country's first real time gross settlement system, PhilpaSS. Currently, the responsibilities of parties to a payment and settlement system are fragmented. There are no large-value payment systems, other than PhilpaSS, and all retail payment systems are owned by private payment service providers, which are usually owned by the commercial banks through a separate corporation. These private retail payment systems are registered and supervised by the Securities Exchange Commission. Even though regulation of payment systems in the Philippines is at a development stage, BSP maintains purview of e-payments in the country under the Electronic Commerce Act of 2000. In its roadmap for the country's payment systems, BSP aims to make e-payments accessible to consumers, and promote the use of PhilpaSS to all banks and financial institutions maintaining a demand deposit account with BSP<sup>15</sup>.

#### (c) **Thailand**

The primary responsibility of oversight and regulations of payment systems in Thailand belongs to the Bank of Thailand (**BOT**), along with its payment systems committee (**PSC**). The PSC monitors BOT's progress in implementing or supporting the establishment of a payment system. Payment systems, including e-payments, are supervised and regulated by BOT under the Financial Institutions Businesses Act (2008), and The Royal Decree Regulating Electronic Payment Services (2008) under Section 32 of the Electronic Transactions Act (2001). The latter empowers BOT to regulate e-payment activities, including registration and licensing activities for payment services that encompass e-money, credit card network, EDC network, transaction switching, clearing, settlement, e-payment via devices or network and bill payment services. E-

<sup>11</sup> Bank Negara Malaysia - [http://www.bnm.gov.my/files/publication/ar/en/2003/cp04\\_013\\_payment\\_sys\\_act2003.pdf](http://www.bnm.gov.my/files/publication/ar/en/2003/cp04_013_payment_sys_act2003.pdf)

<sup>12</sup> Bank Negara Malaysia website - <http://www.revenue.com.my/prodserv.php>

<sup>13</sup> Bank Negara Malaysia, Press Release (last updated 18 March 2011) - <http://www.bnm.gov.my/index.php?ch=8&pg=14&ac=2226>

<sup>14</sup> Bank Negara Malaysia, Guideline on Electronic Money - [http://www.bnm.gov.my/guidelines/00\\_general/payment/guidelines/gl\\_016\\_3.pdf](http://www.bnm.gov.my/guidelines/00_general/payment/guidelines/gl_016_3.pdf)

<sup>15</sup> Executives' Meetings of East Asia Pacific Central Banks, Payment, Clearing and Settlement Systems in Philippines <http://www.emeap.org/emeapdb/upload/WGMeeting/Payment.clearing%20and%20settlement%20systems%20in%20Philippines.pdf>

money services by non financial institutions are also regulated under the *Ministerial Notification, Ministry of Finance: Business for which Permissions must be obtained according to Clause 5 of the Announcement No. 58 of the National Executive Council dated October 4th, 2004*, requiring the issuer to file for a permit. Under its latest payment systems roadmap 2010, BOT has supervised several key initiatives to promote e-payment standards in Thailand. Examples include<sup>16</sup>:

- National Payment Message Standards: ISO 20022 (international standards)
- Standardisation of e-business and e-invoicing
- Establishment of Payment System Association

For credit card issuance, BOT sets as annual interest rate limit of 20.0%, while card applicants need to have a minimum annual income of 180,000 Thai baht (THB) or possess a fixed deposit with the issuing bank of at least THB 500,000 for not less than six months. These measures are aimed at instilling customer confidence and best practices in credit management<sup>17</sup>.

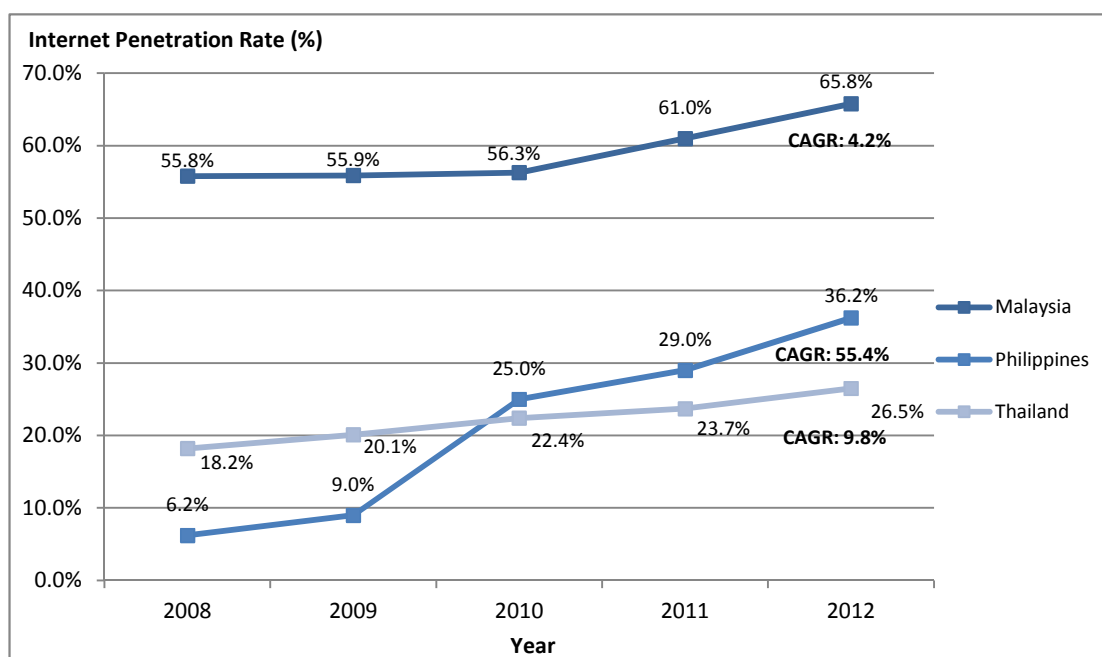
## 2.9 Growth drivers of the electronic payments industry

The electronic payments industry is propelled by the following key drivers:

### (a) Internet penetration and broadband adoption

The widespread adoption of the Internet and the popularity of smartphones have created a new marketplace, which allows buyers and sellers to trade and effect fund transfers online anytime and anywhere. In 2012, the Internet penetration rate in Malaysia reached 65.8%, whereas that in the Philippines and Thailand was 36.2% and 26.5% respectively. The total number of Internet users in the three countries reached approximately 74.6 million people in 2012<sup>18</sup>, with Thai Internet users experiencing the highest growth. From 2008 to 2012, Malaysia's Internet users grew at a CAGR of 4.2%, Thailand at 55.4%, and the Philippines at 9.8%<sup>19</sup>.

**Figure 4: Internet Penetration Rate in Malaysia, the Philippines and Thailand from 2008 to 2012**



Source: World Bank

<sup>16</sup> Jantarangs J, Bank of Thailand (2013) ASEAN Payment System Integration. CIO16 Association of Thailand 10th Summit 2013 - [http://www.cio16.com/LinkClick.aspx?fileticket=vVBTGy\\_U-z8%3D&tabid=373&mid=903](http://www.cio16.com/LinkClick.aspx?fileticket=vVBTGy_U-z8%3D&tabid=373&mid=903)

<sup>17</sup> Bank of Thailand Circular (2006). Prescription of Rules, Procedures, and Conditions for Credit Card Business Operation of Commercial Banks - <http://www2.bot.or.th/fipcs/Documents/FPG/2549/EngPDF/25490102.pdf>

<sup>18</sup> Derived from Internet penetration rate and national population data

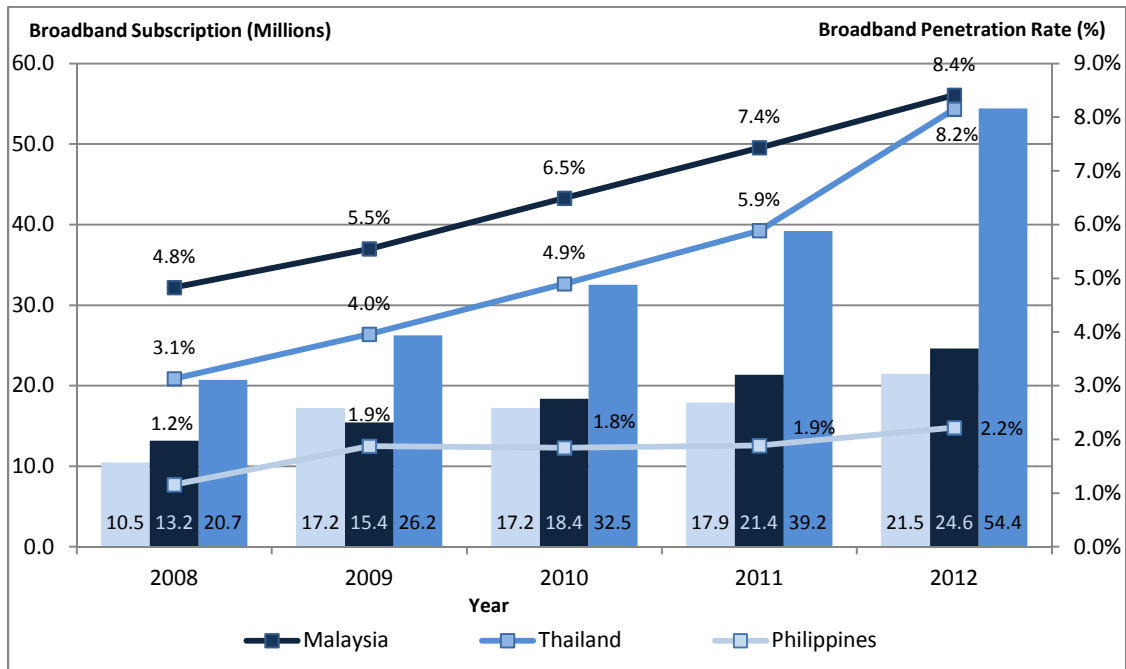
<sup>19</sup> The World Bank Databank: Internet Users: (extracted 30 December 2013): <http://data.worldbank.org/indicator/IT.NET.USER.P2>



(b) **Speed and reliability of connection**

Electronic payment and e-commerce are also expected to flourish with faster and more reliable Internet connections, namely broadband connections. Broadband connections transport multiple signals simultaneously, which means that businesses and consumers can conduct transactions at an even faster speed. The average advertised speed of broadband connections in OECD (Organisation for Economic Co-operation and Development) countries as of July 2013 was 222.8Mbit/second. In comparison, the average Digital Subscriber Line (DSL) connection download speed in the same group of countries was 16.2Mbit/second<sup>20</sup>.

**Figure 5: Broadband (Fixed) Subscription and Penetration Rate in Malaysia, the Philippines and Thailand, from 2008 to 2012**



Source: International Telecommunications Union, United Nations

(c) **Rising mobile usage**

Mobile digital device penetration, particularly that of smartphones, and digital devices connected to a digital network, for example, a 3G network, is an important factor for the growth of mobile payments. Smartphone users constituted 26.0% of all mobile phone users in Malaysia in 2012, which was more than two-fold of 12.0% in 2011<sup>21</sup>. With expectations of rapid adoption of smartphones by existing mobile users, the total smartphone penetration rate for 2013 is expected to reach 46.0%. In that same year (2013), it was estimated that 68.8% of the smartphones in use have access to the Internet<sup>22</sup>, making e-payments a viable option for this segment.

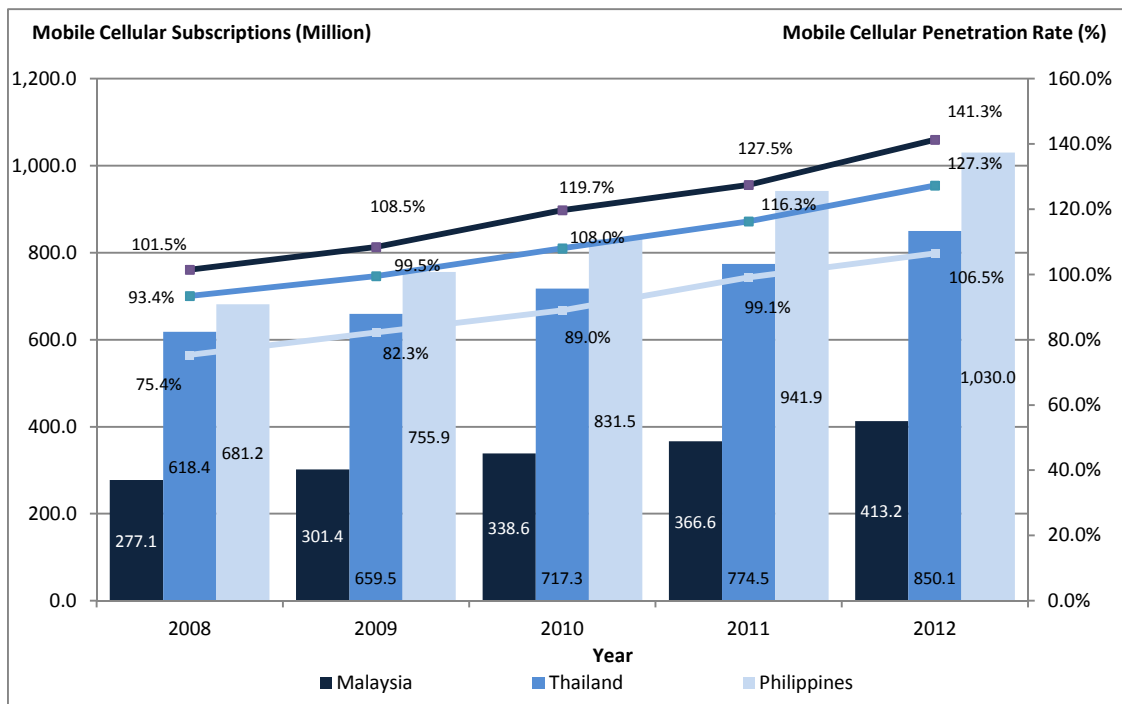
The number of mobile phone subscribers in Malaysia, the Philippines and Thailand grew to 413.2 million, 1,030.0 million and 850.1 million respectively in 2012, with consistent growth recorded from 2008 to 2012. Likewise, the mobile phone penetration rate in Malaysia, the Philippines and Thailand grew to 141.3%, 127.3% and 106.5% respectively.

<sup>20</sup> Converging Knowledge, IMR

<sup>21</sup> 2012, Malaysian Communication and Multimedia Commission, Handphone Users Survey 2012 - [http://www.skmm.gov.my/skmmgovmy/media/General/pdf/130717\\_HPUS2012.pdf](http://www.skmm.gov.my/skmmgovmy/media/General/pdf/130717_HPUS2012.pdf)

<sup>22</sup> 2012, Malaysian Communication and Multimedia Commission, Handphone Users Survey 2012 - [http://www.skmm.gov.my/skmmgovmy/media/General/pdf/130717\\_HPUS2012.pdf](http://www.skmm.gov.my/skmmgovmy/media/General/pdf/130717_HPUS2012.pdf)

**Figure 6: Mobile (Cellular) Subscription and Penetration Rate in Malaysia, the Philippines and Thailand, from 2008 to 2012**



Source: International Telecommunications Union, United Nations

In Thailand, the ratio of smartphone (with Internet access) among mobile-phone users was 84.6% at the end of Q3 2013<sup>23</sup>. This was an 8.8%<sup>24</sup> year-on-year increase, and translated to approximately 78.0 million users<sup>25</sup>.

(d) **Economic growth and consumer trends in emerging countries**

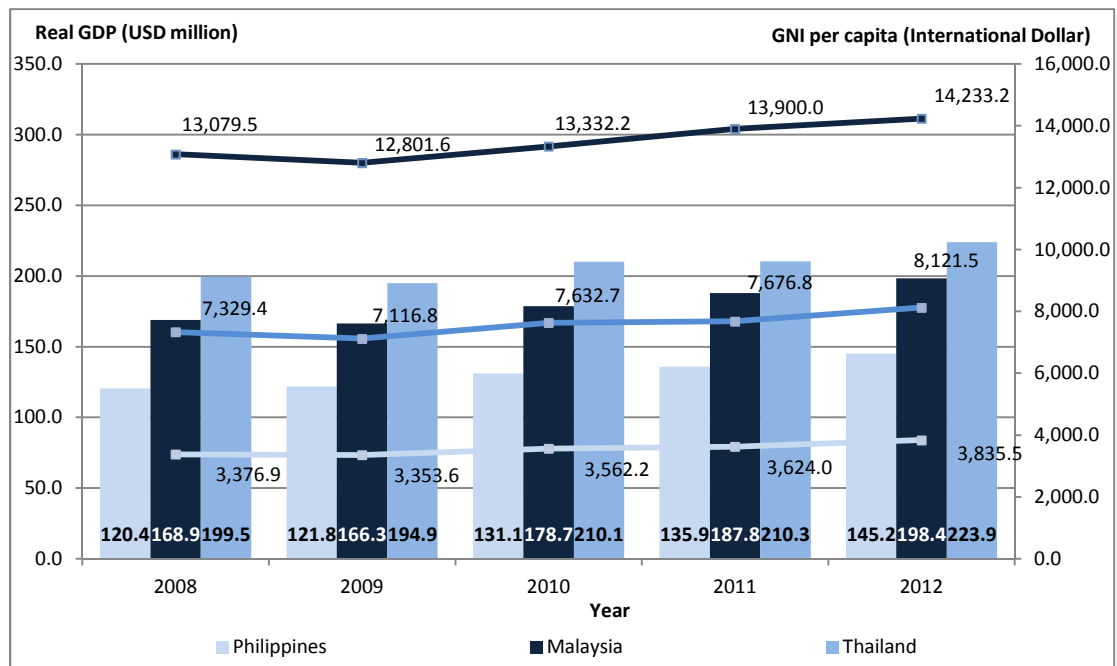
The revival of economic activities in Asia has brought about a higher degree of commerce and influence consumerism among the population. Despite economic slowdown experienced during the global financial crisis in 2009, Malaysia, Thailand and the Philippines witnessed consistent growth in real gross domestic product (GDP) from 2008 to 2012. Real GDP in Malaysia, Thailand and the Philippines grew by 5.6%, 6.5% and 6.8% respectively in 2012, with a recorded CAGR of 4.1%, 2.9% and 4.8% in the five-year period from 2008 to 2012. Similarly, income levels in the three countries grew with the rise in GDP. Gross National Income (GNI) per capita in Malaysia, Thailand and the Philippines grew at a CAGR of 2.1%, 2.6% and 3.2% respectively, from 2008 to 2012.

<sup>23</sup> Office of the National Broadcasting and Telecommunications, Thailand - <http://www2.nbtc.go.th/TTID/>

<sup>24</sup> Calculated from NBTC data on ratio of smartphone users and total mobile phone subscribers in Thailand

<sup>25</sup> Office of the National Broadcasting and Telecommunications, Thailand - <http://www2.nbtc.go.th/TTID/>

**Figure 7: Real GDP (US Dollars) and GNI per capita in Malaysia, Thailand and the Philippines, from 2008 to 2012**



**Notes:**

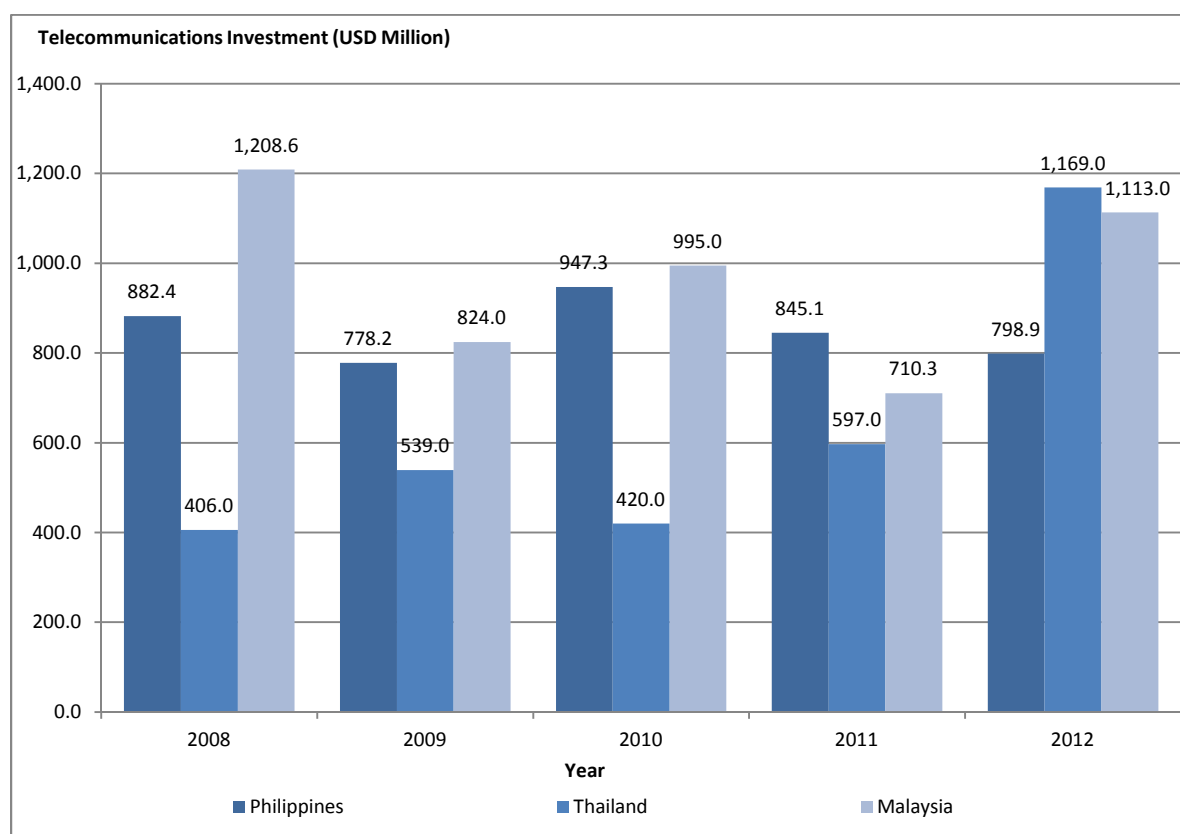
- ^ Both Real GDP and GNI per capita are based on constant 2005 prices.
- \* Figures for GNI are converted into International Dollar using Purchasing Power Parity (“PPP”) rates.
- ^ GNI per capita for East Asia & Pacific (Developing only) included as a regional benchmark figure.

**Source: World Bank**

**(e) ICT infrastructure development**

Investments into ICT infrastructure will become a key driver of economic progress, as countries look to increase productivity and move into high-value industries.

**Figure 8: Investment in Telecoms with Private Participation (current USD) in Malaysia, Thailand and the Philippines from 2008 to 2012**



Source: World Bank

Infrastructure initiatives in e-payments in certain countries are led by the governments and banks, with some retail payment systems operated by international card schemes such as Visa and MasterCard. For example, Thailand implemented a centralised ATM system under National ITMX Co. Ltd, a company owned by commercial banks. This means that the 21 member group consisting of financial institutions issuing credit/debit cards in Thailand, half of which are members of international card schemes, share the same payment infrastructure. Meanwhile, BOT operates BAHTNET, a large value payment system for non-cash transactions. BOT has also initiated the implementation of a local switching facility for domestic payment at POS for financial cards issued in Thailand. The facility is a national infrastructure operated by the private sector<sup>26</sup>. Similarly, Malaysia looks to ICT investments through Public-Private Partnerships, with enablement of e-payments in the country, as one of the key objectives<sup>27</sup>.

(f) **Public policies**

The e-payment industry has gradually seen an increasing number of participants, with the governments playing an active role in shaping the e-payment landscape towards viability and sustainability. The following contains some examples of government initiatives:

- The Malaysian central bank is encouraging cashless transactions by imposing a low fee for electronic transactions, while increasing cheque issuance fee. Furthermore, the central bank has formulated a roadmap towards nationwide migration to e-payment.<sup>28</sup>
- Under the Youth Communication Package, the Government of Malaysia aims to increase the adoption rate of smartphones among Malaysian youths (aged 21 to 30) in the lower

<sup>26</sup> Executive's Meeting of East Asia Pacific Central Banks - [http://www.emeap.org/emeapdb/upload/WGMeeting/Payment\\_clearing%20and%20settlement%20systems%20in%20Thailand.pdf](http://www.emeap.org/emeapdb/upload/WGMeeting/Payment_clearing%20and%20settlement%20systems%20in%20Thailand.pdf)

<sup>27</sup> Multimedia Super Corridor Malaysia (2012). Digital Malaysia Progressing Ahead as Planned (Extracted 2 January 2014)- [http://www.mscomalaysia.my/sites/all/themes/mscomalaysia/templates/images/press\\_release/press\\_release\\_20120927.pdf](http://www.mscomalaysia.my/sites/all/themes/mscomalaysia/templates/images/press_release/press_release_20120927.pdf)

<sup>28</sup> M. Adnan (2008). The Development of E-payments and Challenges in Malaysia. South East Asian Central Bank Centre - [http://www.seacen.org/GUI/pdf/publications/research\\_proj/2008/rp71/Chap5.pdf](http://www.seacen.org/GUI/pdf/publications/research_proj/2008/rp71/Chap5.pdf)

income bracket (below RM3,000 monthly) by offering a RM200 rebate against smartphone purchases from participating service providers<sup>29</sup>.

- BOT has been reducing the fees for e-payment services, including that of Retail Funds Transfer, at a faster rate since 2006<sup>30</sup>.
- The Philippines government is promoting e-payments by launching several G2C and G2B e-payment systems. A new e-payment facility, PhilGEPS e-payment, was launched to allow government agencies to make online procurement through a virtual store<sup>31</sup>.
- Expansion of regional e-payment cooperation by establishing links in ATM card usage with Malaysia, Singapore, Thailand and Indonesia<sup>32</sup>.

## 2.10 Historical growth and key trends

### (a) Malaysia

The Malaysian government is actively supporting migration to e-payments. Since 2005, BNM has been organising a series of forums on Payment Systems, which provide stakeholders with a platform to discuss issues and challenges faced in the migration process. The forum pulls together financial services institutions, government agencies, corporations and industry associations. One of the policies is to keep cash-in-circulation at about 5.0% to 6.0 % of the country's GDP, thus, reducing the use of cash and promoting e-payment methods. In the Financial Sector Blueprint 2011 – 2020, Malaysia aims to reduce the amount of cheques processed by half by the end of the decade, while expanding the number of electronic POS terminals throughout the country.

In 2011, the Malaysian government released a series of tightening measures on credit card regulations. One of the regulations is the increase of the minimum income eligibility of new credit card owners to RM24,000<sup>33</sup>, from the previous RM18,000<sup>34</sup>. Such measures will ensure that credit cards will only be available to the mid to high-income bracket. **Figure 9** shows that there is a reduction in the number of credit cards in circulation, from 10.8 million in 2008 to 8.2 million in 2012.

<sup>29</sup> Malaysian Communications and Multimedia Commission, Youth Communications Package FAQs (extracted 30 December 2013) - <https://komunikasibelia.skmm.gov.my/plain/faqs.html>

<sup>30</sup> Bank of Thailand – [http://www.bot.or.th/Thai/ResearchAndPublications/DocLib\\_/article19\\_10\\_09.pdf](http://www.bot.or.th/Thai/ResearchAndPublications/DocLib_/article19_10_09.pdf)

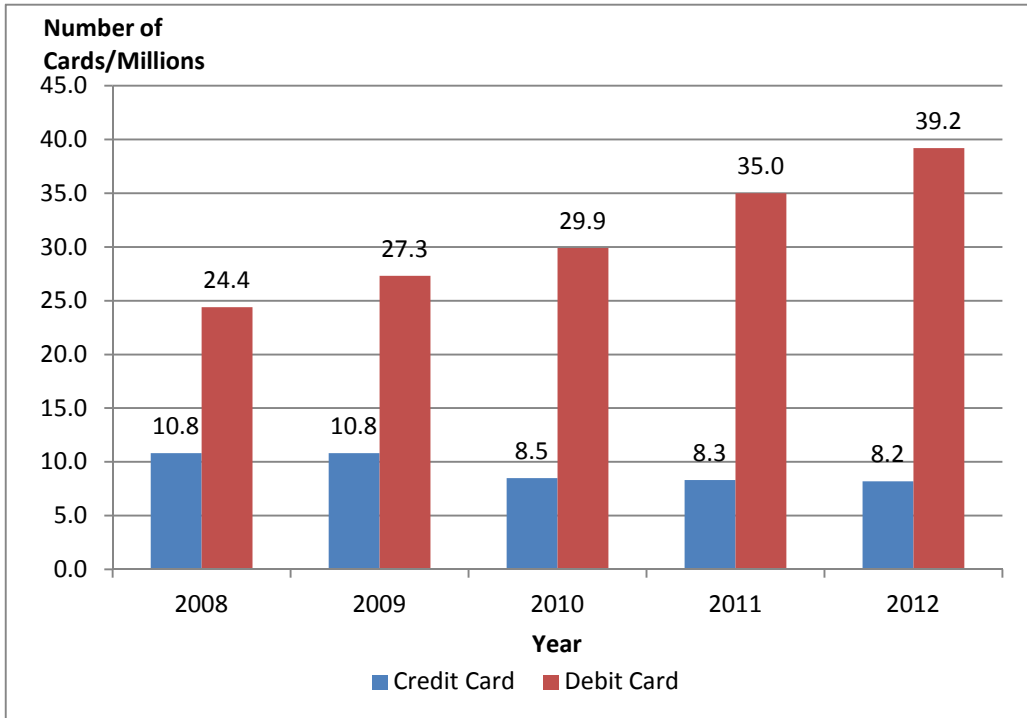
<sup>31</sup> Department of Budget and Management – <http://www.dbm.gov.ph/?p=5552>

<sup>32</sup> Converging Knowledge, IMR

<sup>33</sup> Bank Negara Malaysia – <http://www.bnm.gov.my/index.php?ch=8&pg=14&ac=2226>

<sup>34</sup> Converging Knowledge, IMR

**Figure 9: Number of Credit and Debit Cards from 2008 to 2012**

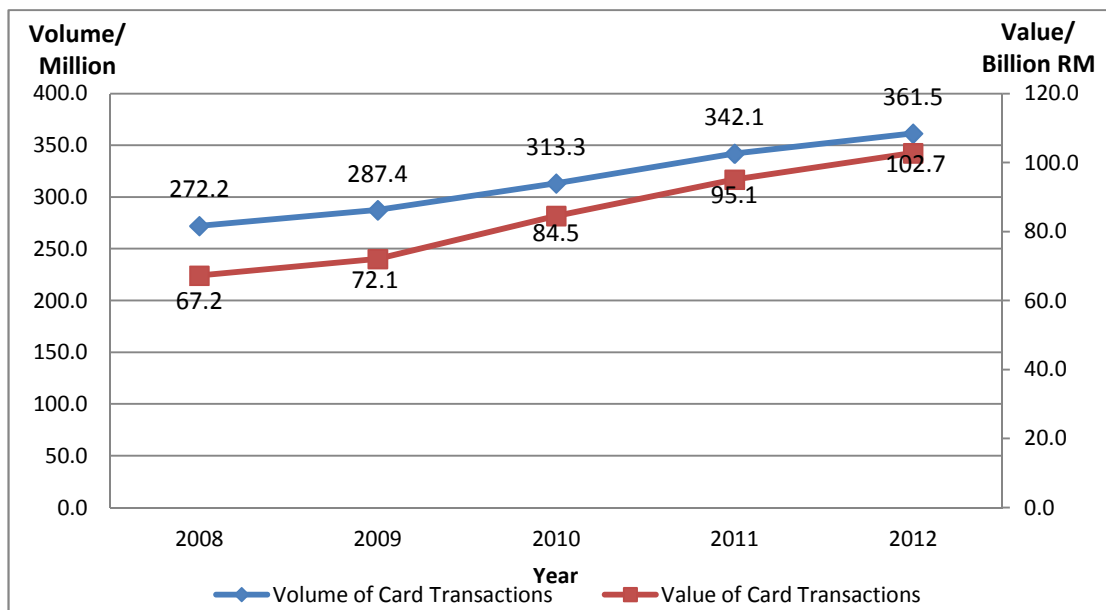


Source: Statistics from Bank Negara Malaysia, Compiled by Converging Knowledge

Although these measures are largely successful in reducing the number of credit card holders, there is a rise in debit card holders.

The transaction volume and value of credit and debit cards rose from 2008 to 2012, signalling that the population is moving towards e-payments, rather than the traditional cash approach. The CAGR of credit and debit card transaction volume is approximately 7.4%, while the value of card transactions has grown by a CAGR of 11.2% during the same period<sup>35</sup>.

**Figure 10: Transaction Volume and Value of Credit and Debit Cards from 2008 to 2012**



Source: Statistics from Bank Negara Malaysia, Compiled by Converging Knowledge

Malaysia has also seen advancements and higher adoptions of mobile and Internet technologies in the banking sector. The number of Internet banking subscribers grew from 6.2 million in 2008

<sup>35</sup> Bank Negara Malaysia, Statistics Compiled by Converging Knowledge

to 13.7 million in 2012, which signifies a CAGR of 21.9% over the five-year period. Mobile banking has seen higher growths due to smartphones adoption as well as 3G and 4G technologies in the country. The number of mobile banking subscribers grew from 0.6 million to 2.4 million from 2008 to 2012, while the volume of transactions grew by a CAGR of 148.9%, reaching more than 59.8 million transactions in 2012<sup>36</sup>.

**Table 2: Internet and Mobile Banking in Malaysia from 2008 to 2012**

Description	Year					CAGR
	2008	2009	2010	2011	2012	
<b>Internet Banking Subscribers (million)</b>	6.2	8.1	9.8	11.9	13.7	21.9%
Volume of Internet Banking Transactions (million)	84.9	110.2	153.3	198.4	227.3	27.9%
Value in Internet Banking Transactions (billion RM)	624.4	702.0	1415.4	1934.2	2978.4	47.8%
<b>Mobile Banking Subscribers (million)</b>	0.6	0.7	0.9	1.6	2.4	43.6%
Volume of Mobile Banking Transactions (million)	1.6	2.5	2.3	13.6	59.8	148.9%
Value in Mobile Banking Transactions (billion RM)	0.1	0.1	0.1	0.9	4.2	177.4%

Source: Statistics from Bank Negara Malaysia, Compiled by Converging Knowledge

(b) **The Philippines**

The Filipino society is still a cash society. A survey conducted by its central bank in 2009 showed that many of the respondents acquired their houses through cash payments, with few resorting to bank borrowings. The survey further states that the proportion of Filipino consumers with deposit accounts remain low, at approximately 20.0%<sup>37</sup>. The Philippines government is working on ways to develop more inclusive banking systems by educating the rural population, expand product range such as micro-financing, and extending physical and virtual networks for the 96.8 million population of the country<sup>38</sup>. These measures will help allow more of the population to apply for bank accounts, as they become more educated and understand the needs of having bank accounts.

More recently, the country has seen a high smartphone penetration rate, as the country adopts 3G and 4G mobile technologies. It was reported that the country's smartphones take-up rate in 2013 was 146.0%, which is faster than Thailand and Vietnam. About 5.7 million smartphones were sold during the period April 2012 to March 2013<sup>39</sup>. Smartphones provide an avenue for banks to potentially deliver mobile banking services to the unbanked population.

The BSP does not keep a record of the number of credit cards in the country. However, in the same 2009 survey, only 3.9% of households own credit cards<sup>40</sup>. On the other hand, a separate study puts a more conservative estimate of 2.5 million credit cards in the country<sup>41</sup>. This figure is relatively small, when compared to the country's population of 92.3 million in 2010<sup>42</sup>. Despite the low proportion in bank deposits as well as credit card holders, the Philippines has the second largest population in ASEAN, and thus, has much growth potential.

<sup>36</sup> Bank Negara Malaysia, Statistics Compiled by Converging Knowledge.

<sup>37</sup> 2009, Bangko Sentral ng Pilipinas. Consumer Finance Survey - [http://www.bsp.gov.ph/downloads/Publications/2012/CFS\\_2012.pdf](http://www.bsp.gov.ph/downloads/Publications/2012/CFS_2012.pdf)

<sup>38</sup> The World Bank: Databank: Population (Total) for 2012: <http://data.worldbank.org/indicator/SP.POP.TOTL>

<sup>39</sup> Converging Knowledge, IMR

<sup>40</sup> Converging Knowledge, IMR

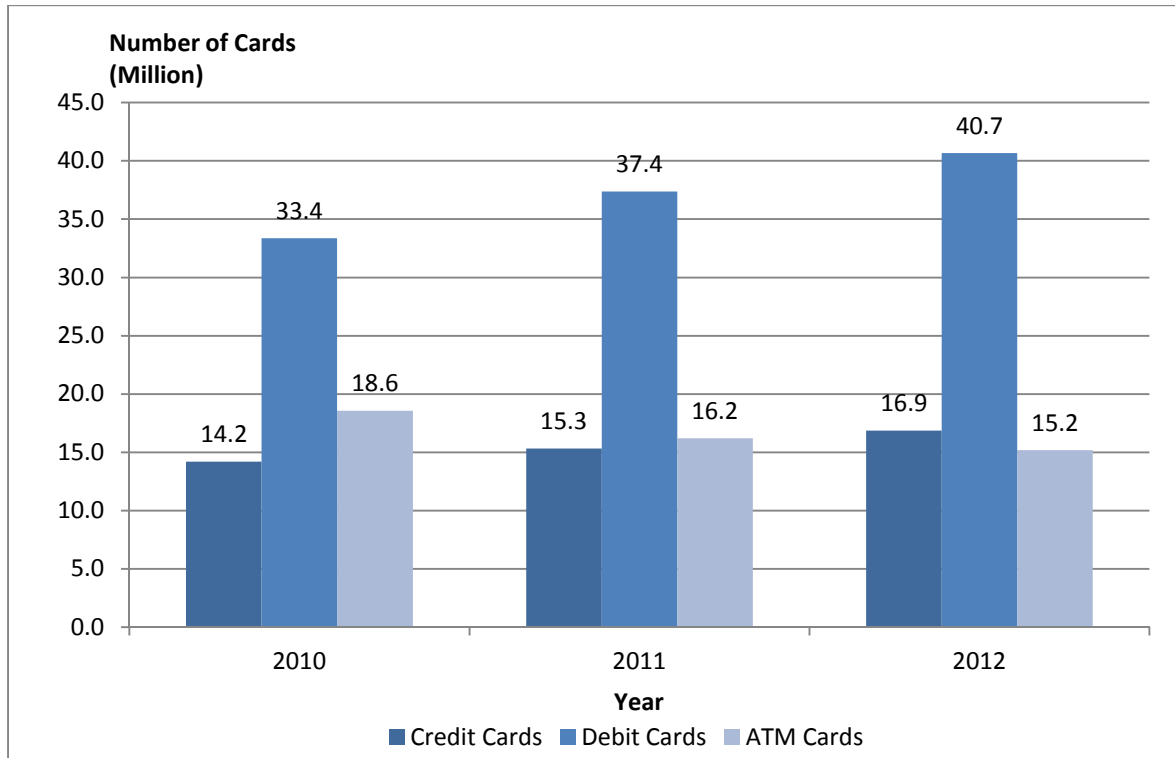
<sup>41</sup> Converging Knowledge, IMR

<sup>42</sup> National Statistical Coordination Board – [http://www.nscb.gov.ph/secstat/d\\_popn.asp](http://www.nscb.gov.ph/secstat/d_popn.asp)

(c) **Thailand**

In Thailand, cash is still the preferred method of transaction. However, e-payments are growing in acceptance, with the number of credit and debit cards rising by 9.0% and 10.4% respectively from 2010 to 2012. Over the same period, there has been a decline in the number of ATM cards in Thailand. This could be due to the increase in banks issuing debit cards with ATM functions.

**Figure 11: Number of Cards in Circulation in Thailand from 2010 to 2012**

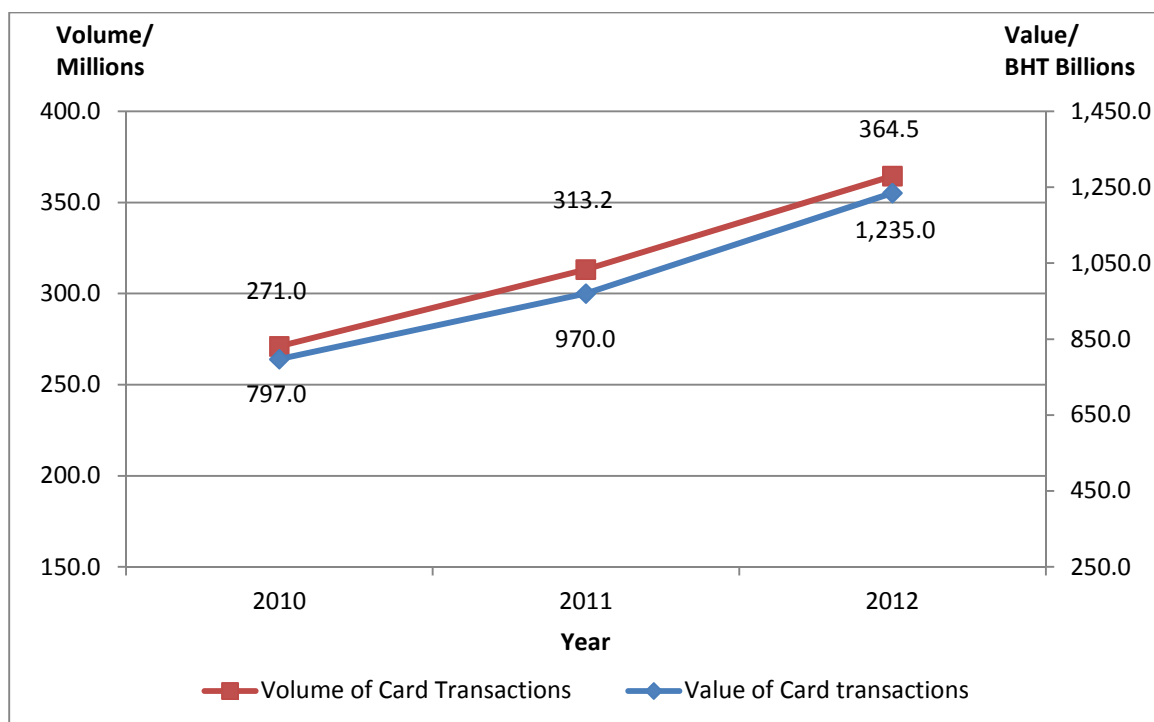


Source: Statistics from Bank of Thailand, Compiled by Converging Knowledge

Along with higher card-circulation in the market, the volume of card transactions also rose correspondingly. Since 2010, the number of card transactions has grown, from 271.0 million to 364.5 million in 2012. This translates to a total transaction value of BHT1,235 billion in 2012, up from BHT797 billion in 2010.



**Figure 12: Transaction Volume and Value of Credit and Debit Cards in Thailand from 2010 to 2012**



Source: Statistics from Bank of Thailand, Compiled by Converging Knowledge

Out of the population of 66.8 million in Thailand<sup>43</sup>, there are approximately 26.5% Internet users<sup>44</sup>. In December 2012, the Thai government awarded three companies with licenses to operate 3G technology<sup>45</sup>. This has given rise to an increase in the number of smartphones and tablets owned by the Thai population, bringing mobile penetration in the country from 127.9% (2012) to 136.3% (2013)<sup>46</sup>. The increase in the use of mobile technology is expected to continue, thus, potentially resulting in an increase in mobile and electronic commerce, as well as more online banking transactions.

Based on the figures in **Table 3**, Internet and mobile banking subscribers and transactions have increased from 2010 to 2012. The value transacted through Internet and mobile banking grew 47.6% and 177.4% respectively during the three-year period. This translates to a total transactional value of BHT2,982.6 billion, for both Internet and mobile banking, in 2012.

<sup>43</sup> The World Bank: Databank: Population (Total) for 2012:

<http://data.worldbank.org/indicator/SP.POP.TOTL>

<sup>44</sup> The World Bank: Databank: Internet users (per 100 people) for 2012

<http://data.worldbank.org/indicator/IT.NET.USER.P2>

<sup>45</sup> Converging Knowledge, IMR

<sup>46</sup> The National Broadcasting and Telecommunications Commission, Thailand – [www2.nbtc.go.th/TTID/mobile\\_market/penetration\\_postpre/](http://www2.nbtc.go.th/TTID/mobile_market/penetration_postpre/)

**Table 3: Internet and Mobile Banking in Thailand from 2010 to 2012**

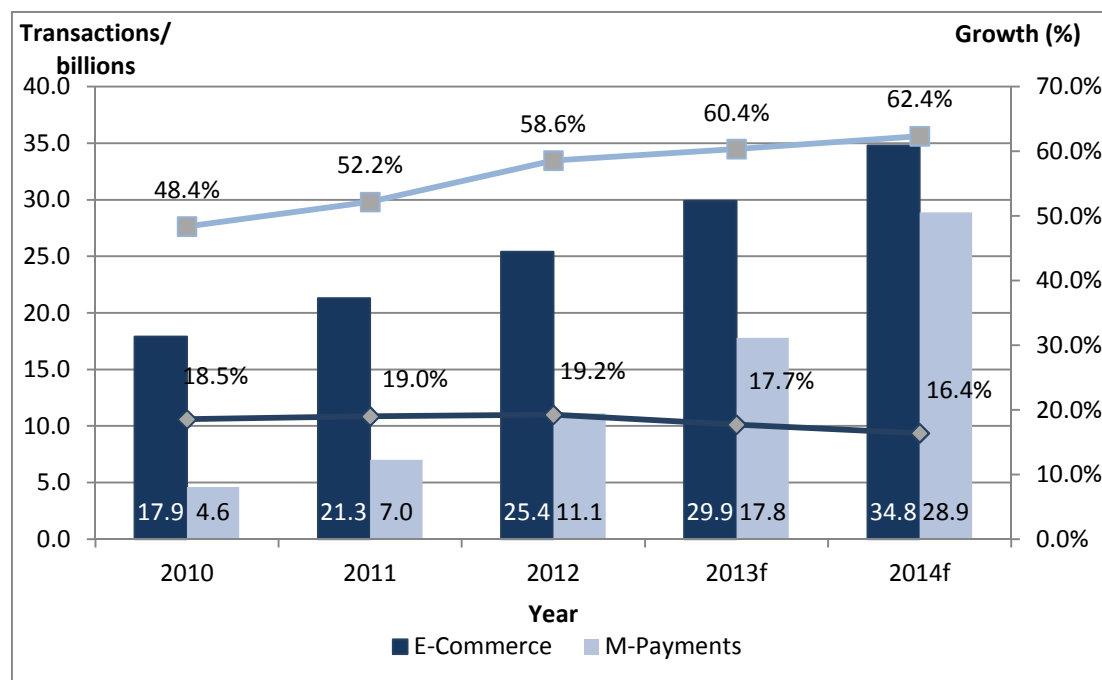
Description	Year			CAGR
	2010	2011	2012	
<b>Internet Banking Subscribers (million)</b>	9.8	11.9	13.7	21.9%
Volume of Internet Banking Transactions (million)	153.3	198.4	227.3	27.9%
Value in Internet Banking Transactions (billion BHT)	1,415.4	1,934.2	2,978.4	47.8%
<b>Mobile Banking Subscribers (million)</b>	0.9	1.6	2.4	43.6%
Volume of Mobile Banking Transactions (million)	2.3	13.6	59.8	148.9%
Value in Mobile Banking Transactions (billion BHT)	0.1	0.9	4.2	177.4%

Source: Statistics from Bank of Thailand, Compiled by Converging Knowledge

### 2.11 Industry outlook and prospect of the electronic payment industry

Outlook of the e-payments industry globally is expected to be positive, with increasing adoption of m-payments, as well as e-commerce, being among the industry's key contributing factors. By 2014, the world's number of e-commerce transactions<sup>47</sup> is projected to reach 34.8 billion, a CAGR of 18.1% from 2010 to 2014. The value of e-commerce is also expected to reach USD1,792.4 billion in 2014. M-payment transactions are also expected to grow 58.5% annually to 28.9 billion transactions in 2014.<sup>48</sup>

**Figure 13: Number of E-commerce and M-payment Transactions from 2010 to 2014**



Source: Capgemini

E-payment industries in ASEAN countries like Malaysia, the Philippines and Thailand are expected to continue growing, with initiatives from the governments continuing to steer the growth of the industry. Malaysia's Financial Sector Blueprint 2011 to 2020, which is demonstrative of the government's commitment, highlights measures that would accelerate the nation's migration to e-payment systems. These include increasing the number of EFTPOS terminals, push forth higher mobile technology

<sup>47</sup> E-commerce transactions are transaction which includes retail and travel sales, digital downloads purchased via any digital channel, and sales from businesses that occur over primarily C2C platforms such as eBay.

<sup>48</sup> Capgemini (2012). World Payments Report 2013 (extracted 19 December 2013) - [http://www.capgemini.com/resource-file-access/resource/pdf/wpr\\_2013.pdf](http://www.capgemini.com/resource-file-access/resource/pdf/wpr_2013.pdf)

adoption, and raising the number of electronic transactions by 10-fold to 12.0 billion by 2020.<sup>49</sup> The Malaysian government has also designed the National Wireless Communication Roadmap in 2008, which aims to strategise Malaysia's ICT networks by following global wireless trends. The country has been improving its communications architecture to increase the capacity and capabilities. By actively pursuing technological advancements, the population is able to enjoy greater connectivity and mobility.

In Thailand, the government has also rolled out its mid-term roadmap, which may potentially foster growth in e-payment activities. Through its Financial Services Master Plan Phase II (**FSMP II**), existing and new financial institutions face more leeway to operate in the country. For example, foreign banks may apply for permits to open up more ATM terminals, and banks may extend their business scope by offering competitive products and services such as different types of financial cards<sup>50</sup>. These measures may, as a result, stimulate e-payment activities within the country.

The BSP has been actively promoting a financial inclusion initiative, in line with the Philippine Development Plan to expand the reach of banking services to those in rural regions. Thus far, the government has widened the range of products for the lower-income and rural population, extended the physical networks of banks, and also expanded the virtual reach through e-money networks<sup>51</sup>. Among others, the Philippines government has also launched the e-Government Master Plan for 2013 to 2016, so as to develop an integrated platform for all government related systems through ICT. One of the focal points is the development of the PhPay system. This system uses the G2C e-commerce approach, where citizens/consumers can pay for government services electronically through credit/debit cards, mobile wallets and online medium.<sup>52</sup>

## 2.12 GHL's business model

### (a) Overview of GHL's business model

GHL is one of the leading payment service providers in the ASEAN region offering online credit and debit card transactions and innovative solutions in payment networks, prepaid card management systems and loyalty products. In addition, GHL is focussing on growing its transaction payment acquisition (**TPA**) business, whereby GHL will directly contract with merchants for the provision of payment and other services.

The business model of the GHL Group is to offer payment services to financial institutions and merchants underpinned by innovative technology and infrastructure; the front-end client technology supports EDC terminal and internet channels, while the back-end technology and devices provide transaction payment processing capabilities.

The GHL Group focuses on 3 business segments namely Shared Services, Solution Services and TPA. While the Shared Services business principally addresses the payment processing needs of banks and merchants, the Solutions Services and TPA businesses holistically address the peripheral aspects of the consumer payment experience. GHL, through all 3 businesses is uniquely able to provide end-to-end solutions to financial institutions and merchants that transcend payments.

GHL's principal customers are banks that contract with merchants for the provision of credit and debit card services (**Acquiring Banks**). In this regard, GHL will provide services to the Acquiring Banks in the form of EDC deployment and ongoing maintenance at the merchants premises in return for which GHL will charge the Acquiring Bank a monthly rental fee to cover the capital cost of the EDC terminal and the ongoing servicing and maintenance costs.

In some cases, GHL plays an additional role whereby its staff and agents will solicit merchants on behalf of the Acquiring Banks. In such cases, the monthly rental fee is normally directly paid by the merchant to GHL. In addition, the Acquiring Bank will also compensate GHL for the sales acquisition effort by sharing a portion of the merchant discount rate (**MDR**) paid by the merchant to the Acquiring Bank. Other than hardware and payment card sales which are non-annuity in nature, the other aspects of the Shared Services business are generally annuity in nature.

<sup>49</sup> Converging Knowledge, IMR

<sup>50</sup> Bank of Thailand. The Financial Sector Master Plan Phase II (extracted 19 December 2013) - [http://www.bot.or.th/English/FinancialInstitutions/Highlights/FSMP2/Documents/FSMP11\\_ExecutiveSummaryE.pdf](http://www.bot.or.th/English/FinancialInstitutions/Highlights/FSMP2/Documents/FSMP11_ExecutiveSummaryE.pdf)

<sup>51</sup> December 2012, Bangko Sentral ng Pilipinas, BSP Financial Inclusion Initiatives 2012 – [http://121.127.5.21/downloads/Publications/2012/microfinance\\_2012.pdf](http://121.127.5.21/downloads/Publications/2012/microfinance_2012.pdf)

<sup>52</sup> December 2012, Department of Budget and Management, Electronic Government Development & Strategy – [http://www.dbm.gov.ph/wp-content/uploads/MITHI/Philippines%20E-GovMasterPlan\\_\(final%20draft\).pdf](http://www.dbm.gov.ph/wp-content/uploads/MITHI/Philippines%20E-GovMasterPlan_(final%20draft).pdf)

In terms of the Solutions Services business, GH L's software and hardware solutions are sold to banks as well as larger retailers and merchants. Revenue derived by GH L in respect of the business can be annuity in nature or non-recurring depending on whether the buyer prefers to buy outright the software or lease it. Even when the software is purchased outright, GH L will continue to earn an annuity income from the ongoing maintenance of the software.

(b) **GH L's business divisions**

The GH L Group operates in three business segments:

*Shared Services* comprises mainly revenue derived from the sales, rental and maintenance of EDC terminals and other card acceptance devices and the supply of cards to banks and other operators. In addition, GH L provides Acquiring Banks outsourced sales services by marketing the Acquiring Banks' credit card acceptance products using GH L's own branch and agency network. In such cases, the Acquiring Bank will share a portion of the Merchant Discount Rate that is charged to the merchant with GH L in order to compensate GH L for the sales acquisition services.

*Solution Services* comprises mainly revenue derived from the sales and services of payment solutions including payment network devices and related software, outsourced payment networks, software that manages and processes prepaid and loyalty cards, internet payment processing and the implementation of various card management systems.

*Transaction Payment Acquisition (TPA)* comprises revenue derived from directly contracting with merchants to accept payment and loyalty cards and conduct other payment services.

(c) **The strengths of GH L's business model**

GH L positions itself as a one stop payment provider that offers end-to-end payment solutions comprising physical debit/credit card production and consultation, merchant acquisition, EDC terminal rental and software provision, managed payment networks, terminal line encryption software, loyalty and prepaid card management systems to both financial institutions and merchants. GH L's business model focuses on the generation of annuity earning which secures it a more predictable and longer term recurring revenue stream. For Shared Services, rather than prioritising the outright sales of EDC terminals to financial institutions, the GH L Group has instead prioritised the rental and maintenance of EDCs on longer term contracts. Similarly, for Solution Services, the GH L Group provides for the hosting of software solutions and charge by transaction fee basis wherever, customers prefer not to purchase solutions outright. In terms of the TPA business, this business enables the GH L Group to derive revenue from longer term contracts directly between the GH L Group and the merchants. These contracts include non-payment products such as loyalty products and are not limited to debit and credit card processing.

As banks expand overseas within the ASEAN region, GH L's strength is to offer similar software technologies and services to these banks to enable the banks to shorten their implementation and roll out plans in the countries that they operate.

(d) **GH L's growth drivers**

GH L operates in the ASEAN region with significant subsidiaries in Malaysia, Philippines and Thailand. The ASEAN region has more than a 600 million population with a combined GDP of US\$2.31 trillion and based on individual country forecasts, is expected to be one of the fastest growing regions in the world over the next 10 years. The main drivers of this growth include younger age demographics, growing urbanization and higher purchasing power. The existing level of adoption of e-payments in the ASEAN region is relatively low as compared to Organisation for Economic Co-operation and Development (OECD) countries and it is expected that electronic payment will grow rapidly in line with the higher purchasing power and more sophisticated consumer base.

To foster the growth of electronic commerce in the region, ASEAN governments have committed themselves to create a seamless, favourable legal and regulatory environment in order to get buyers and sellers to transact within the region. The task involves measures to promote trust and confidence in the internet including the establishment of a system of mutual recognition of digital signatures; secure electronic transactions, payments and settlements protection of intellectual property rights; promoting personal data protection and consumer privacy; and dispute settlement mechanisms. Central banks of ASEAN are committed to promote electronic payments both inter and intra -regionally.

The debit and credit card usage rate in the ASEAN region is relatively low compared to developed countries. Several countries including Malaysia, Thailand, Philippines and Indonesia are promoting the use of debit cards especially for the majority of the population that is ineligible for credit cards. In some countries, domestic debit payment products are being implemented that will increase the usage over and above the international credit cards. All these initiatives will require a significant increase in the merchant acceptance points for these payment products and this will directly benefit GHL as it is one of the leading providers of such service in the ASEAN region.

(e) **GHL's products and services**

**Outsourced Merchant Acquisition**

Banks outsource the merchant acquisition and provision of EDC services to the GHL Group. The GHL Group assists banks in their merchant recruitment activities by signing up merchants for acceptance of credit card transaction. Once the applications are approved, the GHL Group will install and rent the EDC terminals to the merchants at their outlets. The merchants are charged a monthly rental for the EDC services.

**EDC Terminal and Card supply**

GHL sells EDC terminals to banks that follow the traditional acquiring model, whereby the banks themselves acquire the merchants rather than outsource this to external parties. In this model, the GHL Group either sells EDC terminals to banks to be deployed at merchants' outlets, or rents them to banks and assists the banks in installing the rented EDC terminals at merchants' outlets. After-sales service will be provided by GHL via maintenance contracts with the banks. GHL also supplies plastic cards (credit /debit card) to banks.

**Software Solutions Sales and Hosting Services**

This business focuses on marketing GHL solution services, namely, managed network solutions, consumer prepaid card and loyalty products and internet payment processing. GHL prefers to host the solutions and charge the merchant a transaction fee on a recurring basis. Through this effort, GHL would be able automate merchant back-end processes for greater efficiency, cost saving and streamlining. On top of software solutions, GHL has also developed and markets hardware devices, namely, payment routers, contactless card readers and electronic signature pads internationally.

**Third Party Acquirer**

GHL acts as a third party acquirer to directly sign up debit and credit card merchants and to process such payments. GHL works with sponsored banks under this arrangement.

(f) **GHL's customers**

GHL contracts mainly with the leading banks and large retailers in all the countries that it has operations. GHL offers merchant acquisition, sale and rental of EDC terminals and TPA to banks and software solutions to large retailers.

(g) **GHL's suppliers**

The GHL Group has two major suppliers for its EDC terminals and related spare parts, namely, VeriFone Systems International Limited and Ingenico International (Singapore) Pte Ltd. However, GHL also has relationships with smaller entities for peripheral payment products including mobile payments and routers.

(h) **GHL's competitors**

GHL typically competes with local companies in each of the countries that it operates in. Due to its focus in the payments arena, nationwide coverage and its holistic range of payment and software solutions, GHL has been successful in becoming the market leader in Malaysia and Philippines.

GHL key competitors are Nera Telecommunications Ltd (Malaysia, Thailand, Philippines); Paysys Sdn Bhd (Malaysia); Revenue Harvest Sdn Bhd (Malaysia); and Managepay Systems Bhd (Malaysia).

(i) **GHL's employees**

GHL employed approximately 500 employees as at November 2013, with 220 in Malaysia, over 210 in Philippines, over 50 in Thailand and the remaining in Wuhan, China and Australia.

GHL recognises the important of human resources and focuses on increasing skill sets and knowledge through cross-border engagements and various training courses. In order to incentivise and retain key employees, GHL has also established the Executives Share Scheme described in **section 3.8**.

(j) **GHL's strategy and plans**

**Underlying market growth**

ASEAN's real GDP in 2012 advanced by 5.7 percent, higher by 1.0 percentage point than in 2011. The continuous GDP growth in ASEAN countries and the commitment of the respective governments to promote electronic payment underpins the market growth opportunities. GHL will continue to invest in ASEAN countries including but not limited to Malaysia, Philippines and Thailand to benefit from higher adoption of e-payment in near future.

**Expansion of customer base**

GHL plans to significantly expand its merchant base by directly contracting with merchants for the acceptance of credit and debit cards throughout the region. This merchant expansion under the TPA business is planned to be launched in 2014 and will encompass both physical world payments as well as purely online payments for merchants that sell products on the internet. In 2013, GHL focused on developing the risk management and operational processes to support the TPA thrust in 2014.

In terms of the sale of hardware and devices, GHL has developed several products that are globally competitive and used in various parts of the world. GHL has an international unit that addresses those markets where it does not have a physical presence in. Typically, GHL will promote itself by participating in trade seminars and exhibitions and advertising in payment magazines. GHL has also developed an international reseller base which is its primary channel for overseas sales and deployment.

**New products**

GHL intends to penetrate into the consumer segment through the implementation of a loyalty program and to expand into the cashless bill payment business organically. Also, GHL intends to organically drive growth in its annuity revenue by acting as a third party acquirer in the countries it operates in as well as inorganically through strategic acquisitions such as the Proposed Acquisition.

(k) **Information technology**

GHL's IT systems include a variety of proprietary software including; terminal and online payment solutions, managed payment network and devices software. All keys systems are used in Malaysia, Philippines, Thailand and Australia.

GHL is operating in a dynamic industry and hence it has to continuously gather its resources and knowhow from various countries to enhance its proprietary payment solutions to cater for the evolving needs of banks and large retailers.

(l) **Intellectual property**

The GHL Group has trademarked the GHL logo in Malaysia and has submitted two applications to the Registrar of Trademarks for the registration of the following logos; AIRPOS (Malaysia, Philippines, Thailand and Australia) and iSign (Malaysia, Philippines and Thailand).

## 2.13 **Financial information of the GHL Group**

The recent performance of the GHL Group is summarised below. The historical financial information below relates to the GHL Group on a standalone basis and accordingly does not reflect any impact of the Offer or the Proposed Share Issuance. It is a summary only and does not contain all the disclosures usually provided in an annual report prepared by GHL in accordance with Malaysian Financial Reporting

Standards, International Financial Report Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements set out below were audited (31 December 2010, 31 December 2011 and 2012) or reviewed (30 June 2013) by GHL's Auditor.

The audited consolidated statement of financial position for the GHL Group for the year ended 31 December 2012 and the audited statement of comprehensive income for the GHL Group for the year ended 31 December 2012 set out below should be read subject to the following notes (as included in the independent auditor's report on the financial statements of the GHL Group for the year ended 31 December 2012):

- The GHL Group and GHL adopted Malaysian Financial Reporting standards on 1 January 2012 with a transition date of 1 January 2012. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2011 and related disclosures. GHL's Auditor was not engaged to report on the restated comparative information and it is unaudited. GHL's Auditor's responsibilities as part of its audit of the financial statements of the GHL Group and of GHL for the year ended 31 December 2012 have, in these circumstances, including obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the year then ended.
- The independent auditor's report was made solely to the members of GHL, as a body, in accordance with section 174 of the Companies Act and for no other purposes. GHL's Auditor does not assume responsibility to any other person for the content of the independent auditor's report.

In respect of the audited consolidated statements of financial position for the GHL Group for the years ended 31 December 2010 and 31 December 2011 and the audited statements of comprehensive income for the GHL Group for the years ended 31 December 2010 and 31 December 2011 set out below, the independent auditor's reports were made solely to the members of GHL, as a body, in accordance with section 174 of the Companies Act and for no other purposes. GHL's Auditor does not assume responsibility to any other person for the content of those independent auditor's reports.

The reviewed consolidated statement of financial position for the GHL Group for the six months financial period ended 30 June 2013 and the reviewed statement of comprehensive income for the GHL Group for the six months financial period ended 30 June 2013 set out below (**Interim Financial Information of the GHL Group as at 30 June 2013**) should be read subject to the following notes (as included in the independent auditor's review of interim financial information for the six months period ended 30 June 2013):

- GHL's Auditor conducted its review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with approved standards on auditing in Malaysia and consequently does not enable GHL's Auditor to obtain assurance that it would become aware of all significant matters that might be identified in an audit. Accordingly, GHL's Auditor does not express an audit opinion.
- Based on GHL's Auditor's review, nothing has come to its attention that causes it to believe that the Interim Financial Information of the GHL Group as at 30 June 2013 is not presented fairly, in all material respects, in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.
- GHL's Auditor's report is addressed to the GHL Board and GHL's Auditor will not accept any responsibility to any other party who chooses to rely on the report.

Subject to changes occurring in the ordinary course of business and to the changes disclosed in this Offer, there have been no material changes to GHL's financial position and financial performance in the period from 30 June 2013 to the date of this Offer. The unaudited and unreviewed financial statements for GHL for the period ended 30 September 2013 are set out in **Attachment D**.

(a) **GHL Group – consolidated statements of financial position**

Set out below are the consolidated statements of financial position for the GHL Group for the audited financial years ended 31 December 2010, 31 December 2011 and 31 December 2012 and for the reviewed 6 months financial period ended 30 June 2013. These financial statements were audited (31 December 2010, 31 December 2011 and 2012) or reviewed (30 June 2013) by GHL's Auditor.

Details in relation to the consolidated statements of financial position are available at [www.ghl.com](http://www.ghl.com).

**GHL SYSTEMS BERHAD**  
(Incorporated in Malaysia)  
**STATEMENTS OF FINANCIAL POSITION**

	GHL Group		
	Audited as at 31 December 2012 RM'000	Audited as at 31 December 2011 RM'000	Audited as at 31 December 2010 RM'000
<b>Non-Current Assets</b>			
Property, plant and equipment	30,434	22,734	45,154
Intangible asset	157	-	-
Goodwill on consolidation	-	-	1,096
Deferred tax assets	1,200	-	-
	31,791	22,734	46,250
<b>Current Assets</b>			
Inventories	8,302	5,670	6,538
Trade receivables	11,753	11,328	13,173
Other receivables	2,142	1,651	5,773
Current tax assets	204	206	129
Fixed deposits with licensed banks	1,552	2,482	2,121
Cash and bank balances	15,441	18,414	10,572
	39,394	39,752	38,306
<b>Total Assets</b>	<u>71,185</u>	<u>62,486</u>	<u>84,556</u>
<b>Equity</b>			
Share capital	73,401	72,901	72,901
Reserves	(31,452)	(36,445)	(10,768)
Treasury shares	(638)	(638)	(638)
Equity attributable to owners Of the Company	41,311	35,818	61,495
Non-controlling interest	(18)	-	-
<b>Total Equity</b>	<u>41,293</u>	<u>35,818</u>	<u>61,495</u>



GHL Group			
	Audited as at 31 December 2012 RM'000	Audited as at 31 December 2011 RM'000	Audited as at 31 December 2010 RM'000
<b>Non-current liability</b>			
Hire purchase payables	812	1,168	44
Bank borrowings	1,889	2,343	2,618
Deferred tax liabilities	807	952	-
Deferred income	4,290	2,074	-
	7,798	6,537	2,662
<b>Current liabilities</b>			
Hire purchase payables	829	754	528
Bank borrowings	842	203	182
Trade payables	4,392	2,031	5,246
Other payables	15,779	17,143	14,443
Tax payables	252	-	-
	22,094	20,131	20,399
<b>Total Liabilities</b>	29,892	26,668	23,061
<b>Total Equity and Liabilities</b>	71,185	62,486	84,556

Note: The above figures are in RM. The exchange rate of RM:AUD on 6 November 2013 (the last trading day prior to the date of the Bidder's Statement) was AUD1.00 : RM3.03.

**GHL SYSTEMS BERHAD**  
(Incorporated in Malaysia)  
**STATEMENTS OF FINANCIAL POSITION**

GHL Group	
Reviewed as at 30 June 2013 RM'000	
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	33,060
Intangible asset	1,345
Deferred tax assets	1,200
	35,605
<b>Current assets</b>	
Inventories	8,626
Trade and other receivables	13,697
Current tax assets	412
Cash and cash equivalents	14,636
	37,371
<b>TOTAL ASSETS</b>	72,976

<b>GHL Group</b>	
<b>Reviewed as at 30 June 2013 RM'000</b>	
<b>EQUITY AND LIABILITIES</b>	
<b>Equity attributable to owner of the Company</b>	
Share capital	29,360
Reserves	15,982
Treasury shares	(638)
	44,704
Non-controlling interest	(43)
<b>TOTAL EQUITY</b>	<u>44,661</u>
<b>LIABILITIES</b>	
<b>Non-current liability</b>	
Hire purchase creditors	560
Bank borrowings	1,750
Deferred tax liabilities	807
Deferred income	3,855
	6,972
<b>Current liabilities</b>	
Hire purchase creditors	817
Bank borrowings	393
Trade and other payables	20,133
	21,343
<b>TOTAL LIABILITIES</b>	<u>28,315</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>72,976</u>

Note: The above figures are in RM. The exchange rate of RM:AUD on 6 November 2013 (the last trading day prior to the date of the Bidder's Statement) was AUD1.00 : RM3.03.

(b) **GHL Group – consolidated income statements**

Set out below are the consolidated income statements for the GHL Group for the audited financial years ended 31 December 2010, 31 December 2011 and 31 December 2012 and for the reviewed 6 months financial period ended 30 June 2013. These financial statements were audited (31 December 2010, 31 December 2011 and 2012) or reviewed (30 June 2013) by GHL's Auditor.

Details in relation to the consolidated income statements are available at [www.ghl.com](http://www.ghl.com).

**GHL SYSTEMS BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	GHL Group		
	Audited Financial year ended 31 December 2012 RM'000	Audited Financial year ended 31 December 2011 RM'000	Audited Financial year ended 31 December 2010 RM'000
Revenue	53,475	62,726	63,987
Cost of sales	(13,139)	(19,790)	(23,816)
Gross profit	40,336	42,936	40,171
Other income	1,188	1,214	3,176
Payroll expenses	(19,261)	(21,506)	(22,773)
Administration expenses	(8,261)	(12,607)	(18,188)
Distribution expenses	(2,976)	(3,668)	(7,390)
Other expenses	(1,709)	(25,113)	(1,416)
	9,317	(18,744)	(6,420)
Depreciation	(5,922)	(6,114)	(8,047)
Finance costs	(211)	(224)	(198)
Profit/(loss) before taxation	3,184	(25,082)	(14,665)
Taxation	1,168	(966)	489
Net profit/(loss) for the financial year	4,352	(26,048)	(14,176)
Other comprehensive income			
Items that may be reclassified			
Foreign exchange differences, representing net gain not recognised in statement of comprehensive income	622	116	(505)

	GHL Group		
	Audited Financial year ended 31 December 2012 RM'000	Audited Financial year ended 31 December 2011 RM'000	Audited Financial year ended 31 December 2010 RM'000
Total comprehensive income for the financial year	4,974	(25,932)	(14,681)
Net profit/(loss) for the financial year, attributable to:			
Owners of the parent	4,370	(26,048)	(14,176)
Non-controlling interest	(18)	-	-
	<u>4,352</u>	<u>(26,048)</u>	<u>(14,176)</u>
Other comprehensive income attributable to:			
Owners of the parent	4,992	(25,932)	(14,681)
Non-controlling interest	(18)	-	-
	<u>4,974</u>	<u>(25,932)</u>	<u>(14,681)</u>
Earning per share attributable to owners of the parent (sen):			
Basic	<u>3.01</u>	<u>(18.04)</u>	<u>(9.96)</u>
Fully diluted	<u>3.01</u>	<u>(18.04)</u>	<u>(9.96)</u>

Note: The comparative amounts for financial years ended 31 December 2010 have been restated to conform with financial years ended 31 December 2012 presentation.

**GHL SYSTEMS BERHAD**  
**(Incorporated in Malaysia)**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	GHL Group
	Reviewed six months ended 30 June 2013 RM'000
Revenue	32,139
Cost of sales	<u>(11,856)</u>
Gross profit	20,283
Other income	274
Payroll expenses	(11,346)
Administration expenses	(3,016)
Distribution expenses	(1,055)

	<b>GHL Group</b>
	<b>Reviewed six months ended 30 June 2013 RM'000</b>
Other expenses	(225)
	4,915
Depreciation	(1,364)
Finance costs	(97)
Profit before taxation	3,454
Taxation	104
Net profit for the financial period	3,558
Other comprehensive income	
Items that may be reclassified subsequently to profit or loss	
Foreign currency translation	(190)
Total comprehensive income for The financial period	3,368
Profit for the financial period attributable to:	
Owners of the parent	3,583
Non-controlling interest	(25)
	3,558
Other comprehensive income attributable to:	
Owners of the parent	3,393
Non-controlling interest	(25)
	3,368
Earning per share attributable to owners of the parent (sen):	
Basic	2.46
Fully diluted	2.46

## 2.14 Notes to historical financial information

### (c) Decrease in GHL's share capital from 31 December 2012 to 30 June 2013

As indicated in the statements of financial position of the GHL Group set out in **section 2.13(a)**, GHL's share capital decreased from RM73,401,000 as at 31 December 2012 to RM29,360,000 as at 30 June 2013 as a result of the capital reduction exercise described in **section 7.1** involving the reduction of the par value of every existing ordinary share of RM0.50 each in GHL to RM0.20 each by the cancellation of RM0.30 of each GHL Share which was completed on 31 July 2013.

(d) **Increase in GHL's reserves from 31 December 2012 to 30 June 2013**

As indicated in the statements of financial position of the GHL Group set out in **section 2.13(a)**, GHL's reserves increased from (RM31,452,000) as at 31 December 2012 to RM15,982,000 as at 30 June 2013 is due to credit of RM44.04 million arising from the capital reduction exercise described in **section 7.1**, the profit recognised by GHL Group for the 6 months financial period ended 30 June 2013 of RM3.58 million and the recognition of RM0.19 million of foreign exchange loss.

(e) **Decrease in depreciation for the six months ended 30 June 2013**

The decrease in depreciation for the six months ended 30 June 2013, as shown in the Statement of Comprehensive Income of the GHL Group as at 30 June 2013 set out in **section 2.13(a)** was due to re-classification of expenses.

(f) **Increase in revenue for the six months ended 30 June 2013**

The following information (extracted from GHL's 2<sup>nd</sup> quarter 2013 quarterly announcement dated 23 August 2013) explains the increase in revenue for the six months ended 30 June 2013, as shown in the Statement of Comprehensive Income of the GHL Group for the six months ended 30 June 2013 set out in **section 2.13(b)**:

**1<sup>st</sup> Half 2013 vs 1<sup>st</sup> Half 2012 – Segment Revenue**

**Continuing operations**

The GHL Group's total revenue increased by RM7.7 million (32%) to RM32.1 million (1<sup>st</sup> half 2012 RM24.4million). The increased was caused by higher sales from all the 3 business segments.

**Shared Services**

Overall revenue increased by RM6.0 million (41%) to RM20.4 million (1<sup>st</sup> half 2012 RM14.5 million). The increased resulted from higher rental/maintenance, outright sales of EDC hardware and cards.

**Solution Services**

Total revenue increased by RM0.8 million (16%) to RM5.9 million (1<sup>st</sup> half 2012 RM5.1 million). This was due to increases in software services sales in Malaysia.

**Transaction Payments Acquisition (TPA)**

Overall revenue increased by 20% to RM5.8 million (1<sup>st</sup> half 2012 RM4.9 million) due to higher merchant acquisition rates and market acceptance of edebit transaction mainly in Malaysia and Philippines.

## 2.14 Prospects

(a) **Earnings and earnings per GHL Share (EPS)**

The Proposed Acquisition and the Proposed Share issuance is not expected to have a material impact on the earnings and EPS of the GHL Group for the year ending 31 December 2013 as the Proposed Acquisition and the Proposed Share Issuance are expected to be completed in the first quarter of calendar year 2014.

The Proposed Acquisition and Proposed Share Issuance will result in an increase in the earnings of GHL Group as GHL will be able to consolidate the earnings of EPY. EPS, however, may be diluted immediately by the additional new GHL Shares to be issued pursuant to the Proposed Acquisition and Proposed Share Issuance.

The Proposed Acquisition is expected to contribute positively to the future earnings of the GHL Group.

The pro forma earnings of the Merged Group pursuant to the Proposed Acquisition and the Proposed Share Issuance for the financial year ended 31 December 2012 and the 6 months ended 30 June 2013 is set out in **section 7.6**.

(b) **Forecast financial information**

GHL has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial statements in relation to GHL and the Merged Group. The GHL Board has concluded that forecast financial statements would be misleading to provide, as a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable. GHL has formed this view due to the following factors:

- GHL does not as a matter of practice provide forecast financial information;
- EPY does not as a matter of practice provide forecast financial information; and
- GHL considers that providing forecast financial information for this purpose would be extremely difficult to justify, in particular, GHL has only had access to publicly available information in relation to EPY and does not consider this would be sufficient to enable meaningful forecast financial information to be prepared.

## 2.15 Corporate governance

Details on GHL's corporate governance procedures, policies and practices can be obtained from its web site, [www.ghl.com](http://www.ghl.com) or from GHL's 2012 annual report available at [www.ghl.com](http://www.ghl.com).

## 2.16 Risk management

The GHL Board is responsible for overseeing the risk management activities of the GHL Group. The GHL Board has adopted a risk management policy which is available from GHL's website, [www.ghl.com](http://www.ghl.com). The policy addresses the overseeing by the GHL Board of the management of key business risks relevant to the GHL Group.

The Audit and Risk Committee assists the GHL Board in overseeing the risk management framework and any matters of significance affecting the GHL Group's financial reporting and internal controls.

Risks in relation to GHL's business are set out in **section 10**.

GHL's senior management team has responsibility for the day-to-day implementation of the risk management framework and internal controls within the GHL Group. Management also reports regularly to the GHL Board through the CEO on the GHL Group's key risks and the extent to which it believes those risks are being adequately managed.

## 2.17 Recent announcements to Bursa Securities by GHL

A list of announcements made by GHL to Bursa Securities between 1 January 2013 and the date of the Bidder's Statement is set out in **Attachment A** to this Bidder's Statement.

A copy of the Announcement released on the ASX on 7 October 2013 with respect to the Offer is attached as **Attachment C** to this Bidder's Statement.

The unaudited and unreviewed financial statements for GHL for the period ended 30 September 2013 released by GHL on Bursa Securities on 18 November 2013 are set out in **Attachment D**.

Copies of these announcements may be obtained from the Bursa Securities website ([bursamalaysia.com](http://bursamalaysia.com), Bursa Code: GHLSYS) or from GHL's website ([www.ghl.com](http://www.ghl.com)).

## 2.18 Material Contracts

Save as disclosed below and in **section 5.5**, there are no other material contracts (including contracts not in writing), not being contracts in the ordinary course of business which have been entered into by the GHL Group within two years preceding the date of the Bidder's Statement.

- On 12 April 2012, GHL Asia Pacific Ltd (**GHL APL**) and HK New Huang Pu Finance Holdings Limited (HK New Huang Pu Finance) entered into a conditional share sale agreement, wherein GHL APL agreed to dispose and HK New Huang Pu Finance agreed to acquire 1,560,000 ordinary shares in GHL (China) Company Limited (**GHL CCL**), representing the entire shareholdings for a total consideration of Hong Kong Dollar (**HKD**) 10.00, which shall be satisfied by a payment of cash to GHL APL. On 27 April 2012, the disposal of 1,560,000 ordinary shares in GHL CCL was completed.
- On 8 August 2012, GHL APL, GHL (Thailand) Co. Ltd (**GHL TCL**), Warrapot Hirunpiwong (**WH**), Yuttakit Hirunpiwong (**YH**) and Pensri Sarakum (**PS**) (WH, YH and PS collectively shall hereinafter be referred to as the **CODCL Vendors**) had entered into a conditional share sale agreement (**Share Sale Agreement**), wherein GHL TCL agreed to acquire and the CODCL Vendors agreed to dispose of 10,000 ordinary shares in Conscious Object Development Co., Ltd. (**CODCL**) (**CODCL Shares**), representing the entire issued and paid-up share capital of CODCL, for a total consideration of 5,000,000.00 Thai Baht, which shall be satisfied by a payment of cash to WH and/or his nominee and 10% of the share capital in GHL TCL, which shall be transferred to WH and/or his nominee. In conjunction with the Share Sale Agreement, the following agreements were also entered into on 8 August 2012:

- (i) Option agreement between GHLAPL, WH and Jensen Universal Capital Inc. (**JUCI**) (**Option Agreement**) wherein WH and JUCI shall grant to GHLAPL a call option to require WH and JUCI to dispose and sell all the shares in GHLTCL then held by JUCI to GHLAPL upon or after the occurrence of any of the events set out in the Option Agreement at the purchase price of 10.00 Thai Baht;
- (ii) Deed of release between CODCL, WH, YH and PS, wherein WH, YH and PS agreed to release and discharge CODCL from all loans, advances and sums due to them howsoever arising directly or indirectly, excluding the balance sum of shareholders advances up until the month of July 2012 as set out in the management accounts of CODCL, provided that the July account receivables are collected in full; and
- (iii) Deed of participation between GHLAPL and WH, wherein WH agreed to (amongst others) pre-emption provisions relating to transfer of its shares in GHLTCL, non-competition and non-solicitation provisions, as set out in such deed.

On 21 September 2012, the acquisition of the CODCL shares was completed.

- (c) On 4 October 2013 and 30 October 2013, GHL and Cycas entered into a share subscription agreement and supplemental share subscription agreement respectively as described in **section 8.3(b)**.

## **2.19 Further information about GHL**

Due to the fact that GHL is offering GHL Shares as Scrip Consideration under the Offer, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of GHL Shares under sections 710 to 713 of the Corporations Act.

As a company whose shares are quoted on Bursa Securities, GHL is subject to regular disclosure requirements. In particular, GHL is required to make immediate public announcement of material information (as discussed further in **section 12.2**).

This disclosure is available on GHL's website ([www.ghl.com](http://www.ghl.com)) as well also on Bursa Malaysia Berhad's website ([www.bursamalaysia.com](http://www.bursamalaysia.com), Bursa Code: GHLSYS).

Copies of announcements made by GHL to Bursa Securities are available from GHL's website ([www.ghl.com](http://www.ghl.com)) or Bursa Malaysia Berhad's website ([www.bursamalaysia.com](http://www.bursamalaysia.com), Bursa Code: GHLSYS).



### **3 Information on GHL Shares**

#### **3.1 Quotation for Scrip Consideration**

GHL is listed on the Main Market of Bursa Securities. GHL is not admitted to the official list of ASX. If you accept the Offer and elect to receive Scrip Consideration, and the Offer becomes Unconditional, you will be issued with GHL Shares. Application will be made for the GHL Shares issue pursuant to the acceptance of Scrip Consideration under the Offer to be quoted on the Main Market of Bursa Securities.

#### **3.2 Uncertificated form**

If you wish to accept the Scrip Consideration, you will need to set up a CDS Account to hold the GHL Shares to be issued to you (if the Offer becomes Unconditional) in uncertificated (electronic) form. If you already have a CDS Account, you can nominate this CDS Account to hold your GHL Shares (see **section 1.3** for a summary on how to accept the Offer)).

#### **3.3 Settlement and dealing in GHL Shares on Bursa Securities**

##### **(a) Dealing in open market**

Save for an ordinary transfer fee of RM10.00 per transfer (irrespective of volume/value) or such other rate as may be prescribed by Bursa Depository from time to time, there are no costs charged by Bursa Depository for dealings of shares quoted on the Main Market of Bursa Securities. Other costs such as stamp duty are charged at RM1.00 for every RM1,000.00 or fractional part of RM1,000.00 of the value of the consideration payable and are payable by both buyer and seller together with brokerage costs which vary and are freely negotiable.

GHL Shares can be dealt in any number permitted by the Rules of Bursa Depository or Bursa Securities.

If the GHL Shares are not Prescribed Securities prescribed by Bursa Securities under SICDA, subject to the Companies Act, the Articles provide that GHL may charge a fee not exceeding RM3.00 or such other amount as the laws of Malaysia may allow GHL to charge (excluding any stamp duty and other charges payable) on the registration of each probate or letter of administration, certificate of death, stop notice, power of attorney or other document relating to or affecting the title to any GHL Share, or otherwise for making any entry in any register affecting the title to any GHL Share. However, GHL Shares may continue to be Prescribed Securities if GHL is delisted from the Main Market of Bursa Securities.

Refer to **Attachment E** for further information on trading in GHL Shares.

##### **(b) Settlement**

Bursa Depository maintains a computer system of electronic securities transfer and trade settlement.

In accordance with the provisions of the Companies Act, the Central Depositories Act and the Rules of Bursa Depository, transactions of GHL Shares issued pursuant to the acceptance of the Offer shall subsequently take place in accordance with the Rules of Bursa Depository.

Transfers through Bursa Depository in respect of securities quoted on Bursa Securities will normally take effect on the third market day (being a day on which Bursa Securities is open for business) following the date of the dealing.

Settlement procedures for trades on Bursa Securities and direct business transactions would be subject to Rules of Bursa Securities.

#### **3.4 Malaysian law and Main Market Listing Requirements**

GHL was incorporated on 29 March 1994 in Malaysia and is listed on the Main Market of Bursa Securities. Accordingly, GHL is required to comply with the requirements of the Main Market Listing Requirements and the laws of Malaysia, including those obligations and requirements outline below.

##### **(a) Acquisition and/or disposal**

Chapter 10 of the Main Market Listing Requirements sets out the requirements that must be complied with in respect of transactions entered into by companies listed on the Main Market of Bursa Securities or their subsidiaries. The general requirements of the Main Market Listing Requirements in relation to acquisition and/or disposal of assets are as follows:

- (i) Requirements for transactions with Percentage Ratio below 5%
- Where all the Percentage Ratios of a transaction are less than 5% and the consideration is satisfied in cash or unquoted securities, no announcement of the transaction to Bursa Securities is required.
- (ii) Requirements for transactions with Percentage Ratio of 5% or more
- Where any one of the Percentage Ratios of a transaction is 5% or more (other than a transaction where the value of the consideration of the transaction is less than RM250,000 (equivalent to AUD82,508), GHJ must announce the transaction to Bursa Securities as soon as possible after terms of the transaction have been agreed.
- (iii) Requirements for transactions with Percentage Ratio of 25% or more
- Where any one of the Percentage Ratios of a transaction is 25% or more (other than a transaction where the value of the consideration of the transaction is less than RM250,000 (equivalent to AUD82,508)), in addition to the requirements of **section 3.4(a)(ii)** above, GHJ must:
- (A) issue a circular to its shareholders; and
- (B) seek shareholder approval of the transaction in a general meeting.
- In the event GHJ undertakes transaction will result in a significant change in the business direction or policy of GHJ, the prior approval of Securities Commission, Malaysia is required.

(b) **Related party transactions**

Chapter 10 of the Main Market Listing Requirements also govern related party transactions involving companies listed on the Main Market of Bursa Securities. In general, other than a transaction where the value of the consideration of the transaction is less than RM250,000, if:

- (i) any one of the Percentage Ratios of a related party transaction is 0.25% or more, GHJ must announce the related party transaction to Bursa Securities as soon as possible after terms of the transaction have been agreed, unless it is a recurrent related party transaction;
- (ii) any one of the Percentage Ratios of a related party transaction is 5% or more, in addition to **section 3.4(b)(i)** above, GHJ must, inter alia:
- (A) send a circular to the shareholders;
- (B) obtain its shareholder approval of the transaction in general meeting; and
- (C) appoint an independent adviser who must comment as to whether the transaction is fair and reasonable so far as the shareholders are concerned and whether the transaction is to the detriment of minority shareholders. The independent adviser must also advise minority shareholders on whether they should vote in favour of the transaction;
- (iii) any one of the Percentage Ratios is 25% or more, in addition to **section 3.4(b)(ii)** above, GHJ must, before the terms of the transaction are agreed upon, appoint a principal adviser, who must:
- (A) ensure that such transaction:
- is carried out on fair and reasonable terms and conditions, and not to the detriment of minority shareholders of GHJ; and
  - complies with the relevant laws, regulations or guidelines, where applicable;
- (B) ensure full disclosure of all information required to be disclosed in the announcement and circular; and
- (C) confirm to Bursa Securities after the transaction has been completed and all the necessary approvals have been obtained, that it has discharged its responsibility with due care in regard to the transaction.

A director of GHL with any interest, direct or indirect (**interested director**) must abstain from board deliberation and voting on the relevant resolution in respect of the related party transaction.

In a meeting to obtain shareholder or GHL, the interested director, major shareholder or person connected with a director or major shareholder with any interest, direct or indirect ("**interested major shareholder**" or "**interested person connected with a director or major shareholder**"); and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transaction. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transaction.

GHL must ensure that any vote of shareholders taken at the general meeting on the resolution approving the transaction is taken on a poll.

An interested director in a related party transaction, must inform the board of directors of GHL or its subsidiary, or in relation to a business trust, the board of directors of the trustee-manager, as the case may be, the details of the nature and extent of his interest, including all matters in relation to the proposed transaction that he is aware or should reasonably be aware of, which is not in the best interest of GHL or its subsidiary, as the case may be.

(c) **Companies Act and the Main Market Listing Requirements in relation to disclosure of substantial shareholdings by substantial shareholders**

Pursuant to section 69E(1) of the Companies Act, a person who is a substantial shareholder in a company shall give notice in writing to the company stating his name, nationality and address and full particulars of the voting shares in the company in which he has an interest (including, unless the interest cannot be related to a particular share, the name of the person who is registered as the holder) and full particulars of each such interest and of the circumstances by reason of which he has that interest.

Pursuant to section 69F(1) of the Companies Act, where there is a change in the interest of a substantial shareholder in a company in voting shares in the company, he shall give notice in writing to the company stating his name and full particulars of the change, including the date of the change, and the circumstances by reason of which that change has occurred.

Pursuant to section 69G(1) of the Companies Act, a person who ceases to be a substantial shareholder in a company shall give notice in writing to the company stating his name and the date on which he ceased to be a substantial shareholder and full particulars of the circumstances by reason of which he ceased to be a substantial shareholder.

In accordance with the provisions of Part J of Chapter 9 of the Main Market Listing Requirements, GHL must immediately announce to Bursa Securities if any notice relating to substantial shareholdings of substantial shareholders have been received.

(d) **Malaysian Code**

Section 9(1) the Malaysian Code provides that a mandatory takeover offer shall apply to an acquirer in the following situations:

- (i) where the acquirer has obtained control in a company; or
- (ii) where the acquirer has acquired more than two per centum of the voting shares or voting rights of a company in any period of six months and that acquirer's holding was more than thirty-three per centum but not more than fifty per centum of the voting shares or voting rights of the company during that six months period.

Pursuant to section 216(1) of the Capital Markets and Services Act, 2007 of Malaysia (**CMSA**), an acquirer obtains control in a company if his acquisition or holding of, or entitlement to exercise or control the exercise of, voting shares or voting rights of thirty three per centum or more, or such other amount as may be prescribed in the Malaysian Code in a company, howsoever effected.

Section 5.1 of Practice Note 9 of the Malaysian Code stipulates that under section 9(1) of the Malaysian Code, a mandatory offer obligation will apply to all members of a group of persons acting in concert if any member of the group acquires voting shares or voting rights such that the collective acquisition of the group triggers a mandatory offer obligation.

### 3.5 Rights and liabilities of GHL Shares

The rights and liabilities of GHL Shares are summarised in **section 9**.

### 3.6 GHL securities on issue

As at the date of this Bidder's Statement, GHL had on issue the shares and options over unissued shares detailed in the following table.

Class	Number
<b>Quoted shares</b>	
Fully paid and issued ordinary shares (Bursa Securities Code: GHL)	183,432,150
Executive Share Scheme Options ( <b>ESS Options</b> )	18,816,500

On 3 September 2013, GHL has issued 19,100,000 outstanding executive share scheme options (**ESS Options**) pursuant to GHL's executives share scheme (**Executive Share Scheme**) which are exercisable into 19,100,000 GHL Shares at an exercise price of RM0.34 each during the vesting period of three years from 3 September 2013 to 2 September 2016. As at the date of this Bidder's Statement, 283,500 ESS Options have been exercised. 6,083,166 outstanding ESS Options are exercisable from the date of the Bidder's Statement to 2 September 2016. 6,366,667 ESS Options are exercisable from the period from 3 September 2014 to 2 September 2016 and 6,366,667 ESS Options are exercisable from the period from 3 September 2015 to 2 September 2016.

As at the date of the Bidder's Statement, GHL has 1,415,901 treasury shares on issue (which are included in the 183,432,150 fully paid ordinary shares noted in the table above).

In accordance with section 67A(3A) of the Companies Act, the directors of GHL may resolve:

- to cancel the treasury shares;
- to retain the shares so purchased in treasury; or
- to retain part of the treasury shares so purchased and cancel the remainder.

In accordance with section 67A(3B) of the Companies Act, the directors of GHL may distribute the treasury shares as dividends to the shareholders of GHL or resell the treasury shares on the Main Market of Bursa Securities.

GHL Board intends to retain such treasury shares. At present, the GHL Board does not intend to increase the number of treasury shares nor does it intend to sell any of its existing treasury shares during the Offer Period.

### 3.7 GHL shareholders

As at the date of this Bidder's Statement, the substantial shareholders of GHL as disclosed through disclosures submitted to Bursa Securities were as follows:

Shareholder	Number of shares in which Relevant Interest held (directly or indirectly)	Percentage interest %
Simon Loh	55,687,623	30.59 <sup>(1)</sup>
Goh Kuan Ho	13,273,880	7.29 <sup>(1)</sup>

Notes:

(1) Percentage based on total issued and paid-up capital (net of treasury shares) of GHL

### 3.8 GHL Executives Share Plan

As at the date of this Bidder's Statement, GHL has 18,816,500 outstanding ESS Options awarded under GHL's Executives Share Scheme (**ESS**).

6,083,166 ESS Options (including 1,800,000 ESS Options granted to directors of GHL) are exercisable in the period from the date of the Bidder's Statement to 2 September 2016. 6,366,667 ESS Options are exercisable from the period from 3 September 2014 to 2 September 2016 and 6,366,667 ESS Options are exercisable from the period from 3 September 2015 to 2 September 2016. Details in relation to the option exercise price, vesting periods and expiry are set out in **section 3.6**.

The ESS is valid for a duration of five years from 30 August 2013 and may be further extended for a maximum period of five years. The ESS is intended to provide an opportunity to eligible employees to participate in the equity of GHL. The ESS is administered by the ESS Committee, the members of which were appointed and authorised by the board of GHL. The ESS Committee will have absolute discretion in administering the ESS including prescribing the performance targets or any conditions as it may deem fit. Any liberty, power or discretion which may be exercised or any decision or determination which may be made by the ESS Committee (including any selection) pursuant to the By-Laws may be exercised by the ESS Committee's sole and absolute discretion having regard only to the Terms of Reference (where applicable). The ESS Committee shall comprise directors and/or executives appointed by the board of GHL, and the ESS Committee shall ensure that the executive directors and/or senior management of GHL do not participate in the deliberation or discussion of their own allocation. The board of GHL may at its absolute discretion decide whether the allocation of awards available shall be staggered over the duration of the ESS.

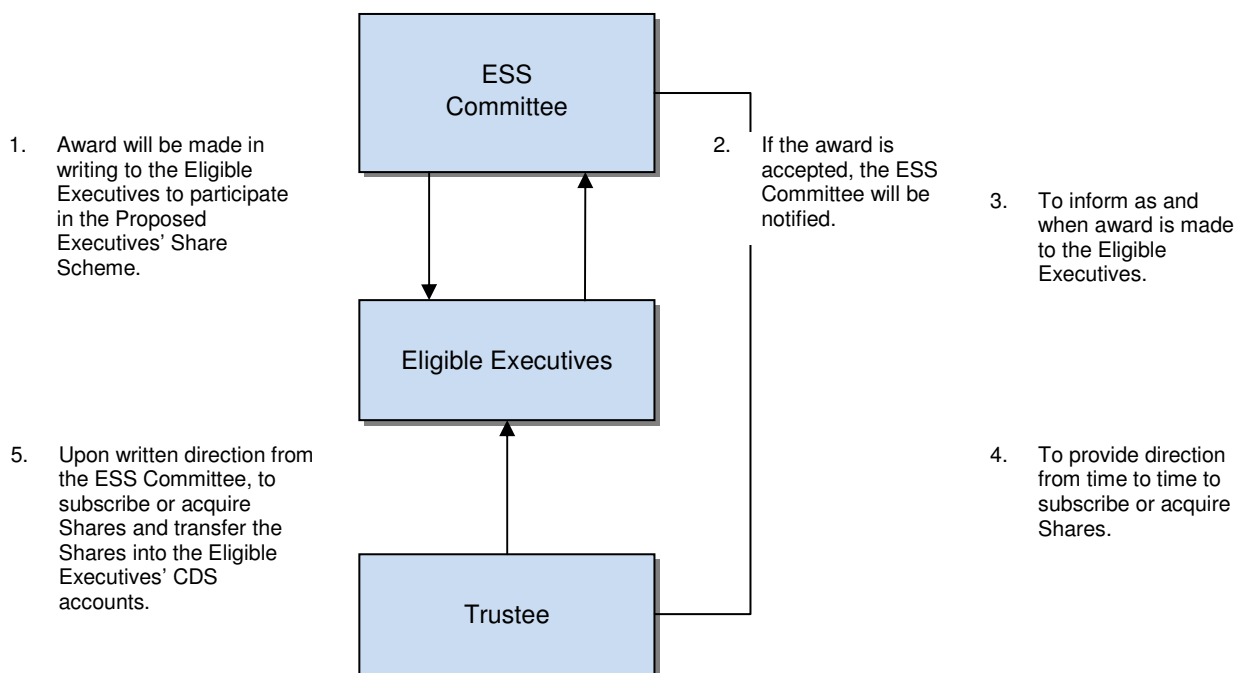
The offer to eligible employees under the ESS will comprise of either the following or a combination of the following awards:

- (a) the right to have a number of GHL Shares vested in the selected employee(s) at a specified future date or such earlier date as the ESS Committee may decide; and
- (b) options which entitle the selected employee(s), upon exercise, to obtain GHL Shares at a specified future date at a pre-determined price,

provided that prior to such specified future date of vesting or exercise, as the case may be, the conditions as may be stipulated by the ESS Committee at the point of Offer, are duly fulfilled unless the ESS Committee otherwise determines. The ESS Committee may in its absolute discretion decide that the scheme shares may be satisfied either by way of:

- (c) issuance of new GHL Shares;
- (d) acquisition of existing GHL Shares from the market;
- (e) payment by cash; or
- (f) a combination of the above.

In considering whether to issue new GHL Shares or to acquire existing GHL Shares for the purpose of the ESS, the ESS Committee will take into consideration, *inter alia*, factors such as the prevailing market price of the GHL Shares, funding considerations and dilutive effects on GHL's capital base and future returns. A summary of the implementation flow for the ESS is set out below:



### 3.9 Recent performance of GHL Shares

GHL is listed on the Main Market of Bursa Securities. Set out below is a table showing relevant trading prices of GHL Shares on Bursa Securities:

Comparative trading period	Price of GHL Shares (RM)
Highest trading price on 4 November 2013 in the four months prior to the date this Bidder's Statement was lodged with ASIC	0.88
Lowest trading price on 8 July 2013 in the four months prior to the date this Bidder's Statement was lodged with ASIC	0.27
Closing trading price on 2 October 2013, the last practicable day before finalisation of the Offer proposal	0.44
Closing trading price on 3 October 2013, the last trading day before the date GHL announced the Offer proposal	0.48
Last available closing sale price of GHL Shares (as at 6 November 2013) on Bursa Securities prior to the date this Bidder's Statement was lodged with ASIC	0.83
One month VWAP of GHL Shares before the Announcement Date	0.43
Three month VWAP of GHL Shares before the Announcement Date	0.41
Six month VWAP of GHL Shares before the Announcement Date	0.40

(Source: Bloomberg)

The latest market price for GHL Shares may be obtained by EPY Shareholders from the Bursa Securities website: [bursamalaysia.com](http://bursamalaysia.com) (Bursa Code: GHLSYS).

The following table shows the highest and lowest market prices of GHL Shares as traded on Bursa Securities for the past twelve months up to October 2013:

Month	High	Low
	Price of GHL Shares (RM)	Price of GHL Shares (RM)
<b>2012</b>		
November	0.37	0.24
December	0.28	0.25
<b>2013</b>		
January	0.27	0.23
February	0.29	0.24
March	0.27	0.24
April	0.27	0.25
May	0.30	0.24
June	0.32	0.28
July	0.39	0.27
August	0.52	0.32
September	0.46	0.36
October	0.74	0.42

(Source: Bloomberg)

### 3.10 GHL's dividend and distribution history

GHL did not pay a dividend for the financial year ended 31 December 2012 and it did not pay any interim dividend during the six months financial period ended 30 June 2013.

### 3.11 Directors' interests in GHL securities

As at the date of this Bidder's Statement, the directors of GHL and their director-related entities have the following Relevant Interests in GHL securities:

Director	Securities	Percentage interest in GHL Shares %	Nature of Relevant Interest
Datuk Kamaruddin Bin Taib	Nil		Not applicable
Simon Loh	55,687,623 ordinary shares 1,800,000 ESS Options	<ul style="list-style-type: none"> <li>• 30.59 <sup>(1)</sup></li> <li>• 28.62 <sup>(2)</sup></li> </ul>	Direct and indirect
Kanagaraj Lorenz	1,730,600 ordinary shares 1,800,000 ESS Options	<ul style="list-style-type: none"> <li>• 0.95 <sup>(1)</sup></li> <li>• 1.76 <sup>(2)</sup></li> </ul>	Direct
Ng King Kau	999,300 ordinary shares 1,800,000 ESS Options	<ul style="list-style-type: none"> <li>• 0.55 <sup>(1)</sup></li> <li>• 1.39 <sup>(2)</sup></li> </ul>	Direct
Fong Seow Kee	424,700 ordinary shares Nil ESS Options	<ul style="list-style-type: none"> <li>• 0.23 <sup>(1)</sup></li> <li>• 0.21 <sup>(2)</sup></li> </ul>	Direct and indirect -
Goh Kuan Ho	13,273,880 ordinary shares Nil ESS Options	<ul style="list-style-type: none"> <li>• 7.29 <sup>(1)</sup></li> <li>• 6.61 <sup>(2)</sup></li> </ul>	Direct -

Notes:

- (1) Percentage based on total issued and paid-up capital (net of treasury shares) of GHL
- (2) % computed based on total issued and paid-up capital (net of treasury shares) of GHL and assuming all 18,816,500 outstanding ESS Options are exercised and excluding the GHL Shares to be issued pursuant to the Offer and Proposed Share Issuance.

## **4 Profile of EPY**

### **4.1 Basis of preparation of EPY information**

The information on EPY, EPY Shares and the EPY Group contained in this section has been prepared by GHIL on the basis described in the Important Notices at the start of this Bidder's Statement.

### **4.2 EPY - overview**

EPY is a publicly listed company incorporated in Australia which was registered under its present name on 7 November 2005 and was listed on ASX on 4 January 2006 (ASX ticker code: EPY).

EPY operates in the electronic payment industry as a provider of electronic top-up services for mainly prepaid mobile users and the sale of software services. The principal activity of the EPY Group is provision of point-of-sale terminals to their network of retail agents, provision of customised software solutions, software licenses and the provision of ongoing software maintenance services.

EPY operates mainly through e-pay (M) Sdn Bhd, a wholly owned Subsidiary in Malaysia, with a very small presence in Indonesia, Thailand and Pakistan as well as maintaining a corporate office in Australia. e-pay (M) Sdn Bhd became a wholly owned Subsidiary of EPY after the acquisition of the remaining 40% of the issued shares of e-pay (M) Sdn Bhd for a cash consideration of AUD8,000,0000 which was completed on 3 July 2013.

Based on the audited financial statements of EPY for the financial year ended 31 December 2012, approximately 99% of the total revenue is contributed by Malaysian operations.

### **4.3 Principal activities of EPY**

EPY is an electronic payment service provider. EPY provides point-of-sale terminals to their network of retail agents. These terminals are connected to EPY's payment networks, which allow the retail agents to collect payments and issue credit on behalf of a third party.

EPY acts as an intermediary in a flexible payments system between the supplier of products (such as prepaid phone credit, amongst others), the retail agents that collect payments and issue credit on behalf of the supplier of products (such as petrol stations, convenient stores and pharmacies) and end-consumers using these products. EPY earns a transaction fee/commission for every payment made for the suppliers' products.

EPY operates a regional electronic payment network that consists of approximately 18,000 points of sale, which are also capable of processing all kinds of cash payments, debit and credit card transactions, and electronic funds transfers.

EPY provides the following products and services:

#### **(a) Prepaid top-up services**

- provision of various prepaid top up services (i.e. pre-paid mobile credit, prepaid broadband, mobile games and gift cards) to networks of retail agents

#### **(b) Software solutions**

- development of customised software solutions to customers, provision of software licenses and the provision of ongoing software maintenance services.

EPY is also working on new sales platforms such as web, mobile and phones and tablets aiming to deliver products to larger group of consumers at a lower cost. EPY intends continue to further expand their products lines, such as bill payments, content payments, debit and credit card payments, loyalty program fulfilment services as well as remittance services with strategic partners.

### **4.4 Directors of EPY**

As at the date of this Bidder's Statement, the directors of EPY are:

Simon Loh  
Yap Chih Ming  
Singam Sabaratnam  
Chun Yean Chin  
Thomas Jurgen Schnitker



## 4.5 Financial information of the EPY Group

The recent performance of the EPY Group is summarised below. The historical financial information below relates to the EPY Group on a standalone basis and accordingly does not reflect any impact of the Offer. It is a summary only and does not contain all the disclosures usually provided in an annual report prepared in accordance with Australian Accounting Standards and the Corporations Act.

The full financial statements for EPY for the financial periods described below, which include the notes to the financial statements, can be found in EPY's annual reports and half yearly reports for those periods.

### (a) EPY Group – consolidated statements of financial position

Set out below are the consolidated statements of financial position for the EPY Group as at 30 June 2013 and 31 December 2012. These financial statements were audited (31 December 2012) or reviewed (30 June 2013) by EPY's auditor, Hall Chadwick.

#### e-pay Asia Limited ABN 99 089 227 887 Consolidated Statement of Financial Position As at 30 June 2013 and 31 December 2012

	Consolidated Group	
	Reviewed 30 June 2013 AUD	Audited 31 December 2012 AUD
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	7,769,732	5,447,167
Trade and other receivables	16,251,964	5,124,319
Inventories	11,163,881	11,402,624
Other current assets	527,052	463,045
<b>TOTAL CURRENT ASSETS</b>	<b>35,712,629</b>	<b>22,437,155</b>
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	963,278	1,025,938
Intangible assets	59,137	59,684
Investments accounted for using the equity method	16,753	7,622
Prepayments	1,351,651	1,344,697
Financial assets	2,074,200	1,858,800
<b>TOTAL NON-CURRENT ASSETS</b>	<b>4,465,019</b>	<b>4,296,741</b>
<b>TOTAL ASSETS</b>	<b>40,177,648</b>	<b>26,733,896</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	10,713,632	9,583,157
Borrowings	13,839,101	4,088,294
Current tax liabilities	163,618	121,755
<b>TOTAL CURRENT LIABILITIES</b>	<b>24,716,351</b>	<b>13,793,206</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	124,452	111,528
Borrowings	76,405	119,854
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>200,857</b>	<b>231,382</b>
<b>TOTAL LIABILITIES</b>	<b>24,917,208</b>	<b>14,024,588</b>
<b>NET ASSETS</b>	<b>15,260,440</b>	<b>12,709,308</b>
<b>EQUITY</b>		
Issued capital	14,607,663	14,607,663
Reserves	(243,710)	(1,115,564)
Retained losses	(4,382,147)	(5,407,860)
<b>Parent entity interest</b>	<b>9,981,806</b>	<b>8,084,239</b>
Non-controlling interests	5,278,634	4,625,069
<b>TOTAL EQUITY</b>	<b>15,260,440</b>	<b>12,709,308</b>

(b) **EPY Group – consolidated income statements**

Set out below are the consolidated income statements for the EPY Group for the financial year ended 31 December 2012 and the 6 months ended 30 June 2013. These financial statements were audited (31 December 2012) or reviewed (30 June 2013) by EPY's auditor, Hall Chadwick.

**e-pay Asia Limited ABN 99 089 227 887**

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**

**For the half-year ended 30 June 2013 and full-year ended 31 December 2012**

	<b>Consolidated Group</b>	
	<b>Reviewed 30 June 2013 AUD</b>	<b>Audited 31 December 2012 AUD</b>
<b>Revenue</b>	5,844,101	11,376,023
Employee benefits expense	(1,997,841)	(4,040,326)
Advertising and marketing promotions	(307,321)	(1,222,047)
Accommodation and travelling expenses	(87,159)	(224,426)
Telephone and utility charges	(171,296)	(397,540)
Professional and consultancy fees	(85,064)	(545,084)
Operating lease rentals	(334,428)	(229,605)
Terminal installation and maintenance fees	(79,010)	(422,341)
Other operating expenses	(558,120)	(761,280)
Share of loss of investments accounted for using the equity method	(31,506)	(30,524)
Profit before finance costs, depreciation and amortisation, and income tax	2,192,356	3,502,850
Finance costs	(136,867)	(232,118)
Impairment of plant and equipment	-	(1,918)
Depreciation and amortisation expenses	(245,858)	(486,482)
<b>Profit before income tax</b>	<b>1,809,631</b>	<b>2,782,332</b>
Income tax expense	(356,450)	(709,657)
<b>Net profit for the half-year/ full-year</b>	<b>1,453,181</b>	<b>2,072,675</b>
<b>Other comprehensive income after income tax</b>		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange income on translating foreign controlled entities	1,409,941	13,374
<b>Other comprehensive income for the half-year/ full-year, net of tax</b>	<b>1,409,941</b>	<b>13,374</b>
<b>Total comprehensive income for the half-year/ full-year</b>	<b>2,863,122</b>	<b>2,086,049</b>
<b>Profit attributed to:</b>		
Members of the parent entity	1,025,713	1,311,283
Non-controlling interests	427,468	761,392
	<b>1,453,181</b>	<b>2,072,675</b>
<b>Total comprehensive income attributed to:</b>		
Members of the parent entity	1,897,567	1,320,237
Non-controlling interests	965,555	765,812
	<b>2,863,122</b>	<b>2,086,049</b>
<b>Earnings per share:</b>		
Basic earnings per share	1.80 cents	2.30 cents
Diluted earnings per share	1.80 cents	2.30 cents

**4.6 Recent announcements to ASX by EPY**

EPY is a disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations imposed by the Listing Rules and the Corporations Act. In particular, EPY is required to continuously disclose to the market any information it has which a

reasonable person would expect to have a material effect on the price or value of EPY Shares, subject to certain limited exceptions.

A list of announcements made by EPY (other than in relation to the Offer) to ASX between 1 January 2013 and the date of the Bidder's Statement is set out in **Attachment B**.

Copies of these announcements may be obtained from the ASX website ([www.asx.com.au](http://www.asx.com.au) (ASX Code: EPY)) or from EPY's website ([www.epay.asia.com](http://www.epay.asia.com)).

In addition, EPY is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by or in relation to EPY may be obtained from, or inspected at, any office of ASIC.

## 5 Information on EPY Shares

### 5.1 EPY securities

Based on documents lodged by EPY with ASX, as at the date of this Bidder's Statement, EPY had on issue the shares detailed in the following table and did not have on issue any options over unissued shares in EPY:

Class	Number
Fully paid ordinary shares (ASX Code: EPY)	56,930,320

### 5.2 EPY Shareholders

As at the date of this Bidder's Statement, the substantial shareholders of EPY (other than GHL which held a Relevant Interest of 19.99% pursuant to the Pre-Bid Agreement) as disclosed through substantial shareholder notices submitted to ASX were as follows:

Shareholder	Number of shares in which Relevant Interest held	Percentage interest %
HSBC Custody Nominees (AUST) Limited <sup>1</sup>	38,718,144	68.01
Nefco Nominees Pty Ltd	4,513,530	7.93
Dato MD Hassan Hj Said	4,257,061	7.48

<sup>1</sup> Mr Simon Loh indirectly holds 61.60% equity interest in EPY through his wholly owned company, TCL. Mr Simon Loh represents that HSBC Custody Nominees (AUST) Limited holds EPY Shares for TCL. TCL accepted the Offer in respect of its entire EPY shareholding (representing 61.60% of EPY Shares) on 21 November 2013.

As discussed further in **section 5.4**, as at 17 January 2014 (being the last practicable date before finalisation of the First Supplementary Bidder's Statement), GHL has a Relevant Interest and voting power (as defined in the Corporations Act) in 53,072,354 EPY Shares (93.22% of EPY Shares) as a result of acceptances received under the Offer (with holders of 92.572% of EPY Shares having elected to receive the Scrip Consideration and holders of 0.650% of EPY Shares having elected to receive the Cash Consideration).

### 5.3 Recent trading history of EPY Shares

EPY is listed on ASX. The last closing price of EPY Shares on ASX the last day of trading before the Announcement was AUD0.375 on 3 October 2013.

The latest closing price of EPY Shares on ASX before the date this Bidder's Statement was approved was AUD0.70 on 6 November 2013.

The highest and lowest recorded sale price of EPY Shares in 2011, 2012 and 2013 to date were as follows:

Year	High	Low
2013	AUD0.71 (6 November 2013)	AUD0.11 (10 January 2013)
2012	AUD0.26 (3 April 2012)	AUD0.092 (19 December 2012)
2011	AUD0.21 (14 September 2011)	AUD0.115 (24 March 2011)

### 5.4 GHL's Relevant Interests and voting power

Immediately before the first Offer was sent, GHL had a Relevant Interest and voting power (as defined in the Corporations Act) in 11,386,063 EPY Shares (19.99% of EPY Shares). Such Relevant Interest and voting power arise from GHL's rights under the Pre-Bid Agreement described in **section 5.5**.

As at 17 January 2014 (being the last practicable date before finalisation of the First Supplementary Bidder's Bidder's Statement), GHL has a Relevant Interest and voting power (as defined in the Corporations Act) in 53,072,354 EPY Shares (93.22% of EPY Shares). Such Relevant Interest and voting power arise from the acceptances GHL has received under the Offer (with holders of 92.572% of EPY Shares having elected to receive the Scrip Consideration and holders of 0.650% of EPY Shares

having elected to receive the Cash Consideration). These acceptances are, however, subject to Withdrawal Rights as discussed in **section 13.24** (other than the acceptance received by TCL for 61.60% of EPY Shares, as TCL has advised GHL that it will not exercise its Withdrawal Rights).

## **5.5 Pre-Bid Agreement**

Under the Pre-Bid Agreement, in consideration of the payment of the sum of AUD10.00, TCL agreed that if GHL made an off-market takeover bid for all of the issued ordinary shares in EPY, TCL (through its nominee HSBC Custody Nominees (AUST) Limited) will accept the Offer and/or cause persons holding EPY Shares on its behalf to accept the Offer, in respect of a total of 11,386,063 EPY Shares owned or controlled by it (representing 19.99% of EPY Shares on issue) (**TCL Acceptance Shares**) on the terms set out in the Pre-Bid Agreement.

The Pre-Bid Agreement provided that the offer must be of not less than 2.75 GHL Shares for each EPY Share, and otherwise on such terms and conditions as determined by the Bidder.

### **TCL**

TCL is Tobikiri Capital Limited, a private company incorporated in the British Virgin Islands on 1 December 2004, which is controlled by Mr Simon Loh, one of the directors of GHL.

As at the date of this Bidder's Statement, Mr Simon Loh holds a 100% equity interest in TCL, comprising of one ordinary share.

TCL's principal activity is investment holding. The sole director of TCL is Mr Simon Loh.

### **TCL to accept Scrip Consideration**

TCL agreed in the Pre-Bid Agreement to accept the Scrip Consideration of the Offer with respect to the TCL Acceptance Shares.

### **Acceptance of Offer within 5 Business Days**

TCL must accept, and/or procure that person's holding TCL Acceptance Shares on its behalf accept, the Offer in respect of the Acceptance Shares within 5 business days of receipt by TCL of the Offer.

Until the expiry of the Pre-Bid Agreement, TCL must not, and must procure that persons holding TCL Acceptance Shares on its behalf do not, withdraw or vary acceptance of the Offer in respect of the TCL Acceptance Shares without the prior written consent of GHL.

TCL has undertaken to GHL that that it will not sell, transfer or otherwise dispose of (including through creation of a security interest in respect of) or deal with any of the TCL Acceptance Shares (including entering into any agreement or option to do any of these acts or otherwise entering into any transaction which has the same economic consequences as a sale, transfer, disposal or other form of dealing), other than pursuant to the Offer, until the expiry of the Pre-Bid Agreement.

### **Expiry of agreement**

The Pre-Bid Agreement will expire, and TCL will be released from all obligations under it if GHL does not despatch offers to EPY Shareholders under the Offer within the time period specified by section 631(1) of the Corporations Act (being two months after the Announcement Date).

A copy of the pre-bid agreement was released on the ASX website ([www.asx.com](http://www.asx.com), ASX Code: EPY) on 7 October under cover of a substantial shareholder notice issued by GHL.

### **Acceptance of Offer on 21 November 2013**

TCL accepted the Offer in respect of its entire EPY shareholding (representing 61.60% of EPY Shares) on 21 November 2013. TCL has accepted the Scrip Consideration in respect of its entire shareholding and has advised GHL that it will not exercise its Withdrawal Rights.

## **5.6 TCL's Statement of Intention**

In addition to entering into the Pre-Bid Agreement with respect to 19.99% of EPY Shares, TCL has informed GHL (by way of letter annexed to the Announcement) of its intention that, assuming that it considers that no superior proposal has been received, its intention is to accept the Offer for the remainder 23,684,541 issued ordinary shares owned or controlled by it representing 41.61% of the total EPY Shares on issue. TCL also informed Bidder that, it will elect to receive the Scrip Consideration in respect of all such EPY Shares.

TCL accepted the Offer in respect of its entire EPY shareholding (representing 61.60% of EPY Shares) on 21 November 2013. TCL has accepted the Scrip Consideration in respect of its entire shareholding and has advised GHL that it will not exercise its Withdrawal Rights.

## 5.7 Interests of GHL directors in EPY Shares

As at the date of this Bidder's Statement, the following directors of GHL have a Relevant Interest in EPY Shares:

Director	EPY Shares	Percentage interest %	Nature of Relevant Interest
Mr Simon Loh	35,070,604	61.6	Indirect
Fong Seow Kee	507,000	0.89	Direct and indirect

Mr Simon Loh indirectly holds 61.60% equity interest in EPY through his wholly-owned company, TCL. Mr Simon Loh has represented to GHL that HSBC Custody Nominees (AUST) Limited holds 35,070,604 EPY Shares for TCL. TCL accepted the Offer in respect of its entire EPY shareholding (representing 61.60% of EPY Shares) on 21 November 2013.

Mr Simon Loh and Mr Fong Seow Kee have and will continue to abstain from deliberation and voting at board meetings on the Offer and the Proposed Exemption (other than to the extent necessary for the directors of GHL to approve this Bidder's Statement by unanimous resolution in accordance with section 637(1) of the Corporations Act). Mr Simon Loh and Mr Fong Seow Kee will also abstain and ensure that persons connected to them will abstain from voting in respect of his and their direct and/or indirect shareholdings in GHL on the resolutions pertaining to the Offer and the Proposed Exemption.

In the four months ending on the day immediately before the date of the Offer, no director of GHL has purchased or sold any EPY Shares provided or agreed to provide, consideration for any EPY Shares under an agreement or purchase.

## 5.8 Dealings in EPY Shares

Except as set out in **section 5.5**, in the four months ending on the day immediately before the date of the Offer, neither GHL nor an Associate of GHL provided, or agreed to provide, consideration for any EPY Shares under an agreement or purchase.

## 5.9 Benefits to EPY Shareholders

In the four months ending on the day immediately before the date of the Offer, neither GHL nor any Associate of GHL gave, offered to give or agreed to give a benefit to another person which was likely to induce the other person, or an Associate of the other person, to:

- (a) accept an Offer; or
- (b) dispose of EPY Shares,

which benefit was not offered to all EPY Shareholders.

## 5.10 Agreements for increased price or other benefits

Neither GHL nor any of its Associates has entered into a transaction prohibited by section 622(1) of the Corporations Act being a transaction whereby a benefit is to be passed and the amount or value of the benefit is determined by reference in whole or part to the Consideration offered under the Takeover Bid or the consideration offered for acquisition of EPY Shares outside the Takeover Bid during the Offer Period.

## 5.11 No agreement between GHL and EPY or the directors of EPY

Other than as set out in this Bidder's Statement, there is no agreement between GHL and EPY nor any of the directors of EPY in connection with or conditional upon the outcome of the Offer.

## **6 GHL's intentions**

### **6.1 Introduction**

This section sets out the intentions of GHL relating to:

- (a) the continuation of the business of EPY;
- (b) any major changes to the business of EPY and redeployment of the fixed assets of EPY;
- (c) the compulsory acquisition of EPY Shares and the delisting of EPY; and
- (d) the future employment of the present employees of EPY.

GHL's intentions, as detailed below, have been formed on the basis of facts and information concerning EPY, and the general business environment, which are known to GHL as at the date of this Bidder's Statement. This is insufficient to enable GHL to reach a concluded view on its intentions set out below. Final decisions regarding these matters and a final determination of any particular course of action will only be made after all material facts and circumstances have been considered. Accordingly, the statements set out in this **section 6** are statements of GHL's current intentions only which may change as new information becomes available and circumstances become apparent or change.

### **6.2 GHL's Intentions for EPY as a wholly owned controlled entity**

This **section 6.2** describes GHL's intentions if GHL becomes entitled to proceed to compulsory acquisition of outstanding EPY Shares in accordance with Part 6A.1 of the Corporations Act and becomes the holder of 100% of EPY Shares. In those circumstances, then subject to satisfaction or waiver of the Conditions of the Offer, GHL's current intentions are as follows:

#### **(a) Corporate matters**

GHL intends to proceed to compulsory acquisition of the outstanding EPY Shares in accordance with the provisions of the Corporations Act and thereupon procure that an application be made to remove EPY from the official list of ASX.

Under the compulsory acquisition procedure set out in Part 6A.1 of the Corporations Act, GHL is required to offer the same consideration to remaining EPY Shareholders as GHL offered to all EPY Shareholders under the Offer. That is remaining EPY Shareholders will be able to elect to receive the Cash Consideration or the Scrip Consideration for their EPY Shares (although Ineligible Foreign Shareholders that elect to receive the Scrip Consideration will only receive the net proceeds of the sale of the GHL Shares they would have been entitled to receive (see **section 13.11**)). If you do not elect the form of Consideration you wish to receive in response to the compulsory acquisition material provided to you, you will receive the Cash Consideration for Your EPY Shares.

GHL will, if required, seek to amend the constitution of EPY to remove provisions of the constitution consistent with the company being listed on the official list of ASX.

GHL also intends to appoint its own nominees to the board of directors of EPY and its subsidiaries and may seek the retirement of the current members of the boards of EPY and its Subsidiaries. Replacement board members have not yet been decided by GHL and their identity will depend on the circumstances at the time.

#### **(b) EPY operations**

Barring unforeseen circumstances, it is GHL's intention to continue with the current operations of the EPY Group's business, although GHL may restructure the EPY Group as it deems fit and necessary.

### **6.3 GHL's intentions for EPY as a partly owned controlled entity**

This **section 6.3** describes GHL's intentions if EPY becomes a Controlled entity of GHL, but GHL is not entitled to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act. In those circumstances, then subject to satisfaction or waiver of the other Conditions of the Offer and subject to the level of GHL's shareholding in EPY, EPY's current intentions are as follows:

(a) **Corporate matters**

After the end of the Offer Period, Bidder intends, subject to the Corporations Act and the constitution of EPY, to seek to replace some or all of the members of the EPY Board. The majority would be replaced with nominees of GHL. Replacement board members have not yet been decided by GHL and their identity will depend on the circumstances at the time.

GHL will seek, to the extent possible, through its nominees on the EPY Board, to implement the intentions detailed in **section 6.2** where they are consistent with EPY being a Controlled entity of (but not wholly owned by) GHL and are considered to be in the best interests of EPY Shareholders as a whole, including the rights of minority shareholders.

EPY Shareholders should be aware that, in this circumstance, the liquidity of EPY Shares may be materially decreased.

It is possible that, even if GHL is not entitled to proceed to compulsory acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of general compulsory acquisition under Part 6A.2 of the Corporations Act – for example, as a result of acquisitions of EPY Shares in reliance on the “3% creep” exception in item 9 of section 611 of the Corporations Act. If so, it intends to exercise those rights and proceed to implement the intentions described in **section 6.2**.

GHL may also procure that EPY conducts a program of acquiring unmarketable parcels held by EPY Shareholders in accordance with the Corporations Act (as modified by CO 08/10) and the ASX Listing Rules.

If EPY does not have the required spread of shareholders under the Listing Rules, GHL intends to procure an application to be made to remove EPY from the official list of ASX.

(b) **Limitations in giving effect to intentions**

The ability of GHL to implement the intentions set out in this **section 6.3** will be subject to the legal obligations of EPY directors to have regard to the interests of EPY and all EPY Shareholders, including the rights of all minority shareholders, and the requirements of the Corporations Act and the Listing Rules relating to transactions between related parties. GHL will only make a decision on the above mentioned courses of action following legal and financial advice in relation to those requirements.

**6.4 Intentions if GHL does not increase its Relevant Interest in EPY**

If GHL’s holding in EPY does not increase beyond its current Relevant Interest pursuant to the Pre-Bid Agreement, it will manage any EPY Shares held by GHL with a view to maximising returns for GHL Shareholders.

**6.5 Other intentions**

Subject to the matters described above in this **section 6** and elsewhere in this Bidder’s Statement, it is the intention of GHL, on the basis of the facts and information concerning EPY that are known to it and the existing circumstances affecting the assets and operations of EPY at the date of this Bidder’s Statement, to continue with the current operations of the EPY Group’s business, although GHL may restructure the EPY Group as it deems fit and necessary.



## 7 Effect of acquisition

This section contains Pro Forma Historical Financial Information which has been prepared to illustrate the financial performance and position of the operations of the Merged Group.

The Pro Forma Historical Financial Information has been prepared in order to give investors an indication of the scale and size of the Merged Group and the hypothetical impact upon the GHL Group of acquiring the EPY Group. It does not necessarily illustrate the financial position that would have been obtained or the financial performance which would have occurred had the acquisition of EPY by GHL occurred on or before 31 December 2012 or 30 June 2013 (where applicable), nor does it necessarily illustrate the likely effect of the acquisition on earnings or earnings per share in future years.

The Pro Forma Historical Financial Information presented in this section should also be read in conjunction with the risk factors set out in **section 10**, other information contained in this Bidder's Statement and the accounting policies of GHL and EPY as disclosed in their most recent financial reports.

### 7.1 Assumptions

The pro forma effects of the Offer set out in this section have been prepared on the basis of the following scenario (**100% Acquisition and Maximum Scrip Consideration Scenario**):

- (a) assumes 100% of EPY Shares are acquired by GHL and all EPY Shareholders accept the Offer and elect for GHL Consideration Shares in respect of their EPY Shares.
- (b) assumes 5,483,166 ESS Options (excluding 600,000 ESS Options granted to Mr Simon Loh)<sup>53</sup> granted are exercised prior to the completion of the Offer and the Proposed Share Issuance.
- (c) assumes the Proposed Share Issuance is unconditional as a result of the 100% acceptance level of the Offer and that GHL issues 86,369,000 new GHL Shares to Cycas which represents 20% of the enlarged issued and paid-up share capital of GHL (upon the completion of the Offer and the Proposed Share Issuance).

The 100% Acquisition and Maximum Scrip Consideration Scenario represents the maximum impact on the capital structure.

GHL proposes to undertake the Proposed Share Issuance detailed in **section 8.3** to part fund the Offer. The final amount raised by, and the exact number of GHL Shares to be issued pursuant to, the Proposed Share Issuance will depend on the level of acceptances received and the mixture of acceptances for Cash Consideration and Scrip Consideration, but will represent 20% of the enlarged issued and paid-up share capital of GHL upon completion of the Offer and the Proposed Share Issuance.

Subsequent to the latest audited consolidated financial statements of GHL for the financial year ended 31 December 2012, GHL had implemented, amongst others, the following corporate exercises (**Subsequent Events**), which have an effect on its issued and paid-up share capital, substantial shareholders, consolidated earnings/earnings per share, net assets (**NA**), NA per share and gearing position:

- (a) a capital reduction of the issued and paid-up share capital of GHL, involving the reduction of the par value of every ordinary share of RM0.50 each in GHL to RM0.20 each by the cancellation of RM0.30 of each GHL Share, which was completed on 18 June 2013 (**Capital Reduction**);
- (b) a renounceable rights issue of 36,346,550 Rights Shares on the basis of one (1) Rights Share for every four ordinary shares of RM0.20 each in GHL held after the Capital Reduction, which was completed on 31 July 2013 (**Rights Issue**);
- (c) GHL had granted 19,100,000 ESS Options on 3 September 2013 pursuant to the Executives Share Scheme, where the fair value of the ESS Options are RM0.08 each (**ESS Grant**); and
- (d) a total number of 283,500 GHL Shares have been issued pursuant to the exercise of 283,500 ESS Options at an issue price of RM0.34 per share on 30 October 2013 (**Exercise of ESS Options**). The market price of GHL Shares as at 30 October 2013 was RM0.71 per share.

<sup>53</sup> Pursuant to the Malaysian Code, Mr Simon Loh and his PACs must ensure that there is no disqualifying transaction, which includes the purchase of voting shares/rights subsequent to the negotiation of the Offer and before completion of the Offer in order to qualify for the Proposed Exemption. As the exercise of Mr Simon Loh's ESS Options is deemed a purchase of voting shares, Mr Simon Loh's ESS Options have been excluded in the assumptions in order for him to qualify for the Proposed Exemption.

As at the date of this Bidder's Statement, GHL has 1,415,901 treasury shares and the board of directors of GHL intends to retain such shares. At present, the board of directors of GHL does not intend to increase the number of treasury shares nor does it intend to sell any of its existing treasury shares throughout the implementation of the Offer and the Proposed Share Issuance.

As at 6 November 2013 (the last trading day prior to the date of this Bidder's Statement), GHL has on issue 18,816,500 outstanding Executives Share Scheme options pursuant to GHL's Executives Share Scheme which are exercisable into 18,816,500 GHL Shares at an exercise price of RM0.34 each during the vesting period of three years from 3 September 2013 to 2 September 2016. 6,083,166 ESS Options are exercisable from the date of this Bidder's Statement to 2 September 2016.

## 7.2 Capital structure and effect on shareholdings

### Number of GHL Shares on issue pursuant to the Offer and Proposed Share Issuance

The effects of the Offer and the Proposed Share Issuance on the issued and paid-up share capital of GHL are as shown below:

Issued and paid-up ordinary Shares	100% Acquisition and Maximum Scrip Consideration Scenario
Existing issued and paid ordinary shares	183,432,150
Issued pursuant to the Executives Share Scheme	5,483,166
Issued pursuant to this Offer (approximately)	156,558,380 <sup>(a)</sup>
<b>Total issued and paid-up share capital after Proposed Acquisition</b>	<b>345,473,696</b>
Issued pursuant to the Proposed Share Issuance (approximately)	86,369,000
<b>Total issued and paid-up ordinary shares (after the Offer and the Proposed Share Issuance)</b>	<b>431,842,696</b>

**Note:**

(a) Based on the total 56,930,320 EPY Shares on issue.

### 7.3 Effect on substantial shareholdings

The likely effect of the Offer and the Proposed Share Issuance on the substantial shareholders' shareholdings in GHL is illustrated in the tables below.

#### Scenario 1: 100% Acquisition and Maximum Scrip Consideration

The following table illustrates the likely effect of the Offer assuming that GHL acquires 100% of EPY Shares, all EPY Shareholders elect to receive the Scrip Consideration, all outstanding 5,483,166 ESS Options (excluding 600,000 ESS Options granted to Mr Simon Loh) are exercised prior to the completion of the Proposed Share Issuance and the Offer becomes Unconditional. In such scenario, Mr Simon Loh's interest in GHL Shares would be approximately 44.22% after the Proposed Acquisition (but before the Proposed Share Issuance) and 35.34% after the Proposed Share Issuance.

Substantial shareholder	As at date of Bidder's Statement		After the Executives Share Scheme issue		After the Proposed Acquisition		After Proposed Share Issuance		If Simon Loh subsequently exercised his 600,000 ESS Options <sup>54</sup>	
	Number of GHL Shares	Percentage interest %	Number of GHL Shares	Percentage interest %	Number of GHL Shares	Percentage interest %	Number of GHL Shares	Percentage interest %	Number of GHL Shares	Percentage interest %
Simon Loh	55,687,623	30.59	55,687,623	29.7	152,131,784	44.22	152,131,784	35.34	152,731,784	35.43
Goh Kuan Ho	13,273,880	7.29	13,273,880	7.08	13,273,880	3.86	13,273,880	3.08	13,273,880	3.08
Cycas	-	-	-	-	-	-	86,369,000	20.07	86,369,000	20.04

#### Scenario 2: 100% Acquisition, Maximum Cash Consideration and ESS Options exercised

The following table illustrates the likely effect of the Offer assuming that GHL acquires 100% of EPY Shares, no EPY Shareholder other than TCL accepts Scrip Consideration (ie. there is Maximum Cash Consideration), all outstanding 5,483,166 ESS Options (excluding 600,000 ESS Options granted to Mr Simon Loh) are exercised prior to the completion of the Proposed Share Issuance, TCL accepts the Scrip Consideration in respect of its entire 61.6% equity interest in EPY and the Offer becomes Unconditional. In such scenario, Mr Simon Loh's interest in GHL Shares would be approximately 53.58% after the Proposed Acquisition (but before the Proposed Share Issuance) and 42.82% after the Proposed Share Issuance.

Substantial shareholder	As at date of Bidder's Statement		After the Executives Share Scheme issue		After the Proposed Acquisition		After Proposed Share Issuance		If Simon Loh subsequently exercised his 600,000 ESS Options <sup>5</sup>	
	Number of GHL Shares	Percentage interest %	Number of GHL Shares	Percentage interest %	Number of GHL Shares	Percentage interest %	Number of GHL Shares	Percentage interest %	Number of GHL Shares	Percentage interest %
Simon Loh	55,687,623	30.59	55,687,623	29.7	152,131,784	53.58	152,131,784	42.82	152,731,784	42.92
Goh Kuan Ho	13,273,880	7.29	13,273,880	7.08	13,273,880	4.67	13,273,880	3.74	13,273,880	3.73
Cycas	-	-	-	-	-	-	71,340,000	20.08	71,340,000	20.05

<sup>54</sup> This scenario is a theoretical assessment as to what the position may be if the options are exercised. Due to regulatory restrictions and having regard to Simon Loh's present intention, this is a theoretical position only as there is no expectation that this position will be reached.

### Scenario 3: 100% Acquisition, Maximum Cash Consideration and no ESS Options exercised

The following table illustrates the likely effect of the Offer making the same completion of the Proposed Share Issuance. In such scenario, Mr Simon Loh's interest in GHL Shares would be approximately 54.63% after the Proposed Acquisition (but before the Proposed Share Issuance), 43.66% after the Proposed Share Issuance.

Substantial shareholder	As at date of Bidder's Statement		After the Proposed Acquisition		After Proposed Share Issuance		If Simon Loh subsequently exercised his 600,000 ESS Options <sup>5</sup>	
	Number of GHL Shares	Percentage interest %	Number of GHL Shares	Percentage interest %	Number of GHL Shares	Percentage interest %	Number of GHL Shares	Percentage interest %
Simon Loh	55,687,623	30.59	152,131,784	54.63	152,131,784	43.66	152,731,784	43.76
Goh Kuan Ho	13,273,880	7.29	13,273,880	4.77	13,273,880	3.81	13,273,880	3.80
Cycas	-	-	-	-	69,969,000	20.08	69,969,000	20.05

In the event GHL only acquires 19.99% of EPY Shares under the Offer (being the EPY Shares owned or controlled by TCL the subject of the Pre-Bid Agreement) and no other EPY Shareholder accepts the Offer, GHL would become a substantial shareholder of EPY with a holding of 19.99% and TCL would remain a shareholder of EPY with a holding of 41.61% (unless TCL had sold its EPY Shares to another party or otherwise altered its shareholding). Refer to **section 6.3** of this Bidder's Statement for GHL's intentions in such a scenario.

#### 7.4 Rationale for the Proposed Acquisition

The Proposed Acquisition is in line with the GHL Group's plan to expand its electronic payment business. The EPY Group is one of Asia's largest regional electronic payment networks consisting of 18,000 points of sale that can accept cash and electronic payments for pre-paid mobile, reload, bills payment and process debit and credit card transactions. Pursuant to the Proposed Acquisition, the enlarged GHL Group should have an EDC terminal network of more than 50,000 terminals in Malaysia alone. GHL believes that the Proposed Acquisition will open up opportunities for the GHL Group to increase revenue through the cross-selling of products and services both in Malaysia as well as regionally.

## 7.5 Pro Forma Historical Financial Information of the Merged Group

### PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE MERGED GROUP AS AT 31 DECEMBER 2012

	GHL Group Audited As at 31.12.2012 AUD'000	SE I After Subsequent Events of GHL AUD'000	Proforma I After ESS Options exercised AUD'000	EPY Group Audited As at 31.12.2012 AUD'000	SE II After Subsequent Event of EPY AUD'000	Proforma II After Proposed Acquisition (Merged Group) AUD'000	Proforma III After Proposed Share Issuance AUD'000
<b>ASSETS</b>							
<b>NON-CURRENT ASSETS</b>							
Property, plant and equipment	10,044	11,694	11,694	1,026	1,026	12,720	12,720
Intangible asset	52	52	52	60	60	112	112
Investment accounted for using the equity method	-	-	-	8	8	8	8
Prepayments	-	-	-	1,345	1,345	-	-
Other investments	-	-	-	1,859	1,859	1,859	1,859
Goodwill on consolidation	-	-	-	-	-	18,025	18,025
Deferred tax assets	396	396	396	-	-	396	396
	<b>10,492</b>	<b>12,142</b>	<b>12,142</b>	<b>4,298</b>	<b>4,298</b>	<b>33,120</b>	<b>33,120</b>
<b>CURRENT ASSETS</b>							
Inventories	2,740	2,740	2,740	11,403	11,403	14,143	14,143
Trade receivables	3,879	3,879	3,879	4,639	4,639	8,518	8,518
Other receivables, deposits and prepayments	707	707	707	948	948	1,158	1,158
Tax recoverable	67	67	67	-	-	67	67
Fixed deposits with licensed banks	512	512	512	-	-	512	512
Cash and bank balances	5,096	5,961	6,577	5,447	5,521	12,098	23,409
	<b>13,001</b>	<b>13,866</b>	<b>14,482</b>	<b>22,437</b>	<b>22,511</b>	<b>36,496</b>	<b>47,807</b>
<b>TOTAL ASSETS</b>	<b>23,493</b>	<b>26,008</b>	<b>26,624</b>	<b>26,735</b>	<b>26,809</b>	<b>69,616</b>	<b>80,927</b>
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
Share capital	24,225	12,108	12,470	14,608	14,608	22,804	28,505
Treasury shares	(211)	(211)	(211)	-	-	(211)	(211)
Share premium	-	527	781	-	-	13,182	19,452
Foreign exchange reserve	(170)	(170)	(170)	(1,116)	(1,116)	(170)	(170)
Option reserve	-	478	478	-	-	478	478
(Accumulated losses)/Retained profit	(10,210)	3,417	3,417	(5,407)	(8,782)	3,417	2,757
Equity attributable to owners of the Company	13,634	16,149	16,765	8,085	4,710	39,500	50,811
Non-controlling interests	(6)	(6)	(6)	4,625	-	(6)	(6)
<b>TOTAL EQUITY</b>	<b>13,628</b>	<b>16,143</b>	<b>16,759</b>	<b>12,710</b>	<b>4,710</b>	<b>39,494</b>	<b>50,805</b>
<b>NON CURRENT LIABILITIES</b>							
Long-term borrowings	891	891	891	120	6,681	7,572	7,572
Deferred tax liabilities	267	267	267	112	112	379	379
Deferred income	1,416	1,416	1,416	-	-	-	-
	<b>2,574</b>	<b>2,574</b>	<b>2,574</b>	<b>232</b>	<b>6,793</b>	<b>7,951</b>	<b>7,951</b>
<b>CURRENT LIABILITIES</b>							
Trade payables	1,449	1,449	1,449	917	917	2,366	2,366
Other payables and accruals	5,208	5,208	5,208	8,666	8,666	13,448	13,448
Short-term borrowings	551	551	551	4,088	5,601	6,152	6,152
Provision for taxation	83	83	83	122	122	205	205
	<b>7,291</b>	<b>7,291</b>	<b>7,291</b>	<b>13,793</b>	<b>15,306</b>	<b>22,171</b>	<b>22,171</b>
<b>TOTAL LIABILITIES</b>	<b>9,865</b>	<b>9,865</b>	<b>9,865</b>	<b>14,025</b>	<b>22,099</b>	<b>30,122</b>	<b>30,122</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,493</b>	<b>26,008</b>	<b>26,624</b>	<b>26,735</b>	<b>26,809</b>	<b>69,616</b>	<b>80,927</b>

**PRO FORMA COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE MERGED GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012**

	<b>GHL Group Audited for the FYE 31.12.2012 AUD'000</b>	<b>SE I After Subsequent Events of GHL AUD'000</b>	<b>Proforma I After ESS Options exercised AUD'000</b>	<b>EPY Group Audited for the FYE 31.12.2012 AUD'000</b>	<b>SE II After Subsequent Event of EPY AUD'000</b>	<b>Proforma II After Proposed Acquisition (Merged Group) AUD'000</b>	<b>Proforma III After Proposed Share Issuance AUD'000</b>
Revenue	17,649	17,649	17,649	11,351	11,351	28,741	28,741
Cost of sales	(4,336)	(4,336)	(4,336)	-	-	(4,077)	(4,077)
Gross profit	13,313	13,313	13,313	11,351	11,351	24,664	24,664
Other income	392	392	392	25	25	417	417
Payroll expenses	(6,357)	(6,869)	(6,869)	(4,041)	(4,041)	(10,910)	(10,910)
Administration expenses	(2,726)	(2,726)	(2,726)	(1,819)	(1,819)	(4,545)	(4,545)
Distribution expenses	(982)	(982)	(982)	(1,222)	(1,222)	(2,204)	(2,204)
Other expenses	(564)	(960)	(960)	(763)	(763)	(1,723)	(2,383)
	3,076	2,168	2,168	3,531	3,531	5,699	5,039
Depreciation	(1,954)	(1,954)	(1,954)	(487)	(487)	(2,441)	(2,441)
Finance costs	(70)	(70)	(70)	(232)	(490)	(560)	(560)
Share of loss of Joint Ventures	-	-	-	(30)	(30)	(30)	(30)
Profit/(Loss) before taxation	1,052	144	144	2,782	2,524	2,668	2,008
Taxation	385	385	385	(709)	(709)	(324)	(324)
Net profit/(loss) for the financial year	1,437	529	529	2,073	1,815	2,344	1,684
Other comprehensive income							
Items that may be reclassified - for foreign exchange differences, representing net gain not recognised in statement of comprehensive income	206	206	206	13	13	219	219
Total comprehensive income for the financial year	1,643	735	735	2,086	1,828	2,563	1,903
Net profit/(loss) for the financial year attributable to:							
Owners of the Company	1,443	535	535	1,312	1,815	2,350	1,690
Non-controlling interest	(6)	(6)	(6)	761	-	(6)	(6)
	1,437	529	529	2,073	1,815	2,344	1,684
Total comprehensive income attributable to:							
Owners of the Company	1,649	741	741	1,320	1,828	2,569	1,909
Non-controlling interest	(6)	(6)	(6)	766	-	(6)	(6)
	1,643	735	735	2,086	1,828	2,563	1,903

**PROFORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE MERGED GROUP AS AT 30 JUNE 2013**

	GHL Group Reviewed As at 30.6.2013 AUD'000	SE I After Subsequent Events of GHL AUD'000	Proforma I After ESS Options exercised AUD'000	EPY Group Reviewed As at 30.6.2013 AUD'000	SE II After Subsequent Event of EPY AUD'000	Proforma II After Proposed Acquisition (Merged Group) AUD'000	Proforma III After Proposed Share Issuance AUD'000
<b>ASSETS</b>							
<b>NON-CURRENT ASSETS</b>							
Property, plant and equipment	10,911	12,561	12,561	963	963	13,524	13,524
Intangible asset	444	444	444	59	59	503	503
Investment accounted for using the equity method	-	-	-	17	17	17	17
Prepayments	-	-	-	1,352	1,352	-	-
Other investments	-	-	-	2,074	2,074	2,074	2,074
Goodwill on consolidation	-	-	-	-	-	15,474	15,474
Deferred tax assets	396	396	396	-	-	396	396
	<u>11,751</u>	<u>13,401</u>	<u>13,401</u>	<u>4,465</u>	<u>4,465</u>	<u>31,988</u>	<u>31,988</u>
<b>CURRENT ASSETS</b>							
Inventories	2,847	2,847	2,847	11,164	11,164	14,011	14,011
Trade receivables	3,949	3,949	3,949	7,284	7,284	11,233	11,233
Other receivables, deposits and prepayments	572	572	572	9,495	9,495	9,702	9,702
Tax recoverable	136	136	136	-	-	136	136
Fixed deposits with licensed banks	281	281	281	-	-	281	281
Cash and bank balances	4,550	5,414	6,029	7,770	7,844	13,873	25,184
	<u>12,335</u>	<u>13,199</u>	<u>13,814</u>	<u>35,713</u>	<u>35,787</u>	<u>49,236</u>	<u>60,547</u>
<b>TOTAL ASSETS</b>	<u>24,086</u>	<u>26,600</u>	<u>27,215</u>	<u>40,178</u>	<u>40,252</u>	<u>81,224</u>	<u>92,535</u>
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
Share capital	9,691	12,109	12,470	14,608	14,608	22,804	28,505
Treasury shares	(211)	(211)	(211)	-	-	(211)	(211)
Share premium	-	527	781	-	-	13,182	19,452
Foreign exchange reserve	(233)	(233)	(233)	(244)	(244)	(233)	(233)
Option reserve	-	478	478	-	-	478	478
(Accumulated losses)/Retained profit	5,508	4,599	4,599	(4,382)	(7,103)	4,599	3,939
Equity attributable to owners of the Company	14,755	17,269	17,884	9,982	7,261	40,619	51,930
Non-controlling interests	(14)	(14)	(14)	5,279	-	(14)	(14)
<b>TOTAL EQUITY</b>	<u>14,741</u>	<u>17,255</u>	<u>17,870</u>	<u>15,261</u>	<u>7,261</u>	<u>40,605</u>	<u>51,916</u>
<b>NON CURRENT LIABILITIES</b>							
Long-term borrowings	762	762	762	76	6,637	7,399	7,399
Deferred tax liabilities	267	267	267	124	124	391	391
Deferred income	1,272	1,272	1,272	-	-	-	-
	<u>2,301</u>	<u>2,301</u>	<u>2,301</u>	<u>200</u>	<u>6,761</u>	<u>7,790</u>	<u>7,790</u>
<b>CURRENT LIABILITIES</b>							
Trade payables	1,722	1,722	1,722	2,423	2,423	4,145	4,145
Other payables and accruals	4,923	4,923	4,923	8,291	8,291	12,769	12,769
Short-term borrowings	399	399	399	13,839	15,352	15,751	15,751
Provision for taxation	-	-	-	164	164	164	164
	<u>7,044</u>	<u>7,044</u>	<u>7,044</u>	<u>24,717</u>	<u>26,230</u>	<u>32,829</u>	<u>32,829</u>
<b>TOTAL LIABILITIES</b>	<u>9,345</u>	<u>9,345</u>	<u>9,345</u>	<u>24,917</u>	<u>32,991</u>	<u>40,619</u>	<u>40,619</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>24,086</u>	<u>26,600</u>	<u>27,215</u>	<u>40,178</u>	<u>40,252</u>	<u>81,224</u>	<u>92,535</u>

**PROFORMA COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE MERGED GROUP FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 30 JUNE 2013**

	<b>GHL Group Reviewed for the FP from 1.1.2013 to 30.6.2013 AUD'000</b>	<b>SE I After Subsequent Events of GHL AUD'000</b>	<b>Proforma I After ESS Options exercised AUD'000</b>	<b>EPY Group Reviewed for the FP from 1.1.2013 to 30.6.2013 AUD'000</b>	<b>SE II After Subsequent Event of EPY AUD'000</b>	<b>Proforma II After Proposed Acquisition (Merged Group) AUD'000</b>	<b>Proforma III After Proposed Share Issuance AUD'000</b>
Revenue	10,607	10,607	10,607	5,844	5,844	16,232	16,232
Cost of sales	(3,913)	(3,913)	(3,913)	-	-	(3,694)	(3,694)
Gross profit	6,694	6,694	6,694	5,844	5,844	12,538	12,538
Other income	90	90	90	-	-	90	90
Payroll expenses	(3,744)	(4,257)	(4,257)	(1,998)	(1,998)	(6,255)	(6,255)
Administration expenses	(995)	(995)	(995)	(757)	(757)	(1,752)	(1,752)
Distribution expenses	(348)	(348)	(348)	(307)	(307)	(655)	(655)
Other expenses	(74)	(470)	(470)	(558)	(558)	(1,028)	(1,688)
	1,623	714	714	2,224	2,224	2,938	2,278
Depreciation	(450)	(450)	(450)	(246)	(246)	(696)	(696)
Finance costs	(32)	(32)	(32)	(137)	(266)	(298)	(298)
Share of loss of Joint Ventures	-	-	-	(32)	(32)	(32)	(32)
Profit/(Loss) before taxation	1,141	232	232	1,809	1,680	1,912	1,252
Taxation	34	34	34	(356)	(356)	(322)	(322)
Net profit/(loss) for the financial period	1,175	266	266	1,453	1,324	1,590	930
Other comprehensive (expense)/income Items that may be reclassified - foreign exchange differences, representing net gain not recognised in statement of comprehensive income	(63)	(63)	(63)	1,410	1,410	1,347	1,347
Total comprehensive income/(expense) for the financial period	1,112	203	203	2,863	2,734	2,937	2,277
Net profit/(loss) for the financial period attributable to:							
Owners of the Company	1,183	274	274	1,026	1,324	1,598	938
No n-controlling interest	(8)	(8)	(8)	427	-	(8)	(8)
	1,175	266	266	1,453	1,324	1,590	930
Total comprehensive income/(expense) attributable to:							
Owners of the Company	1,120	211	211	1,898	2,734	2,945	2,285
No n-controlling interest	(8)	(8)	(8)	965	-	(8)	(8)
	1,112	203	203	2,863	2,734	2,937	2,277



(a) **Pro Forma Historical Financial Information of the Merged Group**

(i) **Introduction**

The pro forma historical financial information of the Merged Group includes:

- the pro forma consolidated statements of financial position of the Merged Group as at 31 December 2012 and 30 June 2013 respectively, as if the Proposed Acquisition and the Proposed Share Issuance had been completed on 31 December 2012 and 30 June 2013 respectively; and
- the pro forma consolidated statements of profit or loss and other comprehensive income of the Merged Group for the twelve months financial year ended 31 December and six months ended 30 June 2013 respectively, as if the Proposed Acquisition and the Proposed Share Issuance had been completed on 1 January 2012 and 1 January 2013 respectively.

(collectively, the **Pro forma Historical Financial Information**).

The Pro Forma Historical Financial Information has been prepared for illustrative purposes only and in accordance with relevant accounting standards to give effect to the Proposed Acquisition and the Proposed Share Issuance.

(ii) **Basis of preparation**

The Pro Forma Historical Financial Information has been prepared using the following information:

- reviewed consolidated financial statements for the GHL Group as at and for the six months ended 30 June 2013;
- the audited consolidated financial statements of the GHL Group as at and for the year ended 31 December 2012;
- reviewed consolidated financial statements of the EPY Group as at and for the six months ended 30 June 2013;
- the audited consolidated financial statements of the EPY Group as at and for the year ended 31 December 2012;
- such other supplementary information, as set out in **sections 7.5(b)(i) to (v)**, as was considered necessary to reflect the Proposed Acquisition and the Proposed Share Issuance in the Pro Forma Historical Financial Information;
- all inter-company balances and transactions between GHL and EPY have been eliminated for the purpose of the Proposed Acquisition (refer to **section 7.5(b)(vii)** for details of the inter-company balances and transactions which have been eliminated);
- the EPY Group shareholders' equity, comprised of share capital, accumulated losses and reserves have been eliminated to reflect the effect of the Proposed Acquisition;
- an exchange rate of AUD1.00:RM3.03 has been employed to translate all the values in the Pro Forma Historical Financial Information;
- synergies and/or integration costs are not included in the Pro Forma Historical Financial Information;
- for the purpose of calculating goodwill in the Pro Forma Historical Financial Information, the book value of the EPY Group's assets and liabilities, as reported in the EPY Group's audited consolidated financial statements as at 31 December 2012 and unaudited consolidated financial statements as at 30 June 2013, is assumed to be equal to the fair value at the date of the Proposed Acquisition. The GHL Group has not undertaken an assessment of the fair value of the EPY Group's assets, liabilities and contingent liabilities. It is intended that this will be conducted once the Proposed Acquisition is complete; and
- the Pro Forma Historical Financial Information has been accounted for using the purchase method of accounting. The purchase price is allocated to assets and

liabilities in the statement of financial position acquired based on their carrying values. In accordance with Malaysian Financial Reporting Standards (**MFRS**), which is also International Financial Reporting Standards (**IFRS**) equivalent, GHL Group will be required to measure at fair value the EPY Group assets acquired, liabilities and contingent liabilities assumed (the acquisition method). This process is expected to be completed for the preparation of consolidated financial statements for the year ending 31 December 2014. This process may result in changes to the carrying value of certain assets and liabilities shown in the above Pro Forma Consolidated Statements of Financial Position of the Merged Group.

The information relating to the EPY Group included in the Pro Forma Historical Information in this section has been prepared by GHL on the basis described in the Important Notices at the start of this Bidder's Statement.

For the purpose of calculating the Pro Forma net finance costs in the Pro Forma Combined Statements of Profit or Loss and Other Comprehensive Income of the Merged Group, it has been assumed that the Proposed Acquisition and Proposed Share Issuance occurred on 1 January 2012 and 1 January 2013 respectively and that available cash and debt facilities are fully utilised to finance the Consideration and the transaction costs. Interest expense is calculated at an assumed effective interest rate of 3.2%, which is the initial interest rate of EPY's bank facilities. The actual rates are variable in accordance with the Malaysian bank's USD cost of fund interest rate changes from time to time.

It is GHL management's opinion that that Pro Forma Historical Financial Information presents, in all material respects, the Pro Forma impact of the Proposed Acquisition and the Proposed Share Issuance.

The Pro Forma Historical Financial Information is not intended to reflect the results of operations or the financial position that would have actually resulted had the Proposed Acquisition and the Proposed Share Issuance been effected on 31 December 2012 or 30 June 2013, or the results that may be obtained in the future if the Proposed Acquisition and the Proposed Share Issuance had occurred in the past. The combined entity's results of operations and financial position would likely have been different from that presented in the Pro Forma Historical Financial Information due to amongst others, the distinction between pre-acquisition and post-acquisition profits, accounting adjustments which may be undertaken upon completion of the Offer and Proposed Share Issuance in accordance with the MFRS issued by the Malaysian Accounting Standards Board. Due to the nature of Pro Forma information, it may not give a true picture of the Merged Group's financial position and earnings and may not be indicative of the future financial performance of the Merged Group.

It should be noted that the Pro Forma Historical Financial Information of the Merged Group set out in this section are not forecasts. They do not purport or reflect the likely reported earnings of the Merged Group and do not constitute a representation that future profits (or any other matter) will be achieved, either at all or in the amounts or by the dates indicated.

The Pro Forma Historical Financial Information should be read in conjunction with the description of the Proposed Acquisition, the consolidated financial statements and related notes of the GHL Group and the EPY Group referenced above and other information the EPY and GHL have filed with ASX and Bursa Securities.

The Pro Forma Historical Financial Information has been prepared in respect of the 100% Acquisition and Maximum Scrip Consideration Scenario.

(b) **Notes to the Pro forma Historical Financial Information**

(i) **Subsequent Events of GHL (SE I)**

Subsequent to the latest audited consolidated financial statements of GHL for the financial year ended 31 December 2012, GHL had implemented, amongst others, the following corporate exercises (**Subsequent Events**), which have an effect on its issued and paid-up share capital, substantial shareholders, consolidated earnings/earnings per share, net assets, net assets per share and gearing position.

- A capital reduction exercise involving the reduction of the par value of every ordinary share of RM0.50 each in GHL to RM0.20 each, which was completed on 18 June 2013 (**Capital Reduction**); and

- A renounceable rights issue exercise carried out after the Capital Reduction, which was completed on 31 July 2013 (**Rights Issue**).
- A grant of 19,100,000 ESS Options on 3 September 2013 pursuant to the GHL's Executives Share Scheme, where the fair value of the ESS Options are RM0.08 each. The total ESS Options expenses over the vesting period have been included in the Pro Forma Historical Financial Information for illustration purposes.
- A total number of 283,500 GHL Shares have been issued pursuant to the exercise of 283,500 ESS Options at an issue price of RM0.34 per share on 30 October 2013 (**Exercise of ESS Options**). The market price of GHL Shares as at 30 October 2013 was RM0.71 per share.

For the preparation of the Pro Forma consolidated financial statements as at and for the six months ended 30 June 2013, the Capital Reduction has been completed in June 2013 and thus the impact of the Capital Reduction has been reflected in the unaudited consolidated financial statements of GHL Group as at 30 June 2013.

(ii) **Proforma I: ESS Options**

Proforma I incorporates the effects of SE I.

As at the date of the Bidder's Statement, GHL has on issue 18,816,500 outstanding ESS Options which are exercisable into 18,816,500 GHL Shares at an exercise price of RM0.34 each. 6,083,166 outstanding ESS Options are exercisable from the date of the Bidder's Statement to 2 September 2016. 6,366,667 ESS Options are exercisable from the period from 3 September 2014 to 2 September 2016 and 6,366,667 ESS Options are exercisable from the period from 3 September 2015 to 2 September 2016.

It is assumed that 5,483,166 ESS Options (excluding 600,000 ESS Options granted to Simon Loh) granted are exercised prior to the completion of the Proposed Share Issuance.

It is also assumed that the market price as at the exercise date is RM0.34 which is equivalent to the ESS Options exercise price.

(iii) **Proposed Acquisition (Merged Group)**

Proforma II incorporates the effects of SE I and Proforma I.

The pro forma financial effect of the Proposed Acquisition is based on the 100% Acquisition and Maximum Scrip Consideration Scenario. It is assumed that all EPY Shareholders accept the Offer and elect for the GHL Consideration Shares.

For the purpose of the Pro Forma Historical Financial Information of GHL Group as at and for the year ended 31 December 2012, the net assets of EPY are based on the audited consolidated financial statements of EPY as at 31 December 2012 after adjustments on the significant event occurred after the last reporting period.

For the purpose of the Pro Forma Historical Financial Information of GHL Group as at and for the six months ended 30 June 2013, the net assets of EPY are based on the unaudited consolidated financial statements of EPY as at 30 June 2013 after adjustments on the significant event occurred after 30 June 2013.

(iv) **Subsequent Event of EPY (SE II)**

Subsequent to the latest audited consolidated financial statements of EPY for the financial year ended 31 December 2012, on 3 July 2013, EPY has entered into and simultaneously completed an acquisition under a Share Purchase Agreement with e-pay Limited to acquire the remaining 40% that it does not already own in its subsidiary, e-pay (M) Sdn Bhd for a cash consideration of AUD8 million (**40% E-Pay Malaysia Acquisition**). e-pay Limited is a subsidiary of Euronet Worldwide, Inc, a public listed company on the NASDAQ stock exchange.

As a consequence of the 40% E-Pay Malaysia Acquisition, e-pay (M) Sdn Bhd became a wholly owned subsidiary of EPY.

To finance the 40% E-Pay Malaysia Acquisition, EPY has obtained and drawn down on a 5 year USD8 million bank secured loan at an initial rate of 3.2% per annum.

A final purchase price allocation exercise will be performed at completion date and hence the actual fair value adjustments and resulting goodwill could be materially different.

(v) **Proforma III: Proposed Share Issuance**

Proforma III incorporates the effects of:

- SE I;
- Proforma I;
- Proforma II; and
- The proposed issuance and allotment of 89,369,000 new GHL Shares equivalent to 20% of the enlarged issued and paid-up share capital of GHL (i.e. after the completion of the Proposed Acquisition and the Proposed Share Issuance based on the 100% Acquisition and Maximum Scrip Consideration Scenario) to Cycas at an issue price of RM0.42 per GHL Share to be satisfied in cash.

The proceeds from the Proposed Share Issuance shall be first utilised to finance the Proposed Acquisition and related expenses. Any remaining amount not utilised shall be retained to meet the working capital requirements of the GHL Group for the next 12 months. The total estimated expense for the proposals is approximately AUD0.66 million which are recognised in profit or loss.

(vi) **Goodwill on consolidation**

The goodwill on consolidation figure of AUD18,025,000 (RM 54,615,000) included in the pro forma combined statements of financial position of the merged group as at 31 December 2012 set out in **section 7.5** is derived as follows:

	<b>RM'000</b>
Consideration transferred	68,886
Less: Total net assets of EPY after subsequent event	(14,271)
	54,615
Goodwill on acquisition	54,615

Note: Subsequent event refers to acquisition of remaining 40% of Epay Malaysia completed in July 2013. For AUD equivalent, please convert at AUD1: RM3.03.

The net assets of EPY acquired after subsequent event as at 31 December 2012 of RM14,271,000 (equivalent to AUD4,710,000) were as follows:

	<b>AUD'000</b>
Plant and equipment	1,026
Intangible assets	60
Investments accounted for using the equity method	8
Prepayments	1,345
Other investments	1,859
Inventories	11,403
Trade receivables	4,639
Other receivables, deposits and prepayments	948
Cash and bank balances	5,521
Non-controlling interests	-
Long-term borrowings	(6,681)
Deferred tax liabilities	(112)
Trade payables	(917)
Other payables and accruals	(8,666)
Short-term borrowings	(5,601)
Provision for taxation	(122)
	AUD 4,710

(vii) **Inter-company balances and transactions eliminated in the pro forma accounts**

There were inter-company balances and transactions eliminated in the pro forma accounts.

The eliminations for the financial period ended 30 June 2013 are as follows:

<b>Elimination on Intercompany Balance</b>		RM000	RM000
Dr. Deferred income		3,855	
Dr. Other payables		1,346	
Cr. Prepayments (short term)			1,104
Cr. Prepayments (long term)			4,097

<b>Elimination on Intercompany Transaction</b>		RM000	RM000
Dr. Revenue		663	
Cr. Cost of sales			663

The eliminations for the year ended 31 December 2012 are as follows:

<b>Elimination on Intercompany Balance</b>		RM000	RM000
Dr. Deferred income		4,290	
Dr. Other payables		1,288	
Cr. Prepayments (short term)			1,504
Cr. Prepayments (long term)			4,074

<b>Elimination on Intercompany Transaction</b>		RM000	RM000
Dr. Revenue		785	
Cr. Cost of sales			785

## 7.6 Pro forma earnings and EPS of Merged Group

The pro forma earnings of the Merged Group pursuant to the Proposed Acquisition as set out below is prepared based on GHL Group's and the EPY Group's earnings for the financial year ended 31 December 2012 and the six months ended 30 June 2013 assuming that the Offer and Proposed Share Issuance had been completed on 1 January 2012 and 1 January 2013 respectively.

For the aforementioned periods, EPY's earnings were mainly derived from its then 60% owned Subsidiary, e-pay (M) Sdn Bhd. On 3 July 2013, EPY completed the acquisition of the remaining 40% equity interest in e-pay (M) Sdn Bhd for a cash consideration of AUD8.00 million (40% E-Pay Malaysia Acquisition) resulting in e-pay (M) Sdn Bhd becoming a wholly owned Subsidiary of EPY.

Accordingly, to better reflect the Merged Group's earnings, in the computation below, the earnings attributable to the 40% equity interest in e-pay (M) Sdn Bhd for the aforementioned periods have been included, on the basis that e-pay (M) Sdn Bhd is now a 100% owned Subsidiary of EPY. The associated funding cost for the acquisition is also included.

	Financial Year ended 31 December 2012	6-month FPE 30 June 2013
	AUD'000	AUD'000
Profit after tax and minority interest		
- GHL Group	1,442 <sup>(e)</sup>	1,183
<i>Add:</i>		
Profit after tax of the EPY Group		
-Attributable to EPY (60%)	1,311	1,026
-Attributable to the minority interests (40%)	762	427
	2,073	1,453
<i>Less:</i>		
Funding costs for the 40% e-pay (M) Sdn Bhd Acquisition <sup>(a)</sup>	(260)	(130)
<b>Pro forma profit after tax and minority interest of the Merged Group</b>	<b>3,255</b>	<b>2,506</b>
EPS		
- Existing <sup>(b)</sup> and assuming all 5,483,166 outstanding ESS Options are exercised (excluding 600,000 ESS Options granted to Simon Loh)	0.77 cent	1.26 cent*
- Pro forma after the Proposed Acquisition <sup>(c)</sup>	0.95 cent	1.46 cent
- Pro forma after the Proposed Acquisition and Proposed Share Issuance <sup>(d)</sup>	0.76 cent	1.16 cent

### Notes:

\*Annualised to twelve months

(a) The funding costs for the 40% E-Pay Malaysia Acquisition is approximately AUD260,000 (equivalent to RM787,800)

(b) Based on the audited consolidated profit after tax and minority interest of GHL for the financial year ended 31 December 2012 and after the subsequent events of the Capital Reduction and the Rights Issue which were completed on 18 June 2013 and 31 July 2013 respectively

(c) Computed based on the pro forma total number of GHL Shares on issue after the completion of the Proposed Acquisition of 344.06 million GHL Shares (net of treasury shares) based on the 100% Acquisition Maximum Scrip Consideration Scenario

(d) Computed based on the pro forma enlarged number of GHL Shares on issue after the completion of the Proposed Acquisition and Proposed Share Issuance of 430.43 million GHL Shares (net of treasury shares) based on the 100% Acquisition Maximum Scrip Consideration Scenario

(e) AUD equivalent amounts converted at an AUD:RM exchange rate of AUD1.00 : RM3.03

The illustration set out above may not represent the true position of the earnings of the GHL Group after completion of the Offer and Proposed Share Issuance. There may be differences due to amongst others, the distinction between pre-acquisition and post-acquisition profits, accounting adjustments which may be undertaken upon completion of the Offer and Proposed Share Issuance in accordance with the Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board. In addition, the pro forma earnings of the Merged Group as set out above do not account for the estimated expenses for the Offer and Proposed Issuance of approximately AUD0.66 million as these items are one-off and non-recurring.

The Merged Group's future earnings are also dependent on the returns to be derived from the Proposed Acquisition.

## **7.7 Prospective financial information of the Merged Group**

GHL has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information in relation to the Merged Group. The GHL Board has concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable. In particular, GHL has only had access to publicly available information in relation to EPY and does not consider his would be sufficient to enable meaning financial forecast financial information to be prepared.

## **7.8 Synergies**

GHL has not yet undertaken an analysis of any synergies that may result from the merged group.

## **7.9 Prospects**

Based on the audited financial statements of EPY for the financial year ended 31 December 2012, approximately 99% of EPY's revenue is derived from Malaysia and its operations are principally based in Malaysia, the statements below are focused on the Malaysian economy and the electronic payment industry.

### **(a) Overview and outlook of the Malaysian economy**

The global economy continued to experience modest growth in the second quarter of 2013. The United States of America (**USA**) economy expanded at a moderate pace, while economic activity in the euro area remained weak amid austerity measures and ongoing sovereign debt concerns. In Asia, growth of several economies moderated in the second quarter, as the prolonged weakness in the external environment had begun to affect domestic economic activity, particularly in the more open economies. While domestic demand in the Malaysian economy has remained strong, the overall growth performance was affected by the weak external sector. In the second quarter, the Malaysian economy expanded by 4.3% (First quarter of 2013 (**1Q 2013**): 4.1%). While domestic demand remained firm, growing by 7.3% (1Q 2013: 8.2%), exports registered a larger decline, amid weakness across most export products. On the supply side, the major economic sectors expanded further in the second quarter, supported by the continued strength in domestic demand.

On a quarter-on-quarter seasonally adjusted basis, the economy recorded a growth of 1.4% (1Q 2013: -0.4%).

Private consumption expanded by 7.2%, supported by stable employment conditions and sustained wage growth in the domestic oriented sectors. Public consumption growth improved to 11.1% (1Q 2013: 0.1%), reflecting mainly higher Government spending on supplies and services, and sustained spending on emoluments.

Gross fixed capital formation continued to expand (6%; 1Q 2013: 13.1%), reinforced by from private sector capital spending. Private investment grew by 12.7%, supported by capital spending in the consumer related services sub-sectors, the ongoing implementation of infrastructure projects and capacity expansion in the oil and gas sector. Meanwhile, public investment declined by 6.4% (1Q 2013: 17.3%). Continued expansion in capital spending by public enterprises, particularly in the oil and gas, telecommunications and utilities sectors, was outweighed by lower Federal Government development expenditure.

On the supply side, the services and manufacturing sectors continued to expand, driven largely by sub-sectors catering to the domestic market. Growth of the mining sector rebounded following higher production of both natural gas and crude oil. However, the agriculture sector moderated, weighed down by a sharp reduction in natural rubber output and slower growth in crude palm oil

production. In the construction sector, growth remained firm, led by the civil engineering and residential sub-sectors.

The headline inflation rate, as measured by the annual change in the Consumer Price Index (CPI), was higher at 1.8% in the second quarter (1Q 2013: 1.5%), attributable mainly to price increases in the food and non-alcoholic beverages and housing, water, electricity, gas, and other fuels categories.

Going forward, the global economy continues to face downside risks, emanating from developments in several major economies.

Policy uncertainty surrounding the quantitative easing programme in the US and European sovereign debt concerns are expected to weigh on market sentiment and growth prospects. While overall growth performance in most emerging economies, including in Asia, will be affected by these developments, domestic demand will continue to support the overall growth performance. The growth prospects are also being augmented by targeted policy measures.

For the Malaysian economy, the prolonged weakness in the external environment has affected the overall growth performance of the economy going forward. While domestic demand is expected to remain firm, supported by sustained private consumption, capital spending in the domestic-oriented industries and the ongoing implementation of infrastructure projects, the weak external sector in the first half of this year will affect our overall growth performance for the year. The overall growth of the economy for this year has now been revised to 4.5 - 5.0%. Going forward, domestic demand is expected to remain on its steady growth trajectory and will continue to be supported by an accommodative monetary policy.

*(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2013, Bank Negara Malaysia)*

The Malaysian economy is expected to remain on a steady growth path with an expansion of 5 to 6% in 2013. Economic activity will be anchored by the continued resilience of domestic demand, and supported by a gradual improvement in the external sector.

Domestic demand, which recorded the highest rate of expansion over the recent decade in 2012, is expected to remain the key driver of growth in 2013, albeit at a more moderate pace. Growth in public and private investment is expected to remain strong, following the exceptional growth in capital spending in 2012. Private investment is expected to record a double-digit rate of growth, driven by the continued capacity expansion of the domestic-oriented firms, ongoing implementation of projects with long gestation periods and a gradual improvement in external demand. Private consumption is projected to grow at a more moderate rate in the second half of the year, but it will continue to be supported by sustained income growth and healthy labour market conditions. Public sector spending is also expected to record lower growth given the ongoing consolidation of the government's fiscal position and as the role of the private sector gains greater significance.

The underlying fundamentals of the economy are expected to remain strong, and will continue to support the growth prospects for the economy. Of importance, labour market conditions will remain favourable, with the unemployment rate projected to remain low at 3.1% of the labour force in 2013. In addition, the financial system continues to demonstrate resilience against the challenging external environment, with financial intermediation expected to continue to provide strong support to domestic economic activity.

*(Source: Outlook and policy in 2013, Bank Negara Malaysia)*

**(b) Outlook of the electronic payment industry**

In 2012, the payment and settlement systems operated reliably without any major disruptions, and continued to support the growth of the financial system and the broader economy. While preserving stability in the payment systems remained a central focus, Bank Negara Malaysia (**BNM**) also continued to devote resources towards strengthening the payment and settlement infrastructure and further enhancing efficiency in the provision of payment services.

Driven by technological advancements and innovation, the range and reach of payment services continued to expand with the entry of new players to the retail payments market such as Internet portals, telecommunication companies, online enterprises and social networks. The rapid



development in mobile technologies has also positioned mobile billing as an increasingly popular payment method within the Internet space.

Mobile billing, which involves the use of prepaid mobile airtime to make payments, is currently used not only to purchase mobile services offered by the telecommunication companies, but also to pay for digital or virtual products such as ringtones and online games offered by social networking sites or online merchants worldwide. BNM has provisionally allowed telecommunication companies to offer mobile airtime to be used as a mode of payment for limited products and services while BNM assesses its usage pattern and associated risks to form the basis for the development of a suitable regulatory framework for such payment services. BNM will continue to support the development of new and innovative payment services that provide consumers with greater choice and convenience, while ensuring adequate security of these services for the protection of consumers.

The use of e-payments has continued to expand while the use of cash and cheques declined relative to other payment methods. Nearly 90% of the 1.8 billion non-cash payments (including cheques), amounting to RM17.1 trillion, are now made via electronic means compared to 52.6% a decade ago. On average, the number of e-payment transactions per capita increased further from 49 in 2011 to 56 in 2012. This was mainly attributable to the higher use of e-money, debit card, Internet banking, Interbank GIRO (**IBG**) and automated teller machines (**ATM**), continuing the trend which has been observed since 2002.

Malaysian households and businesses performed 280 million financial transactions via e-payment channels in 2012, comprising mainly fund transfers, bill payments, top-ups for prepaid cards, purchases of phone cards and investments in the equity market.

Considerable efforts and resources have been devoted by BNM and the industry over the recent decade to develop a highly efficient payment system that delivers speed, security, convenience and cost savings. Whilst the migration from paper-based payments to electronic means of payment has been gradual, a marked increase in the adoption of electronic means of payment has been observed in the recent two years. This reflected the sustained efforts to expand access, improve delivery, and enhance functionalities of payment services, including measures to address impediments to the desired transformation of the national payment landscape in Malaysia.

Efforts to deploy more Electronic Funds Transfer at Point of Sale (**EFTPOS**) terminals to increase payment convenience and encourage the switch from cash to cards continued to be pursued in 2012. During the year, BNM collaborated with Multimedia Development Corporation and SME Corporation Malaysia to enable 1.1 million small and medium enterprises (**SME**) and micro-enterprises to accept payment card facilities by 2020 under the 'Enabling e-Payment Services for SMEs and Micro-enterprises' initiative of the Digital Malaysia Masterplan.

The MyMobile service, a national mobile ecosystem platform operated by BNM's payment Subsidiary, Malaysian Electronic Clearing Corporation Sdn Bhd (**MyClear**), went 'live' in February 2012, in partnership with three banks and two mobile network operators. The third major mobile network operator joined the platform in June 2012, thus covering more than 90% of mobile phone subscribers in Malaysia. These subscribers can register for the MyMobile service with the participating banks to enjoy easy and convenient access to banking and payment services. Registered users can view their transaction history, perform balance enquiries, and conduct mobile prepaid reload, funds transfer, bills payment and credit card repayment transactions through their mobile phones. New payment services are progressively being added to the suite of MyMobile services, including the payment of tax assessments to the local councils and placements of savings deposits with the National Education Savings Scheme managed by the National Higher Education Fund Corporation.

Despite the increase in e-payment options and efficiency, promoting the adoption of more efficient e-payment modes has proved to be challenging, due in part to the relative price of paper-based payments and e-payments. To address the price distortion and induce the payment behavioural change, BNM has formulated a pricing reform framework after extensive engagements with the financial institutions and MyClear.

For several years now, BNM has been working closely with several key sectors of the economy to further encourage the use of e-payments. These sectors have high payment transaction flows

and the migration from cheques to e-payments would result in significant efficiency gains to the wider economy.

Malaysia is still at a considerable distance from achieving the targets set out in the Financial Sector Blueprint 2011-2020.

Of significance is the popularity of cheques, which continue to be widely used for payments even as more convenient e-payment methods are now being introduced in the market. The use of debit cards is also still relatively low, while efforts to deploy point-of-sale terminals more widely to smaller merchants has been challenging due to the continued preference for cash. BNM and the industry will embark progressively to build on the momentum achieved thus far and intensify efforts to achieve the targets set by 2020. The key initiatives that will be rolled out in 2013 are:

- Implementation of a new pricing framework for payment services to promote the use of more cost-efficient payment services;
- Introduction of banking products that promote the use of e-payments over paper-based payments;
- Improve transparency by banking institutions of online banking fees for small and medium enterprises;
- Disclosure of simple payment reference and sender's identity for IBG and intrabank fund transfers initiated via electronic channels to facilitate reconciliation of payments;
- Greater flexibility for customers to determine the limit for fund transfers through Internet banking channels for greater payment convenience;
- Increase in the number of banks in the MyMobile service to widen payment outreach;
- Development of a National Bill Payment Scheme which will enable bank customers to pay a wide range of billers from any bank to enhance the convenience of paying bills; and
- Require banking institutions, insurance companies, takaful operators and non-bankcard issuers to migrate all of their own payments to e-payments.

Collectively, these initiatives are expected to have a pronounced impact on changing payment behaviour. It is recognised that changing payment habits takes time but the efforts undertaken are expected to yield pay-offs with inflection points in the growth of e-payment transactions in the future.

Collaborations to further enhance cross-border payment services between the Association of Southeast Asian Nations (**ASEAN**) countries continued to be pursued through the ASEAN Working Committee on Payment and Settlement Systems. The Committee has a key role in coordinating initiatives to achieve the key milestones endorsed by the ASEAN Central Bank Governors, with the aim of improving the efficiency and affordability of cross-border trade and securities settlement, retail payments and remittance, while promoting greater standardisation of cross-border payments.

Work also commenced on exploring the feasibility of introducing an ASEAN cross-border debit card scheme to support more convenient and cost-efficient retail purchases. In 2012, the Committee also engaged with the Asian Payment Network to expand cross-border retail payment linkages and the ASEAN Exchanges to facilitate settlement for capital market transactions conducted via the ASEAN trading links.

*(Source: Financial Stability and Payment Systems Report 2012, Bank Negara Malaysia)*

Electronic payments (**e-payments**), which offers a more expedient, secure and cost-effective means of moving funds over paper-based payments, is one of the strategic tools for achieving greater economic efficiency, productivity and growth as Malaysia transitions towards a high value added, high-income economy. Increasing the offering and adoption of e-payments would allow businesses and society at large to enjoy greater convenience and higher operational efficiency from expedient payments and receipts of funds. This in turn contributes towards improving the competitiveness of the economy and the quality of life of its citizens. The benefits of migrating to e-payments are not only limited to financial efficiency gains as it also promotes a more eco-friendly environment.

In this recent decade, BNM's efforts reinforced by developments in technology and innovation have led the transformation of the payments landscape towards greater offerings and the adoption of e-payment products and services. BNM has been a driver for the greater adoption of e-payments and has coordinated efforts in Malaysia to achieve this agenda. This includes engaging with several economic sectors and the Government to facilitate their transition to e-payments. BNM had also collaborated with several central banks in the region to improve the efficiency of retail payments and facilitate linkages between the Malaysian Electronic Payment System Sdn Bhd (**MEPS**) shared ATM network with shared ATM networks in Singapore, Indonesia, Thailand, Korea and the People's Republic of China. The growth in e-payments has been encouraging since embarking on this agenda, with notable growth registered across all e-payment methods. E-payments usage per capita doubled from 22 in 2005 to 44 in 2010, with substantial growth in the usage of debit cards which increased by 8.2 times, Internet banking by 6.3 times and Interbank GIRO by 4.5 times.

In the next 10 years, BNM aims to increase the number of e-payment transactions per capita from 44 transactions in 2010 to 200 transactions by the end of 2020, which is comparable to the e-payment transactions per capita of the more developed countries. The vision is to make e-payments the preferred medium for economic transactions in Malaysia. The achievement of this vision will be through the creation of a vibrant and conducive environment which provides the incentives for greater usage and provision of e-payment products and services. This will require new and bold measures and the commitment by all stakeholders to transform the Malaysian payments system to one that is highly efficient in terms of speed, security, convenience and cost.

Moving forward, BNM's payment Subsidiary, MyClear, which was established to spearhead the e-payments agenda, will take a leading role in elevating the migration to e-payments agenda to the next level. BNM will continue to provide the necessary regulatory environment to drive the migration to e-payments agenda, enhance efficiency including initiatives that will derive cost savings for the country as a whole and contribute to the payment system stability.

*(Source: Financial Sector Blueprint 2011 – 2020, Bank Negara Malaysia)*

(c) **Prospects of EPY**

According to EPY's Half Yearly Report and Accounts for the six months ended 30 June 2013:

- The EPY Group had recorded an increase in revenue of 5.3% from AUD5.55 million for the six months ended 30 June 2012 to AUD5.84 million for the six months ended 30 June 2013. The EPY Group's profit after tax and minority interest had also recorded a significant increase of 127.8% from AUD0.45 million for the six months ended 30 June 2012 to AUD1.03 million for the six months ended 30 June 2013. The improvement in its results is mainly attributable to a better sales mix of higher margin products on the back of stable revenue growth.
- EPY believes that this interim period's performance will continue to improve as EPY introduces new high margin products (for example, bill payment, content payment, loyalty program fulfilment services and remittance) as well as strongly promoting existing ones through its retailer network. Based on industry trends, EPY's sales performance for these products will continue to improve driven by consumers' awareness of their availability in EPY's retailer network. EPY will also continue to strategically grow its footprint on high foot traffic areas and maintain its dominance in this space. EPY will also embark on further establishing its brand in smaller towns and rural areas to provide a one-stop convenience for consumers to settle their bill payments. The smaller towns often have a higher percentage of cash usage as opposed to electronic payments which would benefit EPY's payment infrastructure.
- In addition, EPY will explore new revenue streams, in the space of media, entertainment and payment, to further improve its profitability and performance. These new revenue streams will leverage on its existing assets which will enable quick deployment as well as better and faster returns. EPY's existing network of more than 18,000 point of sales is a powerful tool for companies that wish to expand their bill collection as well as sales points for their products

The board of directors of GHL believes that the EPY Group's prospects are highly linked to the prospects of electronic payment industry in which it operates, namely in Malaysia.

The board of directors of GHL is of the view that the electronic payments model is growing and mobile is enabling a business transformation for services firms, telecom providers, technology vendors, and retailers across the globe. Smartphone growth, new applications and economic opportunities will grow mobile payments at a rapid rate. In addition, the board of directors of GHL believes that consumers, telecom providers, technology vendors, financial services firms, retailers and governments are reaping the benefits of electronic payment offerings today, across many regions, or at least planting the seeds for future growth. The convenience and availability of such electronic payment channels are critical in providing a basis for future growth of electronic payment industry.

Going forward, the board of directors of GHL believes that the focus of the authorities would be directed towards addressing both price distortion between paper-based payments and electronic payments, and having in place effective incentives to drive the migration to electronic payments. Additionally, the board of directors of GHL is of the opinion that opportunities for growth are significant as retail payments are underpenetrated in many markets. While retail banking and retail payments have been growing in the Asia Pacific region, they are still nowhere near the levels of most developed markets.

Premised on the above, the board of directors of GHL believes that the EPY Group is strategically poised, given the potential of the electronic payment industry in Malaysia and the numerous initiatives undertaken by BNM to promote the proliferation of electronic payments, as stated above. Further, the board of directors of GHL believes that the demand for electronic payment services will continue to grow. Based on the above, the board of directors of GHL believes that Malaysia is expected to witness significant growth in the electronic payment industry. The EPY Group, having a comprehensive network of point of sales as well as an established reputation in Malaysia, is well placed to enjoy the benefits from this growth. Accordingly, the board of directors of GHL believes that the prospects of the EPY Group are positive.

Barring unforeseen circumstances, it is GHL's current intention to continue with the current operations of the EPY Group's business, although GHL may restructure the EPY Group as it deems fit and necessary.

(d) **Prospects of Merged Group**

GHL has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial statements in relation to the Merged Group. The GHL Board has concluded that forecast financial statements would be misleading to provide, as a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable. GHL has formed this view due to the following factors:

- GHL does not as a matter of practice provide forecast financial information;
- EPY does not as a matter of practice provide forecast financial information; and
- GHL considers that providing forecast financial information for this purpose would be extremely difficult to justify particularly in the context of a substantial new business in EPY being acquired over which GHL has had no previous control.

## 7.10 Dividends

EPY Shareholders who accept the Offer and elect to receive the Scrip Consideration will be entitled to dividends paid by GHL with a record date on or after the date of issue (assuming the Offer becomes or is declared Unconditional).

GHL did not pay a dividend for the financial year ended 31 December 2012 and it does not expect to pay a dividend for the financial year ended 31 December 2013.

## 8 Sources of Consideration

### 8.1 Maximum Cash and Scrip Consideration

The Consideration for the acquisition of the EPY Shares to which the Offer relates will be satisfied through:

- the payment of cash; or
- the issue of GHL Shares.

The maximum amount of cash that GHL would be required to pay under the Offer if:

- (a) acceptances are received in respect of all EPY Shares on issue as at the date of this Bidder's Statement; and
- (b) all Accepting EPY Shareholders elect to receive the Cash Consideration (excluding the EPY Shares owned or controlled by TCL, as TCL has stated it will accept the Scrip Consideration in respect of all of the EPY Shares in respect of which it accepts the Offer, representing 61.6% of EPY Shares),

is AUD9,500,000, inclusive of transaction costs.

The maximum number of GHL Shares which would be issued under the Offer if:

- acceptances are received in respect of all GHL Shares on issue as at the date of this Bidder's Statement; and
- all Accepting EPY Shareholders elect to receive Scrip Consideration,

is a total of 156,558,380 GHL Shares.

### 8.2 Sources of Cash Consideration

The Cash Consideration payable under the Offer and the transaction costs will be provided from the following sources:

- (a) the Proposed Share Issuance; and
- (b) cash balances of GHL and other members of the GHL Group which, as at the date of the Bidder's Statement, were approximately RM10.7 million (equivalent to approximately AUD3.6 million).

The proceeds from the Proposed Share Issuance of between approximately RM29.39 million (equivalent to AUD9.70 million) (assuming only TCL accepts the Scrip Consideration in accordance with the Pre-Bid Agreement and Statement of Intention and no outstanding ESS Options are exercised) and RM37.4 million (equivalent to AUD12.5 million) (assuming all EPY Shareholders accept the Scrip Consideration) and the funds available from the existing cash balances of GHL and other members of the GHL Group exceed the funds required to fund the Maximum Cash Consideration payable pursuant to the Offers and fund related transaction costs associated with the Offer (AUD9.50 million). Any surplus funds from the Proposed Share Issuance shall be utilised to meet the working capital requirements of the GHL Group for the next 12 months.

### 8.3 Proposed Share Issuance

On 4 October 2013, GHL entered into a share subscription agreement (**SSA**) with Cycas for the proposed issuance and allotment of up to 89,000,000 new GHL Shares at an issue price of RM0.42 (equivalent to approximately AUD0.14) per GHL Share (**New Issue Share(s)**), to be satisfied in cash for the purpose of part financing the Cash Consideration. Subsequently on 30 October 2013, GHL and Cycas had entered into a supplementary SSA to vary one of the conditions precedent of the SSA (the variation of which has been reflected in **section 8.2(b)(iv(D))** below).

Pursuant to the SSA, the actual number of GHL Shares to be issued to Cycas shall represent 20% of the enlarged share capital of GHL, i.e. upon completion of the Offer (and the issue of Scrip Consideration) and the Proposed Share Issuance.

It is the current expectation of GHL that the amount to be raised under the Proposed Share Issuance will not exceed RM37.4 million (equivalent to approximately AUD12.5 million). The exact amount to be raised will depend on the level of acceptances received and the mixture of acceptances for Cash Consideration and Scrip Consideration. It is noted that the maximum amount to be raised under the Proposed Share Issuance of approximately AUD12.5 million exceeds the AUD9.50 million required to fund Maximum Cash Consideration and transaction costs. Any surplus funds from the Proposed Share

Issuance shall be utilised to meet the working capital requirements of the GHL Group for the next 12 months.

(a) **Information on Cycas**

Cycas was incorporated under the Companies Act 2001, Mauritius on 25 September 2013 as a private company limited by shares under its present name. The principal activity of Cycas is that of investment holding. Cycas operates in Mauritius. The current directors of Cycas are Brahma Vasudevan, Soraj Bissoonauth and Joan Jill Wan Bok Nale.

The sole shareholder of Cycas is Creador II, LLC. Creador II, LLC is a private equity fund that was established to make equity and equity-related investments in corporations with businesses in Indonesia, Malaysia, Singapore and India. Creador II, LLC is managed by Creador Management Company II Ltd, a limited life company organised in Mauritius.

As at the date of this Bidder's Statement, Cycas does not have any Subsidiary or associate companies. Cycas is an independent third party that does not have any existing relationships with GHL shareholders.

(b) **Key terms of the SSA**

The key terms of the SSA are summarised below:

(i) **Issue price and issue size**

The issue price of RM0.42 (equivalent to AUD0.1386) per New Issue Share (**Issue Price**) is based on willing-buyer willing-seller basis, and represents 4.6% (2 sen or AUD0.0066) discount to RM0.44 (equivalent to AUD0.1452), being the five market days volume weighted average price (**VWAP**) of GHL Shares prior to 2 October 2013 (the last practicable day before the finalisation of the Offer proposal).

The issue size for the Proposed Share Issuance shall represent 20% of the enlarged issued and paid-up share capital of GHL, i.e. upon completion of the Proposed Acquisition and the Proposed Share Issuance.

The Proposed Share Issuance shall be implemented in tranches as follows:

(ii) **First Tranche**

Subject to the conditions precedent to the Proposed Share Issuance being satisfied, Cycas shall subscribe for 53,615,000 of New Issue Shares within 5 days of receiving GHL's notification of: (a) TCL having submitted TCL's acceptance of the Offer in respect of the 11,386,063 shares in EPY which are the subject of the Pre-Bid Agreement, and (b) the Offer having become Unconditional (the **First Tranche**); and

(iii) **Second Tranche**

Cycas shall subscribe for such number of New Issue Shares within 5 days of receiving GHL's notification of the balance number of shares to be subscribed by Cycas such that Cycas' shareholdings in GHL shall (when aggregated with the number of GHL Shares subscribed under the First Tranche) as will or as will as nearly as practicable in the opinion of GHL represent 20% of the enlarged share capital of GHL, i.e. following completion of the Offer (including the issue of GHL Shares to EPY Shareholders whom accepted the Scrip Consideration under the Offer) and the Proposed Share Issuance (the **Second Tranche**). Notwithstanding the foregoing, Cycas acknowledges that the funds which are the subject of the Second Tranche may be required to be provided to GHL prior to the time noted above in order for GHL to provide the Cash Consideration to EPY Shareholders in accordance with the time limitations imposed by Australian law.

For clarification, in order for GHL to meet its payment obligations for the Offer (including the compulsory acquisition, if effected), the Proposed Share Issuance may be implemented in more than the abovementioned two tranches.

(iv) **Conditions precedent**

The Proposed Share Issuance is conditional upon the following:

(A) the approval of GHL Shareholders for the Proposed Share Issuance;

- (B) approval of Bursa Securities for the listing of and quotation for the new GHL Shares to be issued under the Proposed Share Issuance on the Main Market of Bursa Securities;
- (C) the Offer having become Unconditional; and
- (D) GHL having received acceptances for the Offer representing not less than 61.6% of the issued share capital of EPY.

It is noted that the SSA is subject to certain conditions (namely the conditions in paragraphs (C) and (D) above) that the Offer is not subject to.

The condition in paragraph (D) above was satisfied on 21 November 2013 following the acceptance of the Offer by TCL with respects to its entire holding of EPY Shares (a total of 61.6% of EPY Shares). TCL has advised GHL that it will not exercise its Withdrawal Rights.

(v) **Ranking and listing of the New Issue Shares**

All GHL Shares allotted and issued to Cycas shall be allotted and issued free from any and all encumbrances, and shall, when allotted, rank *pari passu* with all ordinary shares of GHL then in issue, save that they shall not be entitled to any dividend, distribution or entitlement for which the entitlement date has been fixed and announced prior to such allotment.

An application will be made by GHL to Bursa Securities for the listing of the New Issue Shares on the Main Market of Bursa Securities.

(vi) **Moratorium of Shares**

Cycas undertakes to GHL not to sell, transfer or otherwise dispose of GHL Shares issued to it pursuant to the Proposed Share Issuance for 180 days from the date of issue of the GHL Share concerned.

(vii) **Directorships**

To the extent permitted by applicable law, the Main Market Listing Requirements and the Articles, GHL has agreed that Cycas shall have the right to nominate two members to GHL's board of directors (each a **Cycas Nominee Director**), and GHL shall appoint such Cycas Nominee Directors to the board of directors of GHL after completion of the Proposed Share Issuance. To the extent permitted by applicable law, the Main Market Listing Requirements and the Articles, one Cycas Nominee Director each shall be appointed to GHL's Remuneration Committee and Audit Committee respectively.

(viii) **Utilisation of Proceeds**

The proceeds from the Proposed Share Issuance shall be first utilised to finance the Proposed Acquisition and related expenses. Any remaining amount not utilised shall be retained to meet the working capital requirements of the GHL Group for the next 12 months.

(c) **Financial position of Creador II, LLC and Cycas**

Creador II, LLC is the sole shareholder of Cycas.

Based on documentation the directors of GHL have reviewed from Creador II, LLC and its accountant with respect to the cash held in the bank by Creador II, LLC and Creador II, LLC's commitments to Cycas, the directors of GHL consider that Creador II, LLC is currently in a position to fund Cycas on demand such that Cycas can meet its obligations to pay up to RM 37.4 million (equivalent to AUD12.5 million<sup>55</sup>) to GHL under the SSA (as referred to in **section 8.3**).

<sup>55</sup> Based on the exchange rate of the AUD1.00 : RM3.03, being the selling rate of the exchange rate published by Bank Negara Malaysia on 2 October 2013, the last practicable day before the Offer proposal was finalised.

## 8.4 Issue of Scrip Consideration

### (a) Issue of GHL Shares

The maximum number of GHL Shares which would be issued under the Offer if:

- acceptances are received in respect of all EPY Shares on issue as at the date of this Bidder's Statement; and
- all Accepting EPY Shareholders elect to receive Scrip Consideration,

is a total of 156,558,380 GHL Shares.

Up to a further 89 million GHL Shares may be issued under the Proposed Share Issuance.

This issue of GHL Shares to EPY Shareholders who accept the Offer and elect Scrip Consideration will be made by GHL into the CDS Accounts nominated by EPY Shareholders (unless an EPY Shareholder is an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder – see **section 13.11**).

GHL has the ability to issue the maximum number of GHL Shares which it may be required to issue under the Offer and the Proposed Share Issuance.

In accordance with the Conditions set out in **section 13.13**, GHL shareholder approval and the approval of Bursa Securities is required for the issue and of the GHL Shares under the Offer and the Proposed Share Issuance.

### (b) Quotation of GHL Shares

GHL will make application within seven days after the date of this Bidder's Statement to Bursa Securities for the issue and quotation for the GHL Shares that may be issued under the Offer and the Proposed Share Issuance. Quotation is not guaranteed or automatic but will depend on Bursa Securities exercising its discretion under the Listing Rules.

GHL has already been admitted to the Main Market of Bursa Securities and shares in GHL of the same class as those to be issued under the Offer are already quoted on the Main Market of Bursa Securities. GHL cannot guarantee, and does not represent or imply, that the GHL Shares to be issued under the Offer will be quoted. The quotation for the GHL Shares to be issued under the Offer is a Condition to the Offer under **section 13.13(b)** and **section 13.19**.

As announced on ASX via EPY on 22 November 2013, this Condition set out in **section 13.13(b)** and **section 13.19** has been fulfilled (so that the Offer is free of this Condition).



## 9 Rights and liabilities attaching to GHL Shares

The GHL Shares issued under the Offer shall, upon issue and allotment, rank *pari passu* in all respects with the then existing GHL Shares except that they shall not be entitled to any dividend, right, allotment and/or other distribution the entitlement date of which is prior to the allotment date of the new GHL Shares to be issued as Scrip Consideration pursuant to the Offer.

This section contains a summary of the key rights and liabilities attaching to GHL Shares.

This summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of GHL shareholders, which can involve complex questions of law arising from the interaction of the Articles and statutory, common law and the Main Market Listing Requirements. EPY Shareholders should seek their own advice when trying to establish their rights and liabilities in specific circumstances.

### 9.1 Memorandum and articles of association of GHL

Pursuant to section 33(1) of the Companies Act, subject to the Companies Act the Articles shall when registered bind the company and the members thereof to the same extent as if they respectively had been signed and sealed by each member and contained covenants on the part of each member to observe all the provisions of the Articles. Accordingly, if you accept GHL Shares as Consideration you will, as a result, become liable to comply with the Articles. However, since the GHL Shares issued as Consideration under the Offer will be issued as fully paid, no monetary liability attaches to them.

Pursuant to section 33(3) of the Companies Act, notwithstanding anything in the Articles no member of GHL, unless either before or after the alteration is made in the Articles after the date on which he became a member so far as the alteration requires him to take or subscribe for more shares than the number held by him at the date on which the alteration is made or in any way increases his liability as at the date to contribute to the share capital of or otherwise to pay money to GHL.

### 9.2 Meetings of shareholders

In accordance with the Articles and Paragraph 7.16 of the Main Market Listing Requirements, GHL shall request Bursa Depository, in accordance with the Rules of Bursa Depository, to issue the Record of Depositors to whom notices of general meetings shall be given by GHL. Members of GHL whose name appears on the Record of Depositors are entitled to receive notices, accounts and other documents in connection with the general meeting.

GHL shall also request Bursa Depository in accordance with the Rules of Bursa Depository, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than 3 market days before the general meeting (**General Meeting Record of Depositors**). A depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.

The directors of GHL may call general meetings and, on the requisition of members who hold at the date of the deposit of requisition not less than one-tenth of such paid-up capital of GHL as at the date of deposit carries the right to vote at general meetings pursuant to section 144 of the Companies Act, forthwith proceed to convene an extraordinary general meeting.

In addition, in accordance with section 145 of the Companies Act, two or more members of GHL holding not less than one-tenth of the issued share capital of GHL may call a general meeting of GHL.

### 9.3 Voting rights

The Articles provide that subject to any rights or restrictions attached to any GHL Shares, every member of GHL shall on a show of hands have one vote and on a poll every member shall have one vote for every GHL Share of which he is a holder. On a poll, votes may be given either personally or by proxy or by attorney or a duly authorised representative of a corporate member. A proxy shall be entitled to vote on a show of hands on any question at a general meeting.

Section 149(1) of the Companies Act provides that a member of a company entitled to attend and vote at a meeting of the company, or at a meeting of any class of members of the company, shall be entitled to appoint another person or persons (whether member or not) as his proxy to attend and vote instead of the member at the meeting and a proxy appointed to attend and vote instead of a member shall also have the same right as the member to speak at the meeting, but unless the Articles otherwise provide:

- (a) a proxy shall not be entitled to vote except on a poll;

- (b) a member shall not be entitled to appoint a person who is not a member as his proxy unless that person is an advocate, an approved company auditor or a person approved by the registrar of companies of Malaysia in a particular case;
- (c) a member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting; and
- (d) where a member appoints two proxies that appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

The Articles provide that section 149(1)(b) of the Companies Act does not apply to GHL. As such, there shall be no restriction as to the qualification of proxy and a proxy appointed to attend and vote at a general meeting of GHL shall have the same rights as the shareholders of GHL to speak at the general meeting.

## **9.4 Dividends**

Pursuant to section 365(1) of the Companies Act, no dividend shall be payable to the shareholders of any company except out of profits or out of the share premium account pursuant to section 60 if such dividends are satisfied by the issue of shares to members of the company.

The Articles provide that GHL in general meeting may by ordinary resolution declare dividends payable to members in accordance with their respective rights and priorities out of any lawful distributable profits, but no dividend shall exceed the amount recommended by the directors of GHL.

Unless otherwise provided by the rights attached to GHL Shares or the terms of their issue, all dividends shall be declared and paid proportionately to the capital paid up on GHL Shares on which the dividend is paid, but if any GHL shares are issued on terms providing that they shall rank for dividend as from a specified date or to a specified extent, they shall rank for dividend accordingly. Any dividend or interim dividend may be expressed to be payable on a specified date to persons registered on some earlier date as the holder of the shares in respect of which the dividend is declared, notwithstanding that such persons may not be so registered on the date of the declaration or payment.

Subject to the Companies Act, the directors of GHL may pay interim dividends if it appears to them that they are justified by the profits of GHL available for distribution. If the share capital is divided into different classes, the directors of GHL may pay dividends on GHL Shares which confer deferred or non-preferred rights with regard to dividend as well as on GHL Shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on GHL Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The directors of GHL may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided that the directors of GHL act in good faith they shall not incur any liability to the holders of GHL Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any GHL Shares having deferred or non-preferred rights.

A general meeting of GHL declaring a dividend may, on the recommendation of the directors of GHL, direct that it shall be satisfied wholly or partly by the distribution of assets (including (without limitation)), paid up GHL Shares or debentures of any other company or in any one or more of such ways and, where any difficulty arises in regard to the distribution, the directors of GHL may settle the same as they think fit and in particular may issue fractional GHL Shares and fix the value for distribution of any assets and may determine that cash shall be paid to any member of GHL on the footing of the value so fixed in order to adjust the rights of the members of GHL and may vest any assets in trustees.

## **9.5 Variation or cancellation of class rights**

Section 65(1) of the Companies Act provides that if in the case of a company the share capital of which is divided into different classes of shares provision is made by the memorandum or articles of association for authorising the variation or abrogation of the rights attached to any class of shares in the company, subject to the consent of any specified proportion of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares, and in pursuance of the said provision the rights attached to any such class of shares are at any time varied or abrogated the holders of not less in the aggregate than ten per centum of the issued shares of that class, may apply to the Court to have the variation or abrogation cancelled, and, if any such application is made, the variation or abrogation shall not have effect until confirmed by the Court.

Pursuant to the Articles, if at any time the share capital of GHL 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 section 55 and 65 of the Companies Act and whether or not GHL is being wound up) be varied or abrogated with:

- (a) the consent in writing of the holders of three-fourths of the issued shares of that class shall be valid and effectual as a special resolution carried in the meeting; or
- (b) 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 the Articles relating to general meeting shall mutatis mutandis apply, except that necessary quorum shall be two persons at least holding or representing by proxy one-third (1/3) of the issued shares of that 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. To every such special resolution, section 152 of the Companies Act with such adaptations as are necessary apply.

## **9.6 Transfer of shares**

In accordance with section 107C(1) of the Companies Act, the transfer of GHL Shares (which are deposited with Bursa Depository) shall be by way of book entry by Bursa Depository in accordance with the Rules of Bursa Depository.

Bursa Depository may, in its absolute discretion, refuse to register any transfer that does not comply with the Central Depositories Act and the Rules of Bursa Depository.

However, if GHL Shares are not Prescribed Securities, in accordance with section 103 of the Companies Act, GHL shall not register a transfer of GHL Shares unless a proper instrument of transfer in the prescribed form has been delivered to GHL, but section 103 of the Companies Act shall not prejudice any power to register as a shareholder of GHL any person to whom the right to any GHL has been transmitted by operation of law. The Articles further provide that the directors of GHL may decline to register any instrument of transfer of GHL Shares which are not fully paid to a person of whom they do not approve. Subject to the Companies Act, the Main Market Listing Requirements, the Central Depositories Act and the Rules of Bursa Depository, if the directors refuse to register a transfer they shall send to the transferee written notice of the refusal and the reason therefore.

## **9.7 Issue of further shares**

Pursuant to Paragraph 6.03 of the Main Market Listing Requirements, GHL must not issue any new GHL Shares if the nominal value of those GHL Shares, when aggregated with the nominal value of any such GHL Shares during the preceding 12 months, exceeds 10% of the nominal value of the issued and paid-up capital (excluding treasury shares) of GHL except where the GHL Shares are issued with the prior shareholder approval in a general meeting of the precise terms and conditions of the issue.

In accordance with section 132D(1) of the Companies Act, notwithstanding anything in the Articles, the directors of GHL shall not, without the prior approval of the shareholders of GHL in general meeting, exercise any power of GHL to issue new GHL Share. However, section 132D(6A) of the Companies Act further provides that notwithstanding section 132D(1) of the Companies Act, the directors of a company shall not be required to obtain the prior approval of the company in a general meeting to issue shares where the said shares are to be issued as consideration or part consideration for the acquisition of shares or assets by the company and members of the company have been notified of the intention to issue the said shares at least fourteen days before the date of the issue of the said shares.

The Articles provide that without prejudice to the rights attached to any existing GHL Shares or class of GHL Shares, GHL in general meeting may by ordinary resolution increase its capital by the creation of new GHL Shares of such nominal amounts, and carrying such rights and restrictions, as the resolution specifies provided that where the capital of GHL 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. As at the date of this Bidder's Statement, GHL has only one class of shares.

Section 55(1) of the Companies Act provides that notwithstanding any provisions in the Companies Act or in the memorandum or articles of association of a company to which section 55(1) of the Companies Act applies, each equity share (being any share which is not a preference share) issued by such a company after the commencement of the Companies Act shall confer the right at a poll at any general

meeting of the company (subject as provided in subsection 148(1) of the Companies Act) to one vote, and, to one vote only for each ringgit or part of a ringgit that has been paid up on that share.

All new GHL Shares shall be subject to the same provisions as to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the GHL Shares in the existing share capital.

## **9.8 Winding up**

If GHL is wound up, the liquidator may, with the sanction of a special resolution of GHL and any other sanction required by the Companies Act, divide among the members in specie the whole or any part of the assets of GHL (whether they consist of property of the same kind or not) and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members (where applicable). The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees on such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets on which there is liability.

## **9.9 Other key provisions of GHL's memorandum and articles of association**

A summary of some of the key provisions of the Articles (other than those discussed in **sections 9.2 to 9.8** above) is set out below. The summary is not exhaustive.

### **(a) Number of directors**

The Articles provides that the number of directors of GHL must be not less than two and (unless otherwise determined by ordinary resolution) not more than 20.

### **(b) Officer's indemnity**

Subject to the Companies Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or secretary or auditor of GHL shall be indemnified out of the assets of GHL against:

- (i) any loss or liability incurred by him arising from or in relation to his office or the performance of his duties except where such loss or liability results from any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to GHL; and
- (ii) any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of GHL.

Notwithstanding the provisions in the Articles, section 140(1) of the Companies Act provides that any provision, whether contained in the articles or in any contract with a company or otherwise, for exempting any officer or auditor of the company from, or indemnifying him against, any liability which by law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust, of which he may be guilty in relation to the company, shall be void.

### **(c) Amending the Articles**

In accordance with section 31(2) of the Companies Act, any alteration or addition made in the Articles shall subject to Companies Act, on and from the date of the special resolution or such later date as is specified in the resolution, be as valid as if originally contained therein and be subject in like manner to alteration by special resolution.

Pursuant to section 152(1) of the Companies Act, a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of such members as being entitled so to do vote in person or, where proxies are allowed, by proxy, at a general meeting of which not less than twenty-one days' notice specifying the intention to propose the resolution as a special resolution has been duly given.

The Articles provide that:

- (i) notwithstanding anything contained in the Articles, if the Main Market Listing Requirements prohibit an act being done, the act shall not be done;
- (ii) nothing contained in the Articles prevents an act being done that the Main Market Listing Requirements require to be done;

- (iii) if the Main Market Listing Requirements require an act to be done or not to be done, authority is given for an act required to be done or not to be done (as the case may be);
- (iv) if the Main Market Listing Requirements require the Articles to contain a provision and they do not contain such a provision, the Articles are deemed to contain that provision;
- (v) if the Main Market Listing Requirements require the Articles not to contain a provision and they contain such a provision, the Articles are deemed not to contain that provision; and
- (vi) if any provision of the Articles is or becomes inconsistent with the provisions of the Main Market Listing Requirements, the Articles are deemed not to contain that provision to the extent of the inconsistency.

If any provision of the Articles is or becomes inconsistent with the provisions of the Main Market Listing Requirements, the Articles are deemed not to contain that provision to the extent of the inconsistency.

## 10 Risks associated with owning GHL Shares

### 10.1 General

EPY Shareholders are currently exposed to various risks as a result of their investment in EPY.

Provided the Offer becomes or is declared Unconditional, EPY Shareholders who accept the Offer and elect to receive the Scrip Consideration will become shareholders in GHL and will be exposed to the risks of the Merged Group (which include the existing risks of investments in GHL and EPY, along with specific risks relating to the Offer).

There are a number of risk factors which may affect the future operating and financial performance of the GHL Group and the future investment performance of GHL Shares, many of which are outside the control of GHL and its directors. The future level of dividends, the value of the assets of the GHL Group and the price at which GHL Shares trade on Bursa Securities may be influenced by any of these factors.

GHL does not currently control, or have any involvement in, the EPY Group's operations and has relied primarily on EPY having complied with its continuous disclosure obligations for the purpose of preparing this section. Consequently, GHL is not in a position to identify all the material risks of the EPY Group, nor, consequently, all of the material risks of the Merged Group.

Despite this, GHL has considered the current risks of the GHL Group and the current risks of the EPY Group identified from publicly available information, including EPY's announcements to ASX, to prepare this summary of material risks of the Merged Group currently known to GHL.

In deciding whether or not to accept the Offer or to elect to receive the Scrip Consideration, you should carefully consider these risks, as well as the other information contained in this Bidder's Statement, the information contained in EPY's Target's Statement and other publicly available information.

Additional risks and uncertainties not currently known to GHL may also have a material adverse effect on the businesses of the GHL Group and the EPY Group (and consequently the business of the Merged Group) and the information set out below does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting the GHL Group or the Merged Group.

### 10.2 Share investment

EPY Shareholders who elect to receive the Scrip Consideration should be aware that there are risks associated with any stock market investment. It is important to recognise that share prices and dividends might fall or rise. Factors affecting the market price include domestic and international economic conditions and outlook, changes in government fiscal, monetary and regulatory policies, changes in interest rates and inflation rates, the announcement of new technologies and variations in general market conditions and/or market conditions which are specific to a particular industry. In addition, share prices of many companies are affected by factors which might be unrelated to the operating performance of the relevant company. Such factors might adversely affect the market price of GHL Shares.

In addition to the risks associated with any investment in listed securities, the market price of listed securities such as GHL Shares is also affected by numerous factors such as the demand for and availability of GHL Shares and including or exclusion of GHL Shares in or from any share price indices.

### 10.3 Risks relating to the Offer

The following risks are either caused by or exacerbated by the Offer.

#### (a) Dilution risk

GHL wishes to highlight to EPY Shareholders the risk of dilution of their GHL Shares, if they elect to accept the Offer and receive Scrip Consideration.

If the Offer is completed, there will be a dilution for GHL shareholders upon the issue of Scrip Consideration under the Offer and the Proposed Share Issuance. The level of acceptances, the proportion of acceptances that elect to receive Scrip Consideration and the number of GHL Shares to be issued pursuant to the Proposed Share Issuance is uncertain. Accordingly, the level of dilution to holders of GHL Shares is also uncertain.

Furthermore, as disclosed in **section 10.6(a)**, future capital raisings or equity-funded acquisitions by the GHL Group may further dilute the holdings of GHL shareholders.

(b) **Issue of GHL Shares as Consideration**

The value of the GHL Shares issued as part of the Scrip Consideration will fluctuate depending on the market value of GHL Shares and on the governing RM to AUD exchange rate. Accordingly, the market value of the GHL Shares at the time you receive them may vary significantly from the market value on the date of your acceptance of the Offer.

(c) **Sale of GHL Shares**

If the Offer is successful and a large number of EPY Shareholders accept the Scrip Consideration, GHL will issue a significant number of GHL Shares.

Further, GHL Shares issued in respect of Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders will also be sold on Bursa Securities (see **section 13.11**).

Some shareholders of EPY may not intend to continue to hold their GHL Shares and may wish to sell them.

The sale of these GHL Shares (or the sale of a significant number of GHL Shares generally) could have a material adverse effect on the price of GHL Shares.

(d) **Acquisition of less than 100% of EPY Shares**

The Offer is not subject to a minimum acceptance condition. Therefore, it is possible that GHL will acquire less than 100% of EPY Shares under the Offer. The impact on the Merged Group of GHL acquiring less than 100% of EPY Shares will depend on the ultimate level of ownership acquired but, in any event, the existence of a minority interest in EPY may have an impact on the Merged Group's capacity to integrate the business of the two groups and realise synergies from the acquisition of EPY. If the final level of ownership acquired by GHL is below 100%, this could have an impact on GHL's ability to act in accordance with its intentions regarding EPY (see **section 6**).

(e) **Rollover relief**

If, after the Offer, GHL does not hold 80% or more of the EPY Shares, EPY Shareholders who elected to receive Scrip Consideration for their EPY Shares will not be entitled to elect scrip for scrip rollover relief from capital gains tax (**CGT**). This means that for those Australian resident shareholders for income tax purposes who hold their EPY Shares on capital account and who would make a capital gain on disposal of those EPY Shares will be unable to choose to disregard that gain. See **section 11** for a summary of the taxation consequences for Australian resident holders of EPY Shares as a result of accepting the Offer.

(f) **Liquidity**

The trading volume of GHL Shares may not be liquid. Based on Bloomberg, the average monthly trading volume of GHL Shares for the past 12 months up to 3 October 2013, being the last trading date of GHL Shares prior to the announcement of the Offer on Bursa Securities on 4 October 2013, was 8.53 million representing 4.68% and 7.48% of the issued and paid-up share capital (net of treasury shares) and free float of GHL respectively. There is a risk that a lack of liquidity in the market for GHL Shares may mean that GHL shareholders are unable to realise their investment in GHL.

(g) **Due diligence**

As GHL has not carried out due diligence on the EPY Group (other than in respect of publicly available information), risks may exist of which GHL is unaware. If any material risks are known to the directors of EPY, they will need to be disclosed in EPY's Target Statement.

(h) **Foreign shareholding**

GHL is governed by Malaysian law. Accordingly, if a GHL Shareholder needs to enforce any of the rights with respect to their GHL Shares or the transfer of them, they will need to do so under Malaysian law. This may be considered to impose additional risk and uncertainty for EPY Shareholders resident outside Malaysia.

## 10.4 Risks relating to the Merged Group

### (a) General industry risk

The Merged Group will be exposed to those risks that affect the provision of electronic payment services (as both GHL and EPY currently are). The Merged Group will continue to be exposed (albeit on a larger scale) to similar business, operational, financial and investment risks inherent to the electronic payment industry.

### (b) Change in control risk

As the Offer may result in a change in control of EPY, there could be adverse consequences for the Merged Group. Contracts to which a member of the EPY Group is a party may be subject to review or termination in the event of a change of control of EPY or require a third party consent. As GHL was not able to carry out due diligence on the EPY Group (other than in respect of publicly available information), GHL may not be aware of the existence of all of these contracts. The operation of these provisions could have a material adverse effect on the Merged Group (such as the loss of major contracts of EPY).

### (c) Integration risk

As the businesses of EPY Group and GHL Group are both in the electronic payments industry, GHL believes that the merger of the businesses will give rise to opportunities for growth as well as cost savings. However, the business integration process may be protracted or not implemented as planned and as such, there is no assurance that the anticipated benefits of the Proposed Acquisition will materialise.

### (d) Taxation risks

The taxation consequences and risks of the Offer depend upon the specific circumstances of each EPY Shareholder. EPY Shareholders should obtain their own independent professional taxation advice regarding the applicable law in respect of the Offer.

### (e) GHL and EPY specific risks

**Sections 10.6 and 10.7** set out some specific risks in respect of GHL and EPY that may impact on the Merged Group.

## 10.5 General risks

### (a) Government policy and taxation

Changes in relevant taxation laws, interest rates, other legal, legislative and administrative regimes, and government policies in Malaysia and Australia, may have an adverse affect on the assets, operations and ultimately the financial performance of GHL, the Merged Group and the entities in which GHL invests. These factors may ultimately affect the financial performance of GHL and the Merged Group and the market price of the GHL Shares.

There is a risk that the government or a Government Agency will repeal, amend, enact or promulgate a new law or regulation or that a Government Agency will issue a new interpretation of the law or regulation which may have a material adverse effect on the GHL Group's and the Merged Group's operations.

### (b) Wars, terrorism, political and natural disasters

Events may occur within our outside Malaysia or Australia that could impact upon the world economy, the media and advertising markets, the operations of the GHL Group and the Merged Group and the market price of GHL Shares. These events include war, acts of terrorism, civil disturbance, political intervention and natural events such as earthquakes, floods, fires, cyclones and other weather events.

## 10.6 Business risks – GHL Group

In addition to the risks mentioned in **sections 10.2 to 10.5**, the following risks may affect the market price of GHL Shares and dividends paid by GHL:

### (a) Dilution

Future capital raisings or equity-funded acquisitions by the GHL Group (including the Proposed Share Issuance) may dilute the holdings of investors. This may have an adverse impact on the trading price of GHL Shares.



(b) **Litigation**

The risk of litigation is a general risk of GHL's business. So far as the directors of GHL, except as described in **section 12.7**, there is no current, pending or threatened litigation, arbitration proceeding, administrative appeal, or criminal or governmental prosecution in which GHL or its subsidiaries is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of GHL.

(c) **Payment card fraud**

The GHL Group is subject to the risk of fraudulent payment card losses.

Payments fraud remained negligible and continued its declining trend, with fraud incidents accounting for less than 0.005% of total volume and value of retail payment transactions in 2012 as reported in the Payment and Settlement Systems Report 2012 by Bank Negara Malaysia. In contrast, fraud incidents accounted for approximately 0.016% of the total volume and value of retail payment transactions in 2004.

In general, the level of payment card fraud in the ASEAN region remains significantly lower than the fraud experience reported by other regions, including developed countries such as the US and Europe. In Malaysia, credit card fraud remained the most common forms of payment fraud, with an average loss of 0.03%, representing a loss of 30 sen for every RM1,000 transacted.

The declining trend in payment card fraud since 2006 is mainly attributed to the industry wide migration to chip-based ATM cards and the Europay-MasterCard-Visa (**EMV**) standard for payment cards in 2006. However, incidents of fraud have now shifted to card-not-present (**CNP**) fraud, which involves the theft of credit card information which is then used to make fraudulent payments via the internet, mail and telephone. CNP fraud accounted for about half of total credit card fraud losses in 2012.

To strengthen safeguards against CNP fraud, requirements for transaction alerts via short message services and a strong authentication method for online transactions were implemented with effect from 1 January and 1 April 2012, respectively. Transaction alerts are sent to the cardholder via short message service as soon as a transaction that exceeds a value threshold set by the issuer is performed, thus providing an early opportunity for the cardholder to notify the issuer of a possible fraudulent transaction. The adoption of a strong authentication method also enhances the security of online transactions by requiring cardholders to enter a one-time password in order to authorise each payment.

The prevalence of fraudulent payment card transactions (including CNP transactions) may pose the risk of significant disruption to the flow of funds amongst consumers and businesses. This may cause local financial institutions to curtail their merchant acquiring activities and adopt a more stringent approval process for potential merchants. These financial institutions would not hesitate to withdraw the payment card facilities provided to their existing merchants should they suspect that the merchants participate in any form of fraud activities. This may result in a shift from payment card transactions to other payment methods and affect the GHL Group's profitability.

Although fraudulent payment card losses have reduced since 2006, there is no assurance that payment card fraud can be eliminated in its entirety due to the increasing sophistication of technology.

(d) **Reliance on suppliers of EDC terminals**

The GHL Group sources its supply of EDC terminals from two main third party suppliers. Any discontinuation of supply from its suppliers and failure to find a new replacement supplier in a timely manner may cause disruption to the GHL Group's business and affect the GHL Group's profitability. However, the directors of GHL are of the opinion that, in the event of any discontinuance of supply, the GHL Group is still able to procure alternative brands of EMV-compliant EDC terminals that are readily accepted by merchants.

(e) **Competition**

The GHL Group is involved in merchant-acquiring directly for the acceptance of debit card and indirectly through banks for the acceptance of VISA and MasterCard within the payment card industry. The markets in which the GHL Group operates are competitive and characterised by rapid technological innovation. The GHL Group has experienced and expects to continue to

experience intense competition from current and future competitors. The GHL Group believes that its ability to compete depends upon many factors both within and outside its control, including the timing and market acceptance of new products and services and enhancements developed by the GHL Group and its competitors, product and service functionality, ease of use, performance, price, value for money, reliability, customer service and support, sales and marketing efforts, and product and service distribution channels.

The GHL Group invests in new product development initiatives and infrastructure to ensure its competitiveness in capturing market share and garnering market acceptance. However, there is no assurance that the GHL Group will be able to maintain its market share in the payment card industry, maintain its competitiveness against current and future competitors or that competitive pressures will not materially and adversely affect the GHL Group's business, operating results and financial condition.

(f) **Expansion of business**

The GHL Group's future prospects will be dependent upon, among other things, the GHL Group's ability to enter into strategic marketing or other arrangements on a timely basis and on favourable terms, hire and retain skilled management as well financial, technical, marketing and other personnel, successfully manage growth (including monitoring operations, controlling costs and maintaining effective quality, inventory and service controls) and obtain adequate financing as and when needed. There can be no assurance that the GHL Group will be able to successfully implement its business plans or that unanticipated expenses or problems or technical difficulties will not occur which may result in material delays in its implementation or even deviation from its plans. In addition, the actual results may deviate from the business plans due to rapid technological changes and markets as well as competitive pressures.

(g) **Expansion in overseas market**

As part of its growth and marketing strategy, the GHL Group intends to expand its business in the ASEAN region. There can be no assurance that the GHL Group's expansion efforts will be successful or will generate significant revenue. There are a number of risks inherent in regional business activities, including unexpected changes in regulatory requirements, difficulties in managing regional operations, potentially adverse taxation consequences, currency fluctuations, uncertainties in general economic or industry conditions, difficulties in the repatriation of earnings and the burdens of complying with a wide variety of foreign laws. There is no assurance that such factors will not have a material adverse effect on the GHL Group's business, operating results or financial condition.

(h) **Changes in technology and products/services**

The markets for the GHL Group's products and services are characterised by rapid technological developments, evolving industry standards, swift changes in customer requirements, computer operating environments and software applications, and frequent new product introductions and enhancements. The GHL Group's future depends substantially upon its ability to address the increasingly sophisticated needs of its customers by supporting existing and emerging hardware, software, database and networking platforms.

The timely development of new or enhanced products and services is a complex and uncertain process. Although the GHL Group believes that it will have the funds to implement its business plans, there is no assurance that the GHL Group will continue to have sufficient resources to successfully and accurately anticipate technological and market trends, or to successfully manage long development cycles. The GHL Group may also experience design, marketing and other difficulties that could delay or prevent the development, introduction or marketing of its products and services, as well as new products and services and enhancements. The GHL Group may also be required to collaborate with third parties to develop products and services and may not be able to do so on a timely and cost-effective basis, if at all.

If the GHL Group is not able to develop new products and services or enhancements to its existing products and services on a timely and cost-effective basis, or if the Group's new products and services or enhancements fail to achieve market acceptance, or if one or more of the GHL Group's competitors introduce products and services that better address customer needs or for any reason gain market share, the GHL Group's business, operating results and financial condition would be adversely affected.

(i) **Continuing demand for the GHL Group's products and services**

The GHL Group's future results will depend on the overall demand for the Group's products and services. Any economic slowdown may cause the Group's customers to defer or terminate purchases or rental of the GHL Group's products and services or otherwise alter their usage patterns. Uncertainty in the economic environment may cause some businesses to curtail or eliminate spending on payment technology. In addition, the GHL Group may face hesitation on the part of existing and potential customers to commit to continuing or new services from the GHL Group.

To-date, the GHL Group's products and services have been well-received by its customers and the GHL Group expects that enhancements and improvements of features, quick time to market and good technical service should result in continuing acceptance of its products and services. However, there is no assurance that this would be the case.

(j) **Reliance on key relationships with acquiring banks**

The GHL Group's EDC business (sales and rental of EDC terminals) is heavily dependent on its relationships with the acquiring banks and their relative intent in acquiring merchants. There is no assurance that these relationships will continue indefinitely. Moreover, the acquiring banks' policies on merchant recruitment will change from time to time and this may have a material effect on the GHL Group's business, operating results and financial condition.

(k) **Dependence on directors and key personnel, and need to hire additional personnel for future growth**

The GHL Group's future performance depends to a significant extent upon the continued efforts and abilities as well as the networking of its directors, key technical, sales and marketing, and senior management personnel. The loss of the services of any of these individuals may have a material adverse effect on the GHL Group. The GHL Group's future success also depends on its ability to attract, hire, train, retain and motivate sufficient skilled employees.

(l) **Protection of intellectual property rights**

The GHL Group's success is dependent on its ability to protect its proprietary technology. The GHL Group's proprietary technology is protected by copyright laws applicable in Malaysia. The GHL Group has also put in place several security measures to protect its proprietary technology, including prohibiting the revelation of the source codes of the GHL Group's software to its customers to whom the software is sold, and having built-in controls in some of the software developed by the GHL Group which will "lock" a particular copy of the software onto the hardware on which it is running, thus preventing any unauthorised copying of the software. The nature of the GHL Group's software also acts as a barrier against illegal usage as specialised knowledge and familiarisation with the software are required to make it work, and most of its software requires special training and domain knowledge to develop or customise; hence, such software is often sold to customers together with the GHL Group's professional services.

However, existing copyright, trademark and trade secret laws afford only limited protection. Accordingly, there can be no assurance that the GHL Group will be able to protect its proprietary rights against unauthorised third party copying, use or exploitation, any of which could have a material adverse effect on the Group's business, operating results and financial condition.

Third parties may challenge or dispute the GHL Group's intellectual property rights in terms of, amongst others, title and third party intellectual property rights infringement and the GHL Group could incur substantial costs in defending or prosecuting any claims relating to its intellectual property rights. Issues relating to intellectual property rights can be complicated and there can be no assurance that disputes will not arise or that any disputes in relation to the GHL Group's intellectual property will be resolved in the GHL Group's favour. Moreover, any such disputes could be time consuming, cause delays in introducing new or improved products and services or require that the GHL Group discontinue using the challenged technology, and could have a material adverse effect on the GHL Group's reputation, business, operating results and financial condition.

(m) **Changes in political, economic and regulatory conditions**

Changes in political, economic and regulatory conditions in Malaysia and countries where GHL operates such as Philippines, Thailand and Australia could materially and adversely affect the

financial and business prospects of the GHL Group. The political, economic and regulatory uncertainties include, but are not limited to, changes in political leadership, changes in laws and regulations, war, economic downturn changes in rates of interest, methods of taxation and currency exchange rules and financial crises.

The Ministry of Finance, Malaysia, had imposed a service tax of RM50 for each principal credit card with effect from January 2010 with the objective of promoting prudent spending. In March 2011, BNM had tightened the requirements for credit cards to prevent increasing household credit card debt. Limits were imposed on the number of credit cards and credit limits extended to individuals earning a monthly gross income of RM3,000 and below to commensurate with the ability of these individuals to repay their debt. These aforementioned changes had consequently resulted in a consolidation of credit cards amongst consumers although the value of the transactions from credit card usage had not been affected due to increasing use of e-payment methods.

(n) **Foreign exchange risk**

The GHL Group is exposed to foreign exchange risk arising from purchases denominated in foreign currencies. Consequently, the GHL Group is subject to the risk of foreign currency fluctuation and any adverse movement in foreign currency may have an effect on the financial performance of the GHL Group.

Nevertheless, the GHL Group has in place certain foreign exchange hedging facilities with its bankers which the GHL Group can utilise should the need arise. Notwithstanding the above, there can be no assurance that any foreign currency exchange fluctuation in the future will not adversely affect the GHL Group's financial performance.

(o) **Maintenance and Reliability of the Telecommunications Network Infrastructure and Security Risks**

The success of the GHL Group's business will depend, to a certain degree, on the development and maintenance of its payment hosting service and the 24-hour helpdesk service provided to merchants using the GHL Group's EDC services. This includes leasing and monitoring of a reliable network backbone with the necessary speed, data capacity and security. The payment hosting service and the 24-hour helpdesk service may experience a variety of network downtime and delays as a result of damage to portions of its infrastructure. These network downtime and delays could frustrate customers or partners using the GHL Group's products and services, which could directly affect the revenue of the GHL Group.

The ability to provide secure transmissions of confidential information over networks accessible to the public is a significant problem for electronic commerce and communications, and the ability to provide commendable after-sales service reflects on a company's commitment to quality service. The former is subject to capacity limitations, breaches of security by computer viruses, sabotage, break-ins and other factors, whilst the latter is subject to breakdowns in the telecommunications network infrastructure. In mitigation, the GHL Group has installed firewalls and anti-virus software to protect its payment hosting service, provided its 24-hour helpdesk service personnel with mobile telephones and installed a dial-up modem to connect to the telecommunication companies should the lease lines fail.

Despite a variety of network security and alternative measures taken by the GHL Group, there is no assurance that unauthorised access, computer viruses, accidental or intentional actions and other disruptions will not occur. Advances in computer capabilities, new discoveries in the field of cryptography or other developments may result in a compromise or breach of the technology that the GHL Group uses to protect confidential customer and end-user data stored on or transmitted through the GHL Group's network.

The costs required to prevent and eliminate computer viruses and alleviate other security problems as well as to enhance the reliability of the telecommunications network infrastructure could be prohibitively expensive. In addition, any of these occurrences may cause systems failures, interruptions in service or reduced customer capacity, which could have an impact on the GHL Group's ability to acquire, manage or service its customers or partners and could materially and adversely affect the GHL Group's profitability.

(p) **Acquisitions and joint ventures**

If and when appropriate opportunities present themselves, the GHL Group intends to acquire businesses, products or technologies or enter into synergistic joint ventures that the GHL Group believes will be in the interest of its shareholders. There can be no assurance that the GHL Group will be able to successfully identify, negotiate or finance such acquisitions and joint ventures or to integrate such acquisitions and joint ventures with its current business. Acquisitions and joint ventures may cause the GHL Group to seek additional capital, which may or may not be available on satisfactory terms.

There can be no assurance that the anticipated benefits of any acquisition will be realised, or that the GHL Group will be able to generate sufficient revenues from any such acquisition to offset associated acquisition costs, or that the GHL Group will be able to maintain uniform standards of quality and service, controls, procedures and policies. Acquisitions may also result in potentially dilutive issuances of equities, the incurrence of debt and contingent liabilities and amortisation expenses related to goodwill and other intangible assets. Any joint venture investments would face similar risks posed by acquisitions.

(q) **Breakout of fire**

The GHL Group believes that it has adequate safety and fire-fighting equipment installed at its office premises to ensure that the risk of fire is contained. The GHL Group has in place a system of educating its employees on fire safety. Besides that, the GHL Group's office premises are insured against losses arising from fire. However, notwithstanding the measures taken, there is no assurance that any of the above-mentioned crises may not cause interruptions in the GHL Group's operations in the future.

(r) **Insurance coverage on assets**

The directors of GHL believe that GHL has adequate insurance coverage on its assets. Although the GHL Group reviews its insurance policies on a regular basis to ensure that there is adequate coverage on its assets, there can be no assurance that the coverage would be adequate for the replacement cost of its assets or any consequential loss arising therefrom.

## 10.7 Business Risks – EPY

All the business risks which currently affect the EPY Group will continue to affect the EPY Group, whether or not it becomes a Subsidiary of GHL.

Each of the general and industry specific risks raised above in **sections 10.5** and **10.6** apply equally to the EPY Group.

In addition to these risks, the EPY Group may be subject to the following risks:

(a) **Reliance on contracts with billing agencies and retail chains**

The EPY Group contracts with third party retail chains that collect cash and electronic payments in respect of bill collection and top-up services on behalf of the EPY Group. The bill collection and top-up services are directly linked to its upstream billing agencies, to which the EPY Group has access to by virtue of various contractual arrangements.

The termination or non-renewal of one or more of EPY Group's major billing agencies or retail chains' contracts, or a large number of contracts with smaller retail chains, could have a material adverse effect on the EPY Group's business, financial condition and operating results. In addition, EPY Group's contracts with its billing agencies generally allow changes in transaction fees earned at any time. The reduction in transaction fees by any of its major billing agencies could also have a material adverse effect on the business, financial condition or operating results of the EPY Group.

GHL endeavours to maintain a close working relationship with billing agencies and retail chains to ensure issues, if any, can be addressed and resolved promptly. However, there is no assurance that the Merged Group will be able to retain EPY Group's major billing agencies or retail chains' contracts.

(b) **Competition**

The EPY Group operates in the electronic payment industry as a provider of electronic top-up services for mainly prepaid mobile users and the sale of software services. The markets for EPY

Group's products and services are highly competitive, both with respect to the current products and services the EPY Group is currently offering and the products and services that the EPY Group is developing. The markets that EPY Group operates in are characterised by rapid technological innovation, evolving industry standards and frequent product innovations and enhancements.

There may be competitors with greater resources, networks and/or superior technologies that may produce products or services that are more sought after in the market, and this may reduce the EPY Group's market share or eliminate some market opportunities that the EPY Group intends to enter into.

The GHL Group endeavours to ensure that EPY Group continues to invest in new product development initiatives and infrastructure to remain competitive. However, there is no assurance that the EPY Group will be able to maintain its market share, maintain its competitiveness against current and future competitors, or that competitive pressure will not materially and adversely affect the EPY Group's business, operating results and financial condition.

(c) **Maintenance and reliability of the payment network infrastructure and security risks**

The success of the EPY Group's business will depend, in part, on the efficient and uninterrupted operation of its payment network infrastructure. Any damage or failure of its payment network infrastructure would result in transaction interruptions and could frustrate retail agents or end-consumers using its terminals, which may have a material adverse effect on the EPY Group's business, operating results and financial condition.

GHL shall endeavour to ensure proper maintenance and upgrading of the EPY Group's payment network infrastructure to mitigate this risk. However, there is no assurance that the payment network infrastructure will function as designed or keep pace with the EPY Group's rate of growth.

(d) **Reliance on technology and protection of intellectual property**

The electronic payments industry in which EPY operates in is subject to rapid and substantial technological changes. As such, the EPY Group's success is dependent on its ability to keep pace with the technological developments in the electronic payments industry as well as its ability to protect its proprietary technology.

There is no assurance that developments by competitors or third parties or the emergence of new industry standards and practice will not render the EPY Group's products and services non-competitive and/or obsolete. Furthermore, there is no assurance that the EPY Group will be able to commit to high levels of investment that may be required to keep pace with technological developments.

The EPY Group's success is also dependent on its ability to protect its proprietary technology, to prevent unauthorised copying, use or exploitation of the software. However, existing copyright, trademark and trade secret laws afford only limited protection. Accordingly, there is no assurance that the EPY Group will be able to protect its proprietary rights against unauthorised third party copying, use or exploitation, any of which could have a material adverse effect on the EPY Group's business, operating results and financial condition.

Third parties may challenge or dispute the EPY Group's intellectual property rights in terms of, amongst others, title and third party intellectual property rights infringement and EPY Group could incur substantial costs in defending or prosecuting any claims relating to its intellectual property rights. Issues relating to intellectual property rights can be complicated and there is no assurance that disputes will not arise or that any disputes in relation to EPY Group's intellectual property will be resolved in EPY Group's favour. Moreover, any such disputes could be time consuming, cause delays in introducing new or improved products and services or require that the EPY Group discontinue using the challenged technology, and could have a material adverse effect on the EPY Group's reputation, business and financial condition.

As such, there is no assurance that intellectual property rights owned by or licensed to the EPY Group will not be challenged or circumvented by competitors or other third parties, or that other intellectual property rights will be found to be valid or sufficiently broad to protect the EPY Group's technology or provide the EPY Group with any competitive advantage.

(e) **Dependence on key personnel**

The EPY Group's future performance depends to a significant extent upon the continued efforts and abilities as well as the networking of its directors, management and key technical, sales and marketing personnel. The loss of the services of any of these individuals may have a material adverse effect on EPY Group's business. The EPY Group's future success also depends on its ability to attract and retain high quality management, technical and sales personnel in line with the growth and development of its business.

To mitigate this risk, the GHL Group proposes to put in place in the EPY Group human resource incentives which include competitive remuneration packages. However, there can be no assurance that EPY Group will be able to recruit and retain the necessary skilled personnel subsequent to the Proposed Acquisition. The occurrence of such event may have an adverse impact on EPY Group's operation and financial performance. This in turn may have a material adverse impact on GHL Group.

(f) **Political, economic, social risks and regulatory factors**

EPY operates mainly in Malaysia, with a very small presence in Indonesia, Thailand and Pakistan. As such, it is exposed to changes in political, economic, social and other regulatory factors in the aforesaid countries which include, amongst others, political, economical and social instability, risk of war, terrorist attacks and changes to legislation, foreign investment and taxation policies and regulatory requirements.

There can be no assurance that any changes in political, economic and social conditions in the countries in which the EPY Group operates will not have a material and/or adversely affect the financial and business prospect of the EPY Group.

## 11 Taxation considerations

### 11.1 Introduction

The following comments are intended as a general description of the Australian taxation consequences to EPY Shareholders of the acceptance of the Offer.

This guide is of a general nature only and it is recommended that you obtain your own independent professional advice in respect of the Australian tax consequences of the Offer. The comments contained below are generally applicable to shareholders that hold their shares on capital account and who accept the Offer. Non-residents of Australia who hold EPY Shares should consider the tax implications in their country of residence.

### 11.2 Acceptance of the Offer

The Offer allows for EPY Shareholders to receive cash of AUD\$0.40 per EPY Share. Alternatively, EPY Shareholders will be able to elect to receive GHL shares for each EPY Share held. The terms of the Offer satisfy the provisions in Subdivision 124-M of the Income Tax Assessment Act 1997, such that scrip for scrip rollover relief will be available (if GHL becomes the holder of 80% or more of the voting shares in EPY as a result of the Offer). Accordingly, the tax implications on acceptance of the Offer will differ depending on whether you accept cash or shares as Consideration, and if accepting shares, whether or not rollover relief is claimed.

#### (a) Cash Consideration

You would be expected to make a capital gain where the proceeds received for Your EPY Shares are greater than the cost base of those shares. A capital loss will be incurred if the proceeds received are less than the reduced cost base of those shares.

As a general rule, the cost base and reduced cost base of those shares will be the amount you paid to acquire them, plus any incidental costs of acquisition, e.g. stamp duty and brokerage fees.

If you are an individual, or a trust where that capital gain is distributed to an individual, and those shares have been held for at least 12 months, you may be entitled to a 50% discount in calculating the capital gain. To be eligible for the discount, you must have acquired your shares in EPY at least 12 months before accepting the Offer.

If you are a superannuation fund, the relevant discount is 33 1/3%.

If you are a company, you are not eligible for the discount.

The discount is applied to the capital gain after subtracting any available capital losses.

#### (b) Acceptance of GHL Shares

Under the Offer, EPY Shareholders are entitled to elect to receive GHL Shares rather than cash (subject to certain requirements applicable to Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders – see **section 13.11**).

If you elect to receive GHL Shares as Consideration and do not elect to claim the CGT rollover relief (see below), the market value of the GHL Shares received as Consideration will be taken to be the proceeds on disposal of your EPY Shares.

The CGT consequences, together with the application of any CGT discount, is the same as that described above upon receipt of Cash Consideration.

#### (c) CGT scrip for scrip rollover relief

If you elect to receive GHL Shares under the Offer, you may be eligible to choose to obtain scrip for scrip rollover relief to disregard any capital gain you make in respect of the disposal of your EPY Shares. This will be the case provided that you receive the GHL Shares under the Offer and you hold your shares on capital account. Other conditions that will need to be satisfied are that you would otherwise have made a capital gain from the disposal of your EPY Shares, and that GHL becomes the holder of 80% or more of the voting shares in EPY as a result of the Offer. If CGT rollover relief is available, and you choose to apply it, capital gains arising from the disposal of your EPY Shares may be disregarded.

As mentioned above, scrip for scrip rollover relief will not be available unless GHL becomes the owner of 80% or more of the voting shares in EPY as a consequence of the Offer. GHL will notify



ASX of the acceptances it receives during the Offer Period in accordance with the requirements of the Corporations Act.

(d) **Non-resident shareholders**

As the underlying assets of EPY do not principally consist of land or other forms of Australian real property, shareholders who are not Australian residents for tax purposes and who hold their shares on capital account should not be subject to Australian capital gains tax upon disposal of their EPY Shares. It may consequently be expected that any capital gain derived by non-residents on disposal of their shares will not be subject to tax in Australia. Further, in light of this exemption, the application of the scrip for scrip rollover relief concession will not be relevant.

Non-residents who acquired their EPY Shares when they were previously residents in Australia should seek advice about their specific personal circumstances.

### 11.3 **Future disposal of GHL shares**

The Australian CGT consequences of any disposal by an EPY Shareholder of the GHL Shares they receive will generally be the same as for the disposal of the EPY Shares as described above. However, this general rule is modified where CGT rollover relief was claimed on disposal of the shares. This is as follows.

(a) **GHL Shares acquired where CGT rollover relief was claimed**

Where the EPY Shareholder chooses to apply CGT rollover relief on disposal of their EPY Shares, the cost base of the GHL Shares received as a result would broadly equal the cost base of the EPY Shares that were exchanged.

For the purpose of claiming the CGT discount on ultimate disposal, you will be taken to have acquired the GHL Shares issued under the Offer at the time you acquired the original EPY Shares.

(b) **GHL Shares acquired where rollover relief was not claimed**

Where CGT rollover relief was not claimed, the cost base of the GHL Shares would broadly equal the market value of the EPY Shares at the time you acquired the GHL Shares.

Provided the GHL Shares were held for more than 12 months from the date of acquisition, a CGT discount should be available (as described above) on sale.

### 11.4 **Future income derived from GHL**

Australian resident shareholders (other than Australian resident companies with a shareholding in GHL of at least 10%) will be assessed on any dividends paid by GHL.

Under the tax treaty between Australia and Malaysia, there should be no withholding tax applicable to dividends paid by GHL to Australian resident shareholders. However, if withholding tax is payable on the dividends, an Australian shareholder will be able to claim a foreign income tax offset for the Malaysian withholding tax.

Australian resident shareholders will not be able to benefit from any Australian tax paid by EPY.

## 12 Additional information

### 12.1 Date for determining holders of securities

For the purposes of section 633(2) of the Corporations Act, the date for determining the people to whom this Bidder's Statement is sent is 7 November 2013.

### 12.2 Disclosure of information

Due to the fact that GHL is offering GHL Shares as Scrip Consideration under the Offer, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of GHL Shares under sections 710 to 713 of the Corporations Act.

As a company whose shares are quoted on Bursa Securities, GHL is subject to regular disclosure requirements. In particular, GHL is required to make immediate public announcement of material information, if such information is reasonably expected to have a material effect on the price, value or market activity of GHL Shares or the decision of GHL's shareholders or an investor in determining his or her choice of action. Material information, amongst others, may include information which:

- (a) concerns GHL's assets and liabilities, business or financial condition;
- (b) relates to dealings with suppliers, customers and others;
- (c) relates to any event affecting the present or potential dilution of the rights or interests of GHL's shareholders; or
- (d) relates to any event materially affecting the size of public holdings of GHL Shares.

This disclosure is available on GHL's website ([www.ghl.com](http://www.ghl.com)) as well also on the Bursa Securities website ([www.bursamalaysia.com](http://www.bursamalaysia.com), Bursa Code: GHLSYS).

### 12.3 Interests and benefits relating to the Takeover Bid

Other than as set out elsewhere in this Bidder's Statement no:

- (a) director or proposed director of GHL;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Bidder's Statement;
- (c) promoter of GHL; or
- (d) underwriter in relation the issue of GHL Shares pursuant to the Offer or financial services licensee named in this Bidder's Statement as being involved in the issue of GHL Shares;

(together, the **Interested Persons**) has, or had within two years before the date of this Bidder's Statement any interest in:

- (e) the formation or promotion of GHL;
- (f) any property acquired or proposed to be acquired by GHL in connection with its formation or promotion or in connection with the offer of GHL Shares under the Offer; or
- (g) the offer of GHL Shares under the Offer.

### 12.4 Disclosure of fees and benefits received by certain persons

Other than as set out below or elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (a) to a director or proposed director of GHL to induce them to become, or to qualify as, a director of GHL; or
- (b) for services provided by an Interested Person in connection with the formation or promotion of GHL or the offer of GHL Shares under the Offer.

Cycas has entered into the SSA with GHL in respect of the Proposed Share Issuance and will receive GHL Shares on the terms set out in that agreement (as described in **section 8.3**). Cycas will have the right to appoint directors to the board of GHL as agreed in the SSA as described in **section 8.3**.

## 12.5 Fees and benefits of directors of GHL

The current annual remuneration of the GHL directors is as follows:

	Fees	Salaries and other emoluments	EPF	Total
Company's Directors	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
<b>Executive Directors</b>				
Kanagaraj Lorenz	-	390,620	46,800	437,420
Simon Loh Wee Hian	-	360,620	43,200	403,820
Ng King Kau	-	330,000	39,600	369,600
	-	1,081,240	129,600	1,210,840
<b>Non-Executive Directors</b>				
Fong Seow Kee	145,000	-	-	145,000
Goh Kuan Ho	39,600	-	-	39,600
Kamaruddin Bin Taib	60,833	-	-	60,833
	245,433	-	-	245,433
	245,433	1,081,240	129,600	1,456,273

Note: The above figures are in RM. The exchange rate of RM:AUD on 6 November 2013 (the last day prior to the date of the Bidder's Statement) was AUD1.00 : RM3.03.

GHL's Articles provide that every director or other officer or secretary or auditor of GHL shall be indemnified out of the assets of GHL against loss or liability incurred by him or arising from or in relation to his office him as described in **section 9.9(b)**.

## 12.6 Implied value of the Scrip Consideration

Based on the five day VWAP of a GHL Share on Bursa Securities up to 2 October 2013 (the last practicable day before finalisation of the Offer proposal) of RM0.44 and converted to AUD at an AUD:RM exchange rate of AUD1.00 : RM3.03, the implied value of the Scrip Consideration is AUD0.40 per EPY Share.

Based on the five day VWAP of a GHL Share on Bursa Securities up to 6 November 2013 (the last trading day prior to the date of this Bidder's Statement) of RM0.79 and converted to AUD at an AUD:RM exchange rate of AUD1.00 : RM3.03 (as at 6 November 2013), the implied value of the Scrip Consideration is AUD0.72 per EPY Share.

The implied value of the Scrip Consideration will change as a consequence of changes in the market price of GHL Shares and the currency exchange rate between the RM and AUD from time to time.

## 12.7 Litigation

As of the date of this Bidder's Statement, except as described below, GHL is not aware of any material litigation or threatened, or other legal proceedings in relation to GHL or its Subsidiaries.

- (a) On 31 October 2005, GHL International Sdn Bhd (**GISB**), GHLSYS Singapore Pte Ltd (**GHLSYS**) and Privilege Investment Holdings Pte Ltd (**PIHPL**) had entered into a shareholders' agreement for purposes of a proposed joint venture (**Shareholders Agreement**). Subsequently, in 2006, the Shareholders Agreement was terminated by the parties and the proposed joint venture did not take place. Following the termination, PIHPL had made (amongst others) the following allegations against GHL, GISB and GHLSYS (collectively referred to as the **GHL Entities**) and several representatives of the GHL Entities (**GHL Representatives**):
- fraud and misrepresentation in respect of the termination of the Shareholders Agreement;
  - unlawful repudiation of obligations under the Shareholders Agreement;

- (iii) violation of various Indonesian laws and regulations as specified in the Shareholders Agreement; and
- (iv) defamation.

The GHL Entities and the GHL Representatives had denied the aforesaid allegations made against them. Subsequently, PT Multi Adiprakarsa Manunggal (**PT MAM**) had, on 13 February 2007 via a letter addressed to the GHL Entities and the GHL Representatives, alleged (amongst others) that:

- (v) it was an intended beneficiary of the Shareholders Agreement and a direct contracting party to all contracts arising out of the Shareholders Agreement; and
- (vi) it was injured by the unlawful conduct of the GHL Entities.

PT MAM also demanded that an amount of USD3,000,000.00 (equivalent to AUD2,855,400<sup>56</sup>) in damages be paid to it by 20 February 2007, failing which PT MAM shall deem itself to be free to file a legal proceeding in Malaysia, Singapore and/or Indonesia. On 21 February 2007, GISB had via a letter informed PT MAM of the GHL Entities' and the GHL Representatives' denial of the aforesaid allegations made against them and that GISB remained open to resolve the dispute with PT MAM amicably.

On 13 May 2009, PIHPL had via its solicitors, demanded from GISB the following items:

- (vii) payment of USD3,009,700.00 (equivalent to AUD2,864,632) as general damages suffered by PIHPL, following GISB's failure to perform its obligations under the Shareholders Agreement;
- (viii) payment of USD43,047.00 (equivalent to AUD40,972) as special damages for expenses incurred by PIHPL in setting-up PT MAM and GHLSYS for the proposed joint venture;
- (ix) return of all confidential information, trade secrets and/ or any other proprietary information belonging to PIHPL which remained in GISB's and/ or any other related party's custody;
- (x) a written undertaking from GISB that it does not have any confidential information, trade secrets and/ or proprietary information belonging to PIHPL other than those information which was returned, and that GISB has not and will not utilise the confidential information, trade secrets and/ or proprietary information save other than in the course of the joint venture; and
- (xi) payment of RM2,500.00 as the cost of the letter of demand.

On 19 May 2009, GISB had via its solicitors, denied the aforesaid allegations and demands. Since then, there has been no further action brought by the parties to the disputes. The directors of GHL are of the opinion that should PIHPL pursue the matter further, GISB has a good chance in defending the claim by PIHPL.

- (b) On 23 March 2012, GHL Systems Philippines Inc (**GHLSP**) filed a legal proceeding at the Regional Trial Court of Makati, Branch 150 (**RTC Makati**) against 1ABX International Corporation (**1ABX**) to claim for actual and exemplary damages and costs, amounting to approximately PHP3,500,000.00 (equivalent to AUD85,040<sup>57</sup>) for products leased and services rendered by GHLSP to 1ABX.

On 5 June 2012, GHLSP filed a motion to declare that 1ABX had defaulted in filing a reply to the matter within 15 days from the service of summons as required under the Rules of Court of the Philippines. On 2 July 2012, 1ABX filed a motion to admit its reply with a counterclaim and its opposition to the motion to declare it in default. In its counterclaim, 1ABX demanded actual, moral and exemplary damages, costs and expenses of litigation amounting to approximately PHP27,250,000.00 (equivalent to AUD662,094) (**Counterclaim**).

<sup>56</sup> Based on an exchange rate of the AUD1.00 : USD0.9518, being the selling rate of the exchange rate published by the Reserve Bank of Australia on 6 November 2013 (the last trading day before the date of this Bidder's Statement). All AUD equivalents to USD in this Bidder's Statement are based on this exchange rate.

<sup>57</sup> Based on an exchange rate of the AUD1.00 : PHP41.1573, being the exchange rate published by the Central Bank of the Philippines on 6 November 2013 (the last trading day before the date of this Bidder's Statement). All AUD equivalents to PHP in this Bidder's Statement are based on this exchange rate.

On 11 July 2012, GHLSP filed its comment and reply to the motion and opposition filed by 1ABX. On 20 November 2012, GHLSP was informed by the RTC Makati that 1ABX is allowed to participate in the trial and to present its case.

On 8 January 2013, GHLSP has filed a motion to set the case for pre-trial conference at the RTC Makati. The pre-trial conference has been set for 6 March 2013. On 1 March 2013, GHLSP had filed a pre-trial brief at the RTC Makati. During the pre-trial conference, the RTC Makati had, vide an order declared 1ABX as non-suited (Order), as 1ABX did not file its pre-trial brief and had allowed GHLSP to present its evidence ex-parte on 9 May 2013. On 21 March 2013, 1ABX had filed its motion for reconsideration to the Order (Motion for Consideration) at the RTC Makati. On 15 April 2013, GHLSP had filed its opposition to the Motion for Consideration at the RTC Makati. On 31 May 2013, the RTC Makati had resolved the Motion for Consideration in favour of 1ABX. The matter has been set for pre-trial on 1 August 2013 and the parties have been directed by the RTC Makati to file and serve the judicial affidavits of their witnesses at least five days before the said scheduled date. During the hearing, the RTC Makati referred the case to the Philippine Mediation Centre as both parties manifested their willingness to enter into a compromise. Notwithstanding the holding of mediation conferences, the parties were unable to agree on a settlement and the case was referred back to the RTC Makati, following the termination of the said mediation conferences on 3 September 2013. On 7 October 2013, the RTC Makati issued an order, setting the case for judicial dispute resolution on 12 December 2013. The said judicial dispute resolution was subsequently terminated as both parties were unable to agree on a settlement. Following the said termination of the judicial dispute resolution, the matter will be set for pre-trial after it has been re-raffled to another branch of the Regional Trial Courts in the Philippines. The solicitors representing GHLSP in this matter are of the view that GHLSP has a fairly good chance in succeeding in its claim against 1ABX, as a valid contract had been entered into between the parties and GHLSP had performed its obligations under the contract. With regard the Counterclaim, the solicitors representing GHLSP in this matter are of the view that the RTC Makati is unlikely to allow 1ABX's claim, on the basis that it is at fault in the matter.

## **12.8 Public announcements relating to the Takeover Bid**

On 7 October 2013, GHL and EPY made public announcements in relation to the Takeover Bid to ASX. Copies of these announcements may be obtained by EPY Shareholders without payment online at [www.asx.com.au](http://www.asx.com.au) or by contacting the Offer Information Line.

## **12.9 GHL shareholder and regulatory approvals**

As detailed in **section 13.13**, the Offer is conditional upon GHL shareholder approval and certain regulatory approvals. This section provides some further details as to the nature of those approvals.

### **(a) GHL Shareholder Approval**

The Offer is subject to being approved by GHL Shareholders in accordance with Malaysian regulatory requirements.

Under Malaysian law and/or the Main Market Listing Requirements, GHL shareholder approval is required for the Proposed Acquisition and the Proposed Exemption as they are deemed to be related party transactions under Malaysian law. GHL Shareholders are also being asked to approve the Proposed Share Issuance at this meeting.

As required by the Condition in **section 13.13(a)**, the board of directors of GHL will convene an extraordinary general meeting of GHL shareholders to consider, and if thought fit, approve the Proposed Acquisition, the Proposed Exemption and Proposed Share Issuance and it is expected to be held by mid February 2014. The GHL board of directors (excluding Mr Simon Loh and Mr Fong Seow Kee who have abstained from making a recommendation in respect of the Proposed Acquisition and Proposed Exemption due to their interests in EPY) has recommended that GHL shareholders vote in favour of the resolutions at that meeting. Each GHL director who holds GHL Shares (other than Mr Simon Loh and Mr Fong Seow Kee) has declared their intention to vote in favour of the Proposed Acquisition and Proposed Share Issuance at the extraordinary general meeting of GHL to be convened.

In accordance with Chapter 10 of the Main Market Listing Requirements, Mr Simon Loh and Mr Fong Seow Kee will abstain and ensure that persons connected to them will abstain from voting in respect of his and their direct and/or indirect shareholdings in GHL on the resolutions pertaining to the Proposed Acquisition and the Proposed Exemption.

As required under Malaysian law, TA Securities Holdings Berhad has been appointed as an independent adviser for the Proposed Acquisition and Proposed Exemption to advise the non-interested shareholders of GHL whether the Proposed Acquisition and Proposed Exemption are fair and reasonable and not detrimental to the non-interested shareholders of GHL.

(b) **Approval for issuance of shares**

It is a Condition of the Offer that the approval of Bursa Securities is obtained for the listing of and quotation for the GHL Consideration Shares and New Issue Shares to be issued pursuant to the Offer and the Proposed Share Issuance on the Main Market of Bursa Securities.

As announced on ASX via EPY on 22 November 2013, this Condition set out in **section 13.13(b)** has been fulfilled (so that the Offer is free of this Condition).

(c) **Proposed Exemption**

As at the date of this Bidder's Statement, Mr Simon Loh is the largest shareholder of GHL with a total direct and indirect shareholdings of 55.69 million GHL Shares, representing approximately 30.59% of the issued and paid-up share capital of GHL (less treasury shares).

TCL, a company wholly owned by Mr Simon Loh, is the largest shareholder of EPY with direct and indirect shareholdings of 35.07 million EPY Shares, representing approximately 61.60% of the issued share capital of EPY.

Pursuant to the Offer, and assuming the Offer becomes Unconditional and TCL accepts the Offer in respect of its entire holding GHL Shares (consistent with the Pre-Bid Agreement and the Statement of Intention), Mr Simon Loh's direct and indirect equity interest in GHL may increase up to 54.63% upon completion of the Offer and excluding the impact of the Proposed Share Issuance (assuming no other EPY Shareholder accepted the Scrip Consideration and no ESS Options are exercised) (refer to scenario 3 in **section 7.3**). In this event, pursuant to the provisions of the Malaysian Code, Mr Simon Loh and his persons acting in concert will have an obligation to undertake a mandatory takeover offer for all the remaining GHL Shares not already held by them.

It is a Condition of the Offer (see **section 13.13(c)**) that the Securities Commission, Malaysia grants an exemption under Paragraph 16.1 of Practice Note 9 of the Malaysian Code to Mr Simon Loh and the persons acting in concert with him (**PAC**) from the obligation to extend a mandatory takeover offer for the remaining GHL Shares not already held by them pursuant to the issuance of new GHL shares to them upon accepting the Scrip Consideration of the Offer.

GHL has included that as a Condition of the Offer as, if the Proposed Exemption is obtained, this will reduce GHL's cash outlay required for the Offer.

Approval of GHL shareholders is being sought in respect of the Proposed Exemption as part of the GHL Shareholder Approval (see **section 12.9(a)**).

Mr Simon Loh has informed GHL that he and his PAC will submit an application for the Proposed Exemption immediately following the extraordinary general meeting of GHL Shareholders to be held by mid February 2014 (if the GHL Shareholder Approval is obtained at that meeting).

In the opinion of the directors of GHL, EPY Shareholders are likely to know the decision of the application for the Proposed Exemption (and therefore whether the Condition in **section 13.13(c)** has been fulfilled) within one week of the GHL Shareholders' meeting.

In accordance with the requirements of the Securities Commission, Malaysia set out in paragraphs 16.1 and 16.3 of Practice Note 9 of the Malaysian Code, Mr Simon Loh can only file his application for the Proposed Exemption after GHL shareholders approve the Proposed Exemption.

As at the date of this Bidder's Statement, Mr Simon Loh's PAC are his child Loh Hin Yaw and TCL pursuant to the Offer.

TCL accepted the Offer in respect of its entire EPY shareholding (representing 61.60% of EPY Shares) on 21 November 2013. TCL has accepted the Scrip Consideration in respect of its entire shareholding and has advised GHL that it will not exercise its Withdrawal Rights.

GHL does not currently expect that any further regulatory approvals will be required in relation to the Offer and therefore currently expects that the Condition in **section 13.13(d)** (Regulatory approvals) will be satisfied.

#### **12.10 Expiry date**

No GHL Shares will be issued on the basis of the Offer contained in this Bidder's Statement after the expiry of 13 months after the date of this Bidder's Statement.

#### **12.11 Other material information**

There is no other information that:

- (a) is material to the making of a decision by an EPY Shareholder whether or not to accept an Offer;
- (b) is known to GHL; and
- (c) has not previously been disclosed to EPY Shareholders,

other than as disclosed in this Bidder's Statement.

#### **12.12 Consents**

The following persons have consented to being named in this Bidder's Statement in the form and context in which their names appear and have not withdrawn their consent prior to the lodgement of this Bidder's Statement with ASIC:

- Computershare Investor Services Pty Limited - to be named as the share registry;
- Cycas – to be named as the proposed investor under the Proposed Share Issuance;
- Converging Knowledge – to be named as the preparer of content for the industry overview in **sections 2.6 to 2.11**; and
- TCL and Mr Simon Loh.

None of the above mentioned persons has made any statement in this Bidder's Statement, or on which a statement in this Bidder's Statement is based, and (to the maximum extent permitted by law) expressly disclaims any liability and takes no responsibility for any part of this Bidder's Statement. None of those persons should be taken to have endorsed the Offer by being named, or consenting to being named, in this Bidder's Statement.

This Bidder's Statement also contains statements made by, or statements based on statements made by, GHL, Converging Knowledge, TCL and Mr Simon Loh. Each of GHL, Converging Knowledge, TCL and Mr Simon Loh has consented to the inclusion of:

- each statement it has made; and
- each statement which is based on a statement it has made,

in this Bidder's Statement in the form and context in which those statements appear and has not withdrawn that consent before lodgement of this Bidder's Statement with ASIC.

Each person named in this section as having given its consent to the inclusion of a statement or to being named in this Bidder's Statement (other than GHL):

- does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based other than, in the case of a person referred to above as having given their consent to the inclusion of a statement, a statement included in this Bidder's Statement with the consent of that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to its name and, in the case of a person referred to above as having given their consent to the inclusion of a statement, any statement or report which has been included in this Bidder's Statement with the consent of that party.

This Bidder's Statement also includes or is accompanied by statements which are made in or based on statements made in documents lodged with ASIC or on the company announcement platform of ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, the inclusion of those statements in this Bidder's Statement.

Copies of relevant parts of reports and statements of third parties which have been lodged with ASIC or ASX and which are referred to in this Bidder's Statement without the consent of those third parties but in accordance with ASIC Class Order 13/521 will be provided free of charge to any EPY Shareholder who requests a copy during the Bid Period within 2 Business Days of the request. Relevant statements were taken from or based on the announcements made by EPY to ASX on 7 October 2013 ("e-pay Asia response to takeover offer"), 26 August 2013 ("Half Yearly Report and Accounts", 26 April 2013 ("Annual Report to shareholders") and 27 March 2013 ("Full Year Statutory Accounts"). If you would like to receive a copy of any of these reports or statements, please contact the Offer 1300 389 265 (or +613 9415 4124 for international callers).

As permitted by ASIC Class Order 13/523, this Bidder's Statement includes or may be accompanied by certain statements fairly representing a statement by an official person or from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement contains ASX and Bursa Securities share price trading information sourced from the ASX and Bursa Securities without their consent.



## 13 Offer terms

### 13.1 The Offer

- (a) GHL offers to acquire all of Your EPY Shares on the terms and subject to the conditions set out in this **section 13** of this Bidder's Statement.
- (b) The Consideration under the Offer is, at your election, AUD0.40 cash or 2.75 GHL Shares for each of Your EPY Shares.
- (c) You may only accept this Offer and elect to receive either the Cash Consideration or the Scrip Consideration in respect of all of Your EPY Shares. If you hold one or more parcels as trustee or nominee for, or otherwise on account of, another person, certain exceptions to this requirement may apply (see **section 13.5(c)**).
- (d) If you are an Ineligible Foreign Shareholder, despite any other provision of this Offer, you will not receive GHL Shares and will only be entitled to be paid a cash amount in Australian dollars for Your EPY Shares by accepting the Offer and:
  - (i) electing to receive the Cash Consideration; and/or
  - (ii) electing to receive the Scrip Consideration, in which case the amount of cash you will receive will be determined in accordance with **section 13.11**.
- (e) If you do not make an election on your Acceptance Form to receive the Cash Consideration or the Scrip Consideration or you make an invalid, indistinct or conflicting election, you will be deemed to have elected to receive the Cash Consideration in respect of all Your EPY Shares.
- (f) Any GHL Shares issued to you under this Offer will be issued fully paid and will rank equally for dividends and other rights in all respects with existing GHL Shares from the date of issue.

### 13.2 Offer Period

- (a) Unless this Offer is extended or withdrawn in accordance with the Corporations Act, this Offer will remain open during the period commencing on 15 November 2013 and ending at 7:00pm (Melbourne time) on 21 February 2014.
- (b) GHL expressly reserves its rights under section 650C of the Corporations Act to extend the period during which this Offer remains open for acceptance or otherwise to vary this Offer in accordance with the Corporations Act.

### 13.3 Offerees

The Offer relates to EPY Shares that exist or will exist as at the Relevant Date (7 November 2013).

### 13.4 Fractional entitlements

If the number of EPY Shares you hold is such that your entitlement to GHL Shares under the Scrip Consideration of the Offer is not a whole number, your entitlement to GHL Shares will be rounded down to the nearest whole number.

### 13.5 Who may accept this Offer

- (a) This Offer is made to you as the holder of Your EPY Shares at the Relevant Date.
- (b) If at the time this Offer is made to you, or at any time during the Offer Period and before you accept this Offer another person is registered as the holder of some or all of Your EPY Shares (**Transferred Shares**):
  - (i) this Offer is deemed to have been withdrawn;
  - (ii) a corresponding Offer is taken to have been made to that other person in respect of the Transferred Shares; and
  - (iii) a corresponding Offer is taken to have been made to you in respect of Your EPY Shares other than the Transferred Shares.
- (c) If at any time during the Offer Period and before you accept this Offer, you hold one or more parcels of Your EPY Shares as trustee or nominee for, or otherwise on account of, another person within the meaning of section 653B of the Corporations Act, then in accordance with section 653B of the Corporations Act:

- (i) this Offer will be deemed at that time to consist of separate corresponding Offers made to you in relation to the respective distinct parcels of Your EPY Shares including any parcel that you hold in your own right;
- (ii) an acceptance by you of any of those separate corresponding Offers is ineffective unless you have given to GHIL notice which:
  - (A) indicates that Your EPY Shares consist of distinct parcels; and
  - (B) if it relates to EPY Shares in a CHESS Holding, is in an electronic form approved by the ASX Settlement Operating Rules; or
  - (C) if it relates to EPY Shares held in an Issuer Sponsored Holding, is in writing; and
- (iii) you may at the onetime accept two or more such corresponding Offers as if they were a single Offer in relation to a distinct parcel of EPY Shares.

If you require additional copies of the Bidder's Statement and Acceptance Form, please contact the Offer Information Line to request such additional copies.

### 13.6 How to accept this Offer

- (a) You may accept this Offer at any time during the Offer Period, in the manner provided in this **section 13.6**.
- (b) The manner in which you accept this Offer will depend on whether Your EPY Shares are in an Issuer Sponsored Holding (see **sections 13.6(d) to (f)**) or in a CHESS Holding (see **sections 13.6(g) to (i)**).
- (c) Subject to **section 13.9(c)(ii)**, if some of Your EPY Shares are in an Issuer Sponsored Holding, and some of Your EPY Shares are in a CHESS Holding, your acceptance of this Offer will require separate action in relation to the separate portions of Your EPY Shares.

#### Issuer Sponsored Holding

- (d) If Your EPY Shares are held in an Issuer Sponsored Holding, to accept this Offer you must complete and sign the accompanying Acceptance Form in accordance with the instructions on it and return it, together with any other documents required by those instructions, to:

**(By mail)**

Computershare Investor Services Pty Limited  
 GPO Box 2115  
 Melbourne VIC 3001  
 Australia

so that it is received by GHIL before the end of the Offer Period. The Acceptance Form allows you to elect to receive the Cash Consideration or the Scrip Consideration for all Your EPY Shares. If you do not make an election on your Acceptance Form to receive the Cash Consideration or the Scrip Consideration or you make an invalid, indistinct or conflicting election, you will be deemed to have elected to receive the Cash Consideration in respect of all Your EPY Shares.

- (e) Acceptance will be deemed to have been effected when, subject to this **section 13**, the duly completed Acceptance Form has been received at the above address.
- (f) If you wish to accept the Scrip Consideration under the Offer, you must also complete and return a Direction and Indemnity Form (which you may obtain by contacting the Offer Information Line or by sending an email request to [GHLOFFER@computershare.com.au](mailto:GHLOFFER@computershare.com.au)) to Computershare by the Closing Date nominate the CDS Account for holding your GHIL Shares.

#### CHESS Holding

- (g) If Your EPY Shares are held in a CHESS Holding, then acceptance of this Offer can only be made in accordance with the ASX Settlement Operating Rules by:
  - (i) instructing your Controlling Participant to initiate acceptance of this Offer and elect either the Cash Consideration or the Scrip Consideration in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period;

- (ii) subject to **section 13.6(i)(h)**, completing and signing the accompanying Acceptance Form in accordance with the instructions on it and returning it, together with any other documents required by those instructions, to the address listed in **section 13.6**; or
  - (iii) if you are a Participant, initiating acceptance of this Offer and electing to receive either the Cash Consideration or Scrip Consideration in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (h) Notwithstanding any other term or condition to the contrary, acceptance of this Offer in accordance with **section 13.6(g)(i)** or **(ii)** is not effective unless, prior to the end of the Offer Period, the Controlling Participant of the shareholding has initiated an acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules.
- (i) If you choose to accept this Offer in the manner outlined in **section 13.6(g)(ii)**, you:
- (i) acknowledge that GHL (or its agents or nominees) will merely forward your Acceptance Form to your Controlling Participant (the only person who can accept this Offer on your behalf) and that it is your responsibility to allow sufficient time for your Controlling Participant to initiate acceptance of this Offer;
  - (ii) acknowledge that GHL (or its agents or nominees) is not responsible for any delays incurred by the process outlined in **section 13.6(i)(i)** or any losses whatsoever you incur by the fact that your acceptance is not processed before the end the Offer Period; and
  - (iii) agree to promptly give any further instructions or take any further actions necessary (and authorise GHL to give any instructions and take any actions necessary) concerning Your EPY Shares to your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules prior to the end of the Offer Period.
- (j) If you wish to accept the Scrip Consideration under the Offer, you must also complete and return a Direction and Indemnity Form (which you may obtain by contacting the Offer Information Line or by sending an email request to GHLOFFER@computershare.com.au) to Computershare by the Closing Date to nominate the CDS Account for holding your GHL Shares.

### 13.7 Acceptance Form

- (a) The Acceptance Form which accompanies this Offer forms part of it. The requirements on the Acceptance Form must be observed in accepting this Offer in respect of Your EPY Shares and electing the form of Consideration.
- (b) You must comply with the directions on the Acceptance Form in order to lodge an effective acceptance of this Offer and valid election of the form of Consideration.
- (c) Except in relation to EPY Shares in a CHESS Holding, GHL may deem any Acceptance Form received by it before the end of the Offer Period to be a valid acceptance notwithstanding that any of the requirements for acceptance have not been complied with. Where an Acceptance Form in respect of a CHESS Holding is received, it will be treated in accordance with **section 13.6(i)**.
- (d) No payment of Consideration need be made until the required documents have been received and any outstanding requirements have been satisfied.

### 13.8 Power of attorney or deceased estate

When accepting this Offer, you should also forward for inspection:

- (a) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
- (b) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased EPY Shareholder, the relevant Grant of Probate or Letters of Administration.

### 13.9 Effect of acceptance

- (a) Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you and you will be unable to withdraw Your Shares from the Offer or otherwise dispose of Your Shares, except as follows:
  - (i) if, by the times specified in **section 13.9(b)**, the Conditions in **section 13.13** have not all been fulfilled or freed, this Offer will automatically terminate and Your EPY Shares will be returned to you; or

- (ii) if the Offer Period is varied in a way that postpones for more than one month the time when GHL has to meet its obligations under the Offer and, at the time, this Offer is subject to one or more of the Conditions in **section 13.13**, you may be able to withdraw your acceptance and Your Shares in accordance with section 650E of the Corporations Act. A notice will be sent to you at the time explaining your rights in this regard.
- (b) The relevant times for the purposes of **section 13.9(a)** are:
  - (i) In relation to the Condition in **section 13.13(j)**, the end of the third Business Day after the end of the Offer Period; and
  - (ii) In relation to all other Conditions in **section 13.13**, the end of the Offer Period.
- (c) By initiating acceptance of this Offer through CHESS, or signing and returning an Accepting Form, you will have:
  - (i) accepted this Offer (and each variation of this Offer) irrevocably in accordance with its terms and conditions in respect of all of Your EPY Shares;
  - (ii) if some of Your EPY Shares are in an Issuer Sponsored Holding, and some of Your EPY Shares are in a CHESS Holding, and your acceptance was made only in respect of one type of holding, agreed, on request from GHL or its agents, to promptly take any actions necessary and have authorised GHL to promptly take any actions necessary concerning the unaccepted holding of Your EPY Shares to ensure those shares are validly accepted in accordance with **section 13.6** prior to the end of the Offer Period;
  - (iii) agreed to transfer all Your EPY Shares to GHL, subject to the Offer being or becoming Unconditional;
  - (iv) irrevocably authorised GHL (by any of its Officers and agents, jointly and severally) to complete on your behalf on the Acceptance Form (if applicable) correct details of Your EPY Shares, fill in any blanks remaining on the Acceptance Form and rectify any error in or omission from the Acceptance Form as may be necessary to make it a valid acceptance of this Offer or to enable registration of the transfer of Your EPY Shares to GHL. If you do not elect a form of Consideration on the Acceptance Form or your election is unclear, invalid, indistinct or conflicting, GHL (by any of its Officers and agents, jointly and severally) will complete your Acceptance Form by electing Cash Consideration;
  - (v) represented and warranted to GHL that all of Your EPY Shares will, both at the time of your acceptance of this Offer and at the time of registration of the transfer of Your EPY Shares to GHL, be fully paid-up and free from Encumbrances, that you have full power and authority to sell Your EPY Shares and that, upon transfer, GHL will be the owner of Your EPY Shares;
  - (vi) represented and warranted to and agreed with GHL that Your EPY Shares will be acquired by GHL with all Rights and that you will execute all instruments as GHL may require for the purpose of vesting in it such Rights;
  - (vii) irrevocably authorised and directed EPY to pay to GHL or to account to GHL for all Rights, subject to any Rights received by GHL being accounted for by GHL to you if the Offer is withdrawn or the contract formed by your acceptance of this Offer is rendered void;
  - (viii) except where Rights have been paid or accounted for under **section 13.9(c)(vii)**, irrevocably authorised GHL to reduce the cash and/or number of GHL Shares to be paid or issued to you pursuant to **section 13.1(b)** by the amount (or value as reasonably assessed by GHL) of all Rights;
  - (ix) represented and warranted to GHL that, unless you have provided notice in accordance with **section 13.5(c)(ii)**, Your EPY Shares do not consist of distinct parcels of EPY Shares;
  - (x) represented and warranted to GHL that you are not and are not acting on behalf of an Ineligible Foreign Shareholder, unless otherwise indicated on the Acceptance Form;
  - (xi) acknowledged and agreed that if you have elected to receive the Scrip Consideration but you are unable to make the representation in **section 13.9(c)(x)** or if GHL believes that you are or are acting on behalf of an Ineligible Foreign Shareholder, a nominee approved by ASIC will sell the GHL Shares which would otherwise be issued to you, as described in **section 13.11**;

- (xii) acknowledged and agreed that, except as permitted by and in accordance with the applicable law (including in accordance with an exemption from the registration requirements of the Securities Act 1933 of the United States of America), you will not offer or resell in, or to persons in, the United States of America any GHL Shares which you acquired at any time, although that does not prohibit any sale on ASX if neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been prearranged with, or that purchaser is, a person in the United States of America;
- (xiii) if you elected to receive the Scrip Consideration, except where you are or are acting on behalf of an Ineligible Foreign Shareholder, agreed to become a member of GHL, to be bound by GHL's Articles and to subscribe for the GHL Shares to be issued to you as Consideration for the acquisition of Your EPY Shares;
- (xiv) if you elected to receive the Scrip Consideration, except where you are or are acting on behalf of an Ineligible Foreign Shareholder, authorised GHL to issue to you the GHL Shares you are entitled to receive under this Offer;
- (xv) if you elected to receive the Scrip Consideration but you are an Ineligible Foreign Shareholder, irrevocably authorised GHL to issue to the account of the Nominee of that number of GHL Shares corresponding to your entitlement under this Offer at the date of application;
- (xvi) if you elected to receive the Scrip Consideration, except where you are or are acting on behalf of an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder, made all of the warranties and representations and given all of the indemnities and undertakings set out in the Direction and Indemnity Form, as set out in **Attachment F**;
- (xvii) irrevocably appointed GHL and its Officers and agents from time to time, jointly and severally, from the time that this Offer or any contract resulting from acceptance of this Offer is or becomes Unconditional, as your attorney in your name and on your behalf:
  - (A) to attend and exercise any voting rights attaching to Your EPY Shares (including demanding a poll for any vote) at any and all general meetings of EPY held from the time that this Offer or any contract resulting from your acceptance of this Offer is or becomes Unconditional until GHL is registered as the holder of Your EPY Shares;
  - (B) to execute and deliver all forms, transfers, assignments, notices and instruments relating to Your EPY Shares (including instruments appointing a director of GHL as a proxy in respect of Your EPY Shares and any application to EPY for a replacement certificate in respect of any certificate which has been lost or destroyed);
  - (C) generally to exercise all your powers and Rights in relation to Your EPY Shares including the power to requisition or join in requisitioning general meetings of EPY in accordance with the constitution of EPY or sections 249D, 249E or 249F of the Corporations Act and to consent to short notice of any general meetings of EPY; and
  - (D) to request EPY to register in the name of GHL (or its nominee) Your EPY Shares which you hold on any register of EPY,

and agreed that, in exercising the powers conferred by this power of attorney, GHL or an Officer or agent of GHL (as the case may be) will be entitled to act in the interests of GHL as the beneficial owner and intended registered holder of Your EPY Shares;
- (xviii) irrevocably authorised GHL, from the time this Offer or any contract resulting from acceptance of this Offer is or becomes Unconditional to:
  - (A) notify EPY on your behalf that your address for the purpose of serving notices upon you in respect of Your EPY Shares is the address of GHL and that all such notices are to be marked care of GHL; and
  - (B) direct EPY to serve all notices and to send all correspondence, payments of dividends and other distributions, rights and entitlements, notifications of entitlements and other communications and documents of any kind in respect of Your EPY Shares to GHL at its address;

- (xix) in respect of any of Your EPY Shares which are held in a CHES Holding, irrevocably authorised and directed GHL by its Officers and agents to:
  - (A) instruct your Controlling Participant to initiate acceptance of this Offer in respect of those EPY Shares in accordance with the ASX Settlement Operating Rules; and
  - (B) give any other instructions in relation to those EPY Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant, as determined by GHL acting in its own interests as a beneficial owner and intended registered holder of Your EPY Shares; and
- (xx) with effect from the date that this Offer or any contract resulting from acceptance of this Offer is Unconditional, irrevocably authorised GHL (or its agents or nominees) to do all things necessary to transfer Your EPY Shares into the name of GHL (including, if at the time of acceptance of this Offer some or all of Your EPY Shares are in a CHES Holding, to cause a message to be transmitted in accordance with Rule 14.17.1 of the ASX Settlement Operating Rules to transfer Your EPY Shares to GHL's Takeover Transferee Holding), regardless of whether GHL has paid the Consideration due to you under this Offer.

### 13.10 Dividends and other entitlements

- (a) GHL will be entitled to all Rights declared, paid, made or which may arise or accrue on or after the Announcement Date in respect of EPY Shares which it acquires as a result of this Offer.
- (b) If any Rights (including non-cash Rights) arise, accrue or are declared, issued, paid or made in cash to you as the holder of Your EPY Shares, GHL will (provided such Rights have not been paid or transferred to GHL) be entitled to reduce the Consideration specified in **section 13.1(b)** of this Offer by the amount equal to the value of the Rights, as reasonably assessed by GHL, of such Rights. This may include reducing the number of GHL Shares to which you may otherwise be entitled.
- (c) If GHL becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give to GHL all documents necessary to vest title in those Rights in GHL. If you do not give these documents to GHL, or if you have received the benefit of those Rights, you must pay the amount (or value as reasonably assessed by GHL) of such Rights to GHL.

### 13.11 Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders

#### (a) Ineligible Foreign Shareholders

If you are an Ineligible Foreign Shareholder, you will not be entitled to receive GHL Shares as the consideration for Your EPY Shares as a result of accept this Offer and electing to receive the Scrip Consideration. In this event, the nominee sale procedure set out in **section 13.11(c)** will apply.

This means that if you accept the Offer and elect to receive the Scrip Consideration, you will not be issued with GHL Shares.

In such circumstances, you will be paid net sale proceeds in cash, notwithstanding your election to receive Scrip Consideration.

The cash you will be paid will be determined by the nominee sale process set out in **section 13.11(c)** and will depend upon a range of factors, including the prevailing share price of GHL Shares and the date on which the nominee sells the GHL Shares to which you would otherwise be entitled.

As such, it is likely that you will receive a different (and possibly lesser) amount of cash per EPY Share than had you elected to receive the Cash Consideration.

GHL recommends you consult your financial adviser in relation to your election.

Please note if you are an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder, you are not required to complete the Direction and Indemnity Form. You only need complete the Acceptance Form and then the process described above and in this **section 13.11** will be followed.

(b) **Unmarketable parcels**

If you accept this Offer and elect to receive the Scrip Consideration and the GHL Shares which would be issued to you as a consequence of acceptance of this Offer would constitute an Unmarketable Parcel, you will be an **Unmarketable Parcel Shareholder**. If you are an Unmarketable Parcel Shareholder and you accept this Offer, GHL will arrange for a nominee sale in accordance with **section 13.11(c)**.

In such circumstances, you will be paid net sale proceeds in cash, notwithstanding your election to receive Scrip Consideration.

The cash you will be paid will be determined by the nominee sale process set out in **section 13.11(c)** and will depend upon a range of factors, including the prevailing share price of GHL Shares and the date on which the nominee sells the GHL Shares to which you would otherwise be entitled.

As such, it is likely that you will receive a different (and possibly lesser) amount of cash per EPY Share than had you elected to receive the Cash Consideration.

GHL recommends you consult your financial adviser in relation to your election.

(c) **Nominee sale**

If you are subject to the restrictions in **sections 13.11(a)** or **(b)**, GHL will:

- (i) arrange for the issue to a nominee approved by ASIC (**Nominee**) of the number of GHL Shares to which you and all other Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders would have been entitled but for this **section 13.11 (Nominee Shares)** and the equivalent provision in each other offer under the Offer;
- (ii) cause the Nominee Shares so issued to be offered for sale by the Nominee on Bursa Securities as soon as practicable and otherwise in the manner, at such price and on such other terms and conditions as are determined by the Nominee acting in good faith; and
- (iii) cause the Nominee to pay to you the amount ascertained in accordance with the formula (calculated on an average basis so that all Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders who accept Scrip Consideration receive the same value per EPY Share, subject to rounding:

$$\text{Net Proceeds of Sale} \times \frac{YS}{TS}$$

where:

**Net Proceeds of Sale** is the amount received by the Nominee upon the sale of the Nominee Shares, less the expenses of the sale (brokerage, stamp duty and other selling costs, taxes and charges);

**YS** is the number of GHL Shares which would, but for this **section 13.11**, have been allotted and issued to you;

**TS** is the total number of Nominee Shares allotted and issued to the Nominee under this **section 13.11** in respect of the EPY Shares held by all Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders.

You will be paid your share of the proceeds of the sale of GHL Shares by the Nominee in Australian currency.

Payments will be made by cheque posted to you at your risk by pre-paid ordinary mail (or, if you have an overseas address, by pre-paid airmail) as soon as practicable and in any event within the period required by the Corporations Act to the address provided to GHL by EPY.

Under no circumstances will interest be paid on your share of the proceeds of the sale, regardless of any delay in remitting these proceeds to you.

(d) **Authorities and clearances**

Residents of certain places are not entitled to receive the Net Proceeds of Sale unless and until all requisite authorities or clearances have been obtained from the Reserve Bank of Australia, the Australian Taxation Office and/or Bank Negara Malaysia. Refer to **section 13.12(e)** for further information.

## 13.12 Obligations of GHL

(a) **Payment of Consideration**

If you accept this Offer and your acceptance complies with **sections 13.6** and **13.7** or GHL determines to treat your acceptance as valid, GHL will, subject to **sections 13.11** and **13.12**, provide the consideration due to you for Your EPY Shares on or before the earlier of:

- (i) 21 days after the end of the Offer Period; or
- (ii) one month after the first day on which both of the following apply:
  - (A) this Offer has been validly accepted by you; and
  - (B) the contract resulting from your acceptance of this Offer has become Unconditional.

(b) **Additional documents**

Where the Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):

- (i) if that document is sent or delivered with your Acceptance Form, GHL will provide the Consideration in accordance with **section 13.12(a)**;
- (ii) if that document is given after you send or deliver the Acceptance Form and before the end of the Offer Period while the Offer is subject to a defeating Condition, GHL will provide the Consideration due to you by the end of whichever of the following periods end earlier:
  - (A) 21 days after the end of the Offer Period; or
  - (B) one month after the contract resulting from acceptance of this Offer becomes Unconditional;
- (iii) if that document is given after your Acceptance Form and before the end of the Offer Period while the Offer is not subject to a defeating Condition, GHL will provide the Consideration due to you by the end of whichever of the following periods end earlier:
  - (A) 21 days after the end of the Offer Period; or
  - (B) one month after that document is given;
- (iv) subject to **section 13.12(b)(v)**, if that document is given after acceptance and after the end of the Offer Period, GHL will provide the Consideration due to you within 21 days after that document is given, but if at the time the document is given the Offer is still subject to a defeating condition that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, within 21 days after the Offer becomes Unconditional; and
- (v) if that document is not provided to GHL within one month after the end of the Offer Period, GHL may, in its sole discretion, rescind the contract resulting from your acceptance of the Offer.

(c) **CDS Accounts**

- (i) Pursuant to section 14(1) of the SICDA, Bursa Securities has prescribed GHL Shares as Prescribed Securities. In consequence, the Scrip Consideration will be deposited directly with Bursa Securities and any dealings in GHL Shares (including the Scrip Consideration) will be carried out in accordance with SICDA and the Rules of Bursa Depository.

If you accept the Offer and elect to receive Scrip Consideration (but are not an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder – if you are, refer to **section 13.11**), the Scrip Consideration allotted to you will be credited into your CDS Account or that of your Authorised Nominee. No physical share certificate will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa



Depository or its nominee as long as the GHL Shares (including the Scrip Consideration) are listed on Bursa Securities.

Notices of allotment will be despatched by GHL to you or your Authorised Nominee within the time specified for provision of Consideration in **section 13.12(a)**.

- (ii) If you wish to accept the Scrip Consideration and hold the Scrip Consideration directly (but are not an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder – if you are, refer to **section 13.11**), you must furnish your CDS Account number in the Direction and Indemnity Form available from the Offer Information Line. If you do not presently have a CDS Account, you should open a CDS Account in accordance with the instructions in **Attachment E** prior to accepting the Offer if you intend to accept the Scrip Consideration. A notice of allotment will be despatched by GHL to you by ordinary post to you at the last addressed maintained by you with Bursa Depository at your own risk within the time specified for provision of Consideration in **section 13.12(a)**.
  - (iii) Alternatively, if you wish to accept the Scrip Consideration but do not have a valid CDS Account (and are not an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder – if you are, refer to **section 13.11**), you may appoint an Authorised Nominee to hold the Scrip Consideration in the manner described in the table in **section 1.6** and provide the CDS Account number of your Authorised Nominee in the Direction and Indemnity Form available from the Offer Information Line. GHL will despatch the notice of allotment to the registered address of your Authorised Nominee by ordinary post to your Authorised Nominee at the last addressed maintained by your Authorised Nominee with Bursa Depository within the time specified for provision of Consideration in **section 13.12(a)**.
  - (iv) GHL will not be responsible for any delay or failure in issuing the GHL Shares to their nominated CDS Account if incorrect or insufficient information has been provided by the EPY Shareholder in their Direction and Indemnity Form. Your acceptance of the Offer may be rejected if you provide incorrect or insufficient CDS Account details and Computershare does not receive correct details.
- (d) **Provision of Consideration**
- (i) Payment of any cash amount to which you are entitled under the Offer will be made in Australian currency. Any cheques will be posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) to the address as shown on the EPY register last provided to GHL.
  - (ii) The issue of any GHL Shares to which you are entitled shall be subject to and in accordance with SICDA and the Rules of Bursa Depository. The obligation of GHL to issue any GHL Shares to which you are entitled will be satisfied by GHL carrying out its obligations under SICDA and the Rules of Bursa Depository in respect of the issue of such GHL Shares.
- (e) **Clearances for certain shareholders**
- If, at the time of acceptance of this Offer, any authority or clearance of the Reserve Bank of Australia, the Australian Taxation Office or Bank Negara Malaysia is required for you to receive any Consideration under this Offer or you are resident in or a resident of a place to which, or you are a person to whom:
- (i) the Banking (Foreign Exchange) Regulations 1959 (Cth);
  - (ii) Part 4 of the Charter of the United Nations Act 1945 (Cth);
  - (iii) the Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth);
  - (iv) Part 9 of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth);
  - (v) any other regulations made under Part 4 of the Charter of the United Nations Act 1945 (Cth);
  - (vi) Division 2 of Part XIV of the Financial Services Act 2013 of Malaysia;
  - (vii) Anti-Money Laundering and Anti-Terrorism Financing Act 2001 of Malaysia; or

- (viii) any other law of Australia or Malaysia that would make it unlawful for GHL to provide Consideration for Your EPY Shares,

applies, then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the Consideration specified in this Offer unless and until all requisite authorities or clearances have been obtained by GHL.

If GHL is required by law to retain or withhold (and pay to a public authority) any amount of the Consideration payable to you under this Offer, the retention or payment by GHL of that amount in conjunction with payment of the remaining Consideration payable to you in accordance with this **section 13.12** will constitute full and proper payment of the Consideration payable to you under this Offer.

### 13.13 Conditions

This Offer and any contract arising from acceptance of this Offer are subject to the fulfilment of the following Conditions:

- (a) **(GHL shareholder approval)** GHL shareholder approval is obtained for the Offer in accordance with Malaysian regulatory requirements. (Note: To avoid any doubt, GHL may not treat any failure to obtain such approval as a defeating condition for the purposes of the Corporations Act unless:
- (i) GHL convenes a meeting of GHL shareholders and the GHL board of directors recommends that the GHL shareholders vote in favour of the resolution;
  - (ii) each director of GHL who is entitled to vote as a GHL shareholder on that resolution votes in favour of the resolution; and

notwithstanding paragraphs (i) and (ii), shareholder approval is not obtained).

**(GHL Shareholder Approval).**

- (b) **(Approval for issuance of shares)** Approval of Bursa Securities is obtained for the listing of and quotation on the Main Market of Bursa Securities of the GHL Consideration Shares and New Issue Shares to be issued pursuant to the Offer and the Proposed Share Issuance.
- (c) **(Exemption granted to Mr Simon Loh)** The Securities Commission, Malaysia granting an exemption under Paragraph 16.1 of Practice Note 9 of the Malaysian Code to Mr Simon Loh and the parties acting in concert with him from the obligation to extend a mandatory takeover offer for the remaining GHL Shares not already held by them pursuant to the issuance of new GHL shares to them upon accepting the Scrip Consideration of the Offer (**Proposed Exemption**).
- (d) **(Regulatory Approvals)** Before the end of the Offer Period, all approvals that are required by law or by any Government Agency as are necessary to permit:
- (i) the Offer to be lawfully made to, and accepted by, EPY Shareholders; and
  - (ii) any transaction contemplated by the Offer to be completed,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same. In each case on an unconditional basis or on the basis of conditions that impose only non-material requirements incidental to the approvals set out in this condition and, at the end of the Offer Period, all of those approvals remain in full force and effect in all respects and are not subject to any notice or indication of intention to remove, suspend, restrict, modify or not renew those approvals.

- (e) **(Absence of regulatory actions)** Between the Announcement Date and the end of the Offer Period (each inclusive):
- (i) there is not in effect any preliminary or final decision, order or decree issued by any court, the Takeovers Panel or any Government Agency;
  - (ii) no action or investigation is announced, commenced or threatened by any court, the Takeovers Panel or any Government Agency; and
  - (iii) no application is made to any court, the Takeovers Panel or any Government Agency (other than by GHL or its Associates),

- in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offers and the completion of any transaction contemplated by the Takeover Bid or which requires the divestiture by GHL of any EPY Shares or the divestiture of any material assets of GHL or EPY or their Subsidiaries.
- (f) **(No superior proposal recommended)** The EPY board of directors or any independent board committee appointed by it in relation to the Offer does not recommend a competing proposal that it considers to be more favourable to EPY Shareholders than the Offer.
- (g) **(Conduct of EPY business)** Except for any proposed transaction or matter the material terms of which have been publicly announced by EPY to ASX before the Announcement Date or in the ordinary course of business, during the period commencing on the Announcement Date and ending at the end of the Offer Period, none of the following events occurs nor is an intention to do any of the following announced:
- (i) a member of the EPY Group through its action or omission acquires, offers to acquire, agrees to acquire or comes under an obligation to acquire one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount in aggregate greater than AUD250,000;
  - (ii) a member of the EPY Group enters into, offers to enter into or announces that it proposes to enter into any agreement, joint venture, partnership, management agreement or commitment which would require expenditure, or the foregoing of revenue, by one or more members of the EPY Group which is, in aggregate, more than AUD250,000;
  - (iii) a member of the EPY Group incurs or commits to, or grants to another person a right the exercise of which would involve the EPY Group incurring or committing to, any capital expenditure or liability in respect of one or more related items of greater than AUD250,000 other than as a consequence of the transaction (excluding, without limitation, fees payable to its Advisers and the Independent Expert); or
  - (iv) a member of the EPY Group enters into or agrees to enter into any contract of service or management contract, or varies or agrees to vary any existing contract of service or management contract with any director or officer of the EPY Group, or pays or agrees to pay any retirement benefit or allowance to any director or officer of the EPY Group, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, officer or other employee of the EPY Group (except as required by law or provided under any agreement or arrangement as in effect and publicly disclosed as at the Announcement Date).
- (h) **(Distributions)** That during the period commencing on the Announcement Date and ending at the end of the Offer Period, EPY does not make or declare, or announce an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).
- (i) **(Material Adverse Change)** Between the Announcement Date and the end of the Offer Period (each inclusive), no Material Adverse Change occurs in relation to EPY. **Material Adverse Change** means one or more occurrences or any fact, matter or circumstance (whenever occurring or reasonably likely to occur) that is announced or becomes known to GHL that individually, or when aggregated with all such occurrences, facts, matters or circumstances, has had or is reasonably likely to have, a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of EPY and its Subsidiaries taken as a whole.
- (j) **(Prescribed occurrences)** That none of the Prescribed Occurrences happens in relation to EPY or any member of the EPY Group during the period commencing on the Announcement Date and ending at the end of the Offer Period.

### 13.14 Operation of Conditions

- (a) Each of the Conditions set out in each subsection, paragraph and subparagraph of **section 13.13**:
- (i) constitutes and is to be construed as a separate, several and distinct Condition; and
  - (ii) until the expiration of the Offer Period (or in the case of the Condition referred to in **section 13.13(j)**, until three Business Days after the end of the Offer Period) will be for the benefit of GHL alone and may be relied upon only by GHL.
- (b) Subject to the Corporations Act, each of the Conditions contained in each subsection, paragraph and subparagraph of **section 13.13** is a condition subsequent and will not prevent a contract to sell Your EPY Shares arising from acceptance of this Offer, but any breach or non-fulfilment of such a Condition will entitle GHL, by written notice, to rescind the contract resulting from acceptance of this Offer.

### 13.15 Freeing the Offers from Conditions

Subject to and in accordance with the Corporations Act, GHL may declare the Offer free from any or all of the Conditions contained in **section 13.13** by giving notice in writing to EPY. Any declaration made under this **section 13.15** may be made by GHL in its sole discretion but in compliance with the Corporations Act:

- (a) in the case of the Condition in **section 13.13(j)**, at any time up until three Business Days after the end of the Offer Period; or
- (b) in any other case, no later than seven days before the end of the Offer Period.

### 13.16 Notice on status of Conditions

GHL will give notice of the status of the Conditions in **section 13.13** in accordance with section 630(1) of the Corporations Act on 13 February 2014, subject to extension in accordance with section 630(2) of the Corporations Act if the period during which this Offer remains open for acceptance is extended under section 650C of the Corporations Act.

### 13.17 Breach or non-fulfilment of Conditions

The breach or non-fulfilment of any of the Conditions contained in **section 13.13** does not, until the end of the Offer Period, prevent a contract resulting from your acceptance of this Offer. If at the end of the Offer Period (or, in the case of the Condition in **section 13.13**, at the end of three Business Days after the end of the Offer Period), in respect of any of the Conditions contained in **section 13.13**:

- (a) GHL has not declared this Offer and all other Offers made by GHL to be free from that Condition; and
- (b) that Condition has not been fulfilled,

all contracts resulting from the acceptance of Offers and all Offers that have been accepted and from which binding contracts have not yet resulted, are void. In that event, GHL will, if you have accepted this Offer:

- (c) return your Acceptance Form together with all documents forwarded by you (if any) to your address as shown in the Acceptance Form; and
- (d) notify ASX Settlement of the lapse of the Offers in accordance with Rule 14.19 of the ASX Settlement Operating Rules.

### 13.18 Reasonable endeavours in relation to Conditions

GHL and its subsidiaries will each:

- (a) use reasonable endeavours to procure that each of the Conditions in **section 13.13** is satisfied; and
- (b) not do or omit to do anything which may cause a breach of any such Condition.

### 13.19 Quotation for GHL Shares

- (a) GHL has been admitted to the Main Market of Bursa Securities. Shares of the same class as those to be issued as Scrip Consideration have been granted quotation by Bursa Securities.
- (b) An application will be made within 7 days after the start of the bid period to Bursa Securities for the granting of quotation for the GHL Shares to be issued in accordance with the Offer. However, listing and quotation is not granted automatically on application.
- (c) Pursuant to the Corporations Act, this Offer and any contract that results from your acceptance of it are subject to a condition that an application for admission to quotation will be made within 7 days after the start of the bid period and permission for admission to quotation will be granted no later than 7 days after the end of the bid period.

This condition is not a defeating condition for the purposes of the Corporations Act and is not of the same nature as the Conditions set out in **section 13.13**. The Offer cannot be freed of this condition and subsequently no statements made by GHL can be taken to waive that condition. If this condition is not fulfilled, all contracts resulting from the acceptance of the Offer will be void automatically.

In accordance with the announcement made by GHL to ASX via EPY on 22 November 2013, this condition has been fulfilled.

### 13.20 Withdrawal of Offers

GHL may withdraw unaccepted Offers at any time with the written consent of ASIC. ASIC may consent subject to conditions. If ASIC gives such consent, GHL will give notice of the withdrawal to ASX and to EPY and will comply with any other conditions imposed by ASIC.

### 13.21 Variation

GHL may at any time, and from time to time, vary this Offer in accordance with the Corporations Act.

### 13.22 Costs

All costs and expenses of the preparation and circulation of the Bidder's Statement and the Offers will be paid by GHL. No stamp duty is payable by the transferor of listed shares (such as EPY Shares – see **section 1.4**). Refer to **section 1.4** for brokerage and other fees and service charges that may be payable by you if you accept this Offer and elect to receive Scrip Consideration.

### 13.23 Notices

Any notice to be given by GHL to you in connection with the Offers may be given to you by leaving it at or sending it by pre-paid ordinary mail, or in the case of any address outside Australia, by pre-paid airmail to you at your address as recorded in the register of members of EPY last supplied to GHL or the address shown in the Acceptance Form.

### 13.24 Withdrawal rights

In this section headed "Withdrawal rights", words defined in the ASX Settlement Operating Rules have the same meaning unless the context requires otherwise.

Those EPY Shareholders who have validly accepted the Offer on or before the date of dispatch of the First Supplementary Bidder's Statement to EPY Shareholders (28 January 2014) may withdraw their acceptance by giving notice to GHL (**Withdrawal Notice**) within the 10 Business Day period beginning on 28 January 2014 and ending on 11 February 2014 (**Withdrawal Period**).

A Withdrawal Notice by an EPY Shareholder withdrawing their acceptance must:

- (a) If the withdrawing shareholder's EPY Shares are in a CHESS Holding:
  - (i) be in the form of a Valid Originating Message transmitted to ASX Settlement by the Controlling Participant for that CHESS Holding in accordance with Rule 14.16.1 of the ASX Settlement Operating Rules; or
  - (ii) be in the form of a notice in writing to GHL setting out the information that GHL requires to enable it to transmit a Valid Message to ASX Settlement on behalf of the EPY Shareholder in accordance with Rule 14.6.5 of the ASX Settlement Operating Rules; and
- (b) in any other case, be in writing to GHL.

A Withdrawal Notice that is in writing to GHIL must contain the following information in a legible form:

- (a) the full name and address of the shareholder on EPY's register;
- (b) the unique Securityholder Reference Number (for Issuer Sponsored Holdings) or Holder Identification Number (for CHESS Holdings) of the holding(s) in the EPY register; and
- (c) the original signature of each shareholder or be otherwise signed in accordance with the signing instructions carried on the Acceptance Form.

A Withdrawal Notice that is writing to GHIL must be received by 11 February 2014 at:

**Computershare Investor Services Pty Limited**  
**GPO Box 2115**  
**Melbourne VIC 3001**  
**Australia**

If an EPY Shareholders is legally entitled to give and does in fact give, a valid Withdrawal Notice within the Withdrawal Period, GHIL will within 14 days after it is given the Withdrawal Notice:

- (a) if the EPY Shareholder's shares are in a CHESS Holding, transmit a Valid Message that authorises the release of the relevant securities from the Offer Accepted Subpositions in which the shares have been reserved in accordance with Rule 14.16.3 or 14.16.4 of the ASX Settlement Operating Rules (as appropriate); or
- (b) release of the relevant Offer Accepted restricted from an Issuer Sponsored Holding.

If you have accepted the Offer on or before 28 January 2014 and would like to exercise your right to withdraw your acceptance and you would like further information, please contact your legal, financial or other professional adviser or contact the Offer Information Line.

### **13.25 Extension of Offer Period to 21 February 2014**

On 16 January 2014, GHIL extended the Offer Period. The Offer was originally scheduled to close at 7.00pm (Melbourne time) on 24 January 2014 and is now scheduled to close at 7.00pm (Melbourne time) on Friday, 21 February 2014 (unless further extended to the extent permissible under the Corporations Act).

In accordance with the extension of the Offer Period, the date for GHIL being required to give notice of the status of the Conditions in **section 13.13** in accordance with section 630(1) of the Corporations Act has been postponed from the original date of 16 January 2014 until 13 February 2014.

## **14 Authorisation**

This Bidder's Statement has been approved by a unanimous resolution passed by the directors of GHIL.

## **15 Interpretation**

### **15.1 Definitions**

Terms used in this Bidder's Statement have the meaning given in the Glossary (unless the contrary intention appears).

### **15.2 Construction**

In this Bidder's Statement, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa and any gender include the other gender;
- (b) "includes" means includes without limitation;
- (c) if a word or phrase is defined in the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules, it bears the same meaning;
- (d) if a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase have corresponding definitions;
- (e) all prices referred to in the Offer are inclusive of GST where applicable;

- (f) a reference to:
  - (i) a person includes a firm, unincorporated association, corporation and a government or statutory body or authority;
  - (ii) a person includes the legal personal representatives, successors and assigns of that person;
  - (iii) a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
  - (iv) a right includes a benefit, remedy, direction or power;
  - (v) a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually,
  - (vi) time is to Melbourne time;
  - (vii) "AUD", "\$" or "cents" is a reference to the lawful currency of Australia;
  - (viii) "RM" or "sen" is a reference to the lawful currency of Malaysia;
  - (ix) a section, subsection, paragraph, subparagraph, attachment or annexure is to a section, subsection, paragraph, subparagraph, attachment or annexure of this Bidder's Statement; and
  - (x) "you" is to a person to whom the Offer is made under **section 13**.

### **15.3 Headings**

Headings are for ease of reference only and do not affect the interpretation of this Bidder's Statement.

### **15.4 Governing law**

The Offer and any contract that results from it are governed by the laws in force in Victoria, Australia and on acceptance of the Offer, you irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria, Australia and any courts which have jurisdiction to hear appeals from any of those courts and waive any right to object to any proceedings being brought in those courts.

## 16 Glossary

The following defined terms are used throughout this Bidder's Statement, unless the contrary intention appears or the context requires otherwise:

<b>100% Acquisition and Maximum Scrip Consideration Scenario</b>	the scenario described in <b>section 7.1</b> .
<b>Acceptance Form</b>	the transfer and acceptance form which accompanies this Bidder's Statement and forms part of the Offer.
<b>Accepting EPY Shareholders</b>	EPY Shareholders who make valid acceptances of the Offer.
<b>Announcement</b>	the announcement of the Offer made to the ASX on 4 October 2013 (released by ASX on 7 October 2013) as attached as <b>Attachment C</b> .
<b>Announcement Date</b>	4 October 2013, being the date on which GHL notified details of the Takeover Bid to EPY.
<b>Articles</b>	the memorandum and articles of association of GHL.
<b>ASEAN</b>	the Association of Southeast Asian Nations consisting of Malaysia, Indonesia, the Philippines, Singapore, Thailand, Brunei, Myanmar, Cambodia, Laos and Vietnam.
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>Associate</b>	has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of that Act included a reference to this document.
<b>ASX</b>	ASX Limited ABN 90 008 624 691 or the financial products market Australian Securities Exchange as appropriate.
<b>ASX Settlement</b>	ASX Settlement Pty Ltd ABN 49 008 504 532, the body which administers the CHESS system in Australia.
<b>ASX Settlement Operating Rules</b>	the settlement rules of ASX Settlement, which govern the administration of CHESS.
<b>AUD or \$</b>	Australian dollars, the lawful currency of the Commonwealth of Australia.
<b>Authorised Depository Agent</b>	a stockbroker authorised by Bursa Malaysia Depository Sdn Bhd to hold CDS Accounts for shareholders to enable them to trade shares on Bursa Securities.
<b>Authorised Nominee</b>	a person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under Part VIII of the Rules of Bursa Depository.
<b>Bid Period</b>	has the meaning given to that term in the Corporations Act.
<b>Bidder's Statement</b>	This bidder's statement, being the statement of GHL under Part 6.5 Division 2 of the Corporations Act relating to the Offers.
<b>BNM</b>	Bank Negara Malaysia.
<b>Bursa Depository</b>	Bursa Malaysia Depository Sdn Bhd.
<b>Bursa Securities</b>	Bursa Malaysia Securities Berhad.
<b>Business Day</b>	a day which is not a Saturday, Sunday, bank or public holiday in Melbourne, Australia.
<b>Cash Consideration</b>	AUD0.40 for each EPY Share.



<b>CDS</b>	the Central Depository System which is fully owned and operated by Bursa Malaysia Depository Sdn Bhd.
<b>CDS Account</b>	a securities account established by Bursa Depository for a depositor (including any Authorised Nominee) for the recording of deposit of securities and dealings in such securities by that depositor of securities.
<b>Central Depositories Act</b>	the Securities Industry (Central Depositories) Act 1991 of Malaysia.
<b>CGT</b>	capital gains tax.
<b>CHESS</b>	the Clearing House Electronic Subregister System operated by ASX Settlement, which provides for electronic share transfer in Australia.
<b>CHESS Holding</b>	a holding of EPY Shares on the CHESS subregister of EPY.
<b>Closing Date</b>	7.00 pm (Melbourne time) on 21 February 2014, or such later date to which the Offer is extended.
<b>Companies Act</b>	Companies Act 1965 of Malaysia.
<b>Computershare</b>	Computershare Investor Services Pty Limited ABN 48 078 279 277.
<b>Conditions</b>	the conditions of the Offer detailed in <b>section 13.13</b> .
<b>Consideration</b>	either the Cash Consideration or the Scrip Consideration.
<b>Control</b>	has the meaning given under section 50AA of the Corporations Act.
<b>Controlling Participant</b>	the Participant who is designated as the controlling participant for EPY Shares in a CHESS Holding in accordance with the ASX Settlement Operating Rules (usually, your stockbroker).
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Cycas</b>	Cycas, a company incorporated under the Companies Act 2001, Mauritius.
<b>Direction and Indemnity Form</b>	the direction and indemnity form in the form set out in <b>Attachment F</b> .
<b>EDC</b>	electronic data capture.
<b>Encumbrance</b>	any mortgage, charge (whether fixed or floating), pledge, lien, option, restriction as to transfer or any other encumbrance or security or adverse interest whatsoever.
<b>EPS</b>	earnings per share.
<b>EPY</b>	e-pay Asia Limited ABN 99 089 227 887,
<b>EPY Board</b>	the board of directors of EPY.
<b>EPY Group</b>	EPY and its Subsidiaries.
<b>EPY Shareholder</b>	a holder of EPY Shares.
<b>EPY Shares</b>	fully paid ordinary shares in the capital of EPY.
<b>ESS</b>	the Executive Share Scheme of GHL described in <b>section 3.8</b> .
<b>ESS Options</b>	the options over unissued shares in GHL referred to in <b>section 3.6</b> .
<b>Executives Share Scheme</b>	the GHL executives share scheme of GHL described in <b>section 3.8</b> .

<b>First Supplementary Bidder's Statement</b>	the supplementary bidder's statement lodged with ASIC on 21 January 2014.
<b>GHL</b>	GHL Systems Berhad, a company incorporated and registered in Malaysia with company registration number 293040-D.
<b>GHL Board</b>	the board of directors of GHL.
<b>GHL Consideration Shares</b>	the GHL Consideration Shares means the GHL Shares to be issued to EPY Shareholders who accept Scrip Consideration under the Offer.
<b>GHL Group</b>	GHL and its Subsidiaries.
<b>GHL Shareholder Approval</b>	has the meaning given to it in <b>section 13.13(a)</b> .
<b>GHL Shares</b>	fully paid ordinary shares of RM0.20 each in the capital of GHL.
<b>GHL's Auditor</b>	UHY (AF1411) Chartered Accountants for 2010, 2011 and 2012 and BDO (AF 0206) Chartered Accountants from and including 2013.
<b>GHL's Takeover Transferee Holding</b>	the holding of EPY Shares on the CHESSE subregister of GHL established for the purposes of this Offer.
<b>Glossary</b>	the glossary set out in this <b>section 16</b> .
<b>Government Agency</b>	a government or governmental, semi-governmental, administrative, fiscal or judiciary body, department, commission, authority, tribunal, agency or entity whether foreign, federal, state, territorial or local.
<b>GST</b>	has the meaning given to that term in A New Tax System (Goods and Services Tax) Act 1999 (Cth).
<b>HIN</b>	has the same meaning as in the ASX Settlement Operating Rules.
<b>Independent Expert</b>	the independent expert required to be appointed by EPY to give an opinion on the Offer.
<b>Ineligible Foreign Shareholder</b>	any EPY Shareholder whose address as shown in the register of members of EPY is in a jurisdiction other than Australia and its external territories, unless GHL otherwise determines (in its absolute discretion) after being satisfied that it is not unlawful, not unduly onerous and not unduly impracticable to make the offer to an EPY Shareholder in the relevant jurisdiction and to issue GHL Shares to such an EPY Shareholder on acceptance of the Offer, and that it is not unlawful for such an EPY Shareholder to accept the Offer in such circumstances in the relevant jurisdiction.
<b>Interested Persons</b>	has the meaning given to it in <b>section 12.3</b> .
<b>Issuer Sponsored Holding</b>	a holding of EPY Shares on EPY's issuer sponsored subregister.
<b>Listing Rules</b>	the listing rules of ASX.
<b>Malaysian Code</b>	Malaysian Code on Take-overs and Mergers 2010.
<b>Main Market Listing Requirements</b>	Main Market Listing Requirements of Bursa Securities.
<b>Maximum Cash Consideration</b>	the Cash Consideration payable in the scenario where an election to receive the Cash Consideration is made (or deemed to be made pursuant to <b>section 13.1(e)</b> ) by all EPY Shareholders (excluding TCL which has stated it will accept the Scrip Consideration in respect of all of its EPY Shares in respect of which it accepts the Offer).

<b>Maximum Scrip Consideration</b>	the Scrip Consideration to be issued in the scenario where an election to receive the Scrip Consideration is received from all Accepting EPY Shareholders and, where GHL completes compulsory acquisition of outstanding EPY Shares, in respect of all EPY Shares compulsorily acquired.
<b>Merged Group</b>	GHL, following the successful acquisition of a Relevant Interest in all or a majority of EPY Shares.
<b>New Issue Shares</b>	the GHL Shares to be issued to Cycas pursuant to the Proposed Share Issuance.
<b>Nominee</b>	has the meaning given to that term in <b>section 13.11(c)</b> .
<b>Offer</b>	the offer for EPY Shares contained in this Bidder's Statement and <b>Offers</b> means the several like offers for EPY Shares sent or to be sent to other EPY Shareholders (or persons entitled to receive such offers under the Takeover Bid).
<b>Offer Information Line</b>	the offer information line EPY Shareholders may call on 1300 389 265 (or +613 9415 4124 for international callers).
<b>Offer Period</b>	the period commencing on 15 November 2013 and (unless the Offer is withdrawn) ending at 7:00pm (Melbourne time) on 21 February 2014, or such later date to which the Offer has been extended.
<b>Officers</b>	in relation to an entity, its directors, company secretaries, officers, partners and employees.
<b>PAC</b>	person(s) acting in concert with Mr Simon Loh.
<b>Participant</b>	has the meaning set out in the ASX Settlement Operating Rules.
<b>Percentage Ratio</b>	<p>the figures, expressed as a percentage, resulting from each of the following calculations:</p> <ul style="list-style-type: none"> <li>(a) the value of the assets which are the subject matter of the transaction, compared with the net assets of GHL;</li> <li>(b) net profits (after deducting all charges and taxation and excluding extraordinary items) attributable to the assets which are the subject matter of the transaction, compared with the net profits of GHL;</li> <li>(c) the aggregate value of the consideration given or received in relation to the transaction, compared with the net assets of GHL;</li> <li>(d) the equity share capital issued by GHL as consideration for an acquisition, compared with the equity share capital previously in issue (excluding treasury shares);</li> <li>(e) the aggregate value of the consideration given or received in relation to the transaction, compared with the market value of all the ordinary shares of GHL (excluding treasury shares);</li> <li>(f) the total assets which are the subject matter of the transaction compared with the total assets of GHL;</li> <li>(g) in respect of joint ventures, business transactions or arrangements, the total project cost attributable to GHL compared with the total assets of GHL or in the case where a joint venture corporation is incorporated as a result of the joint venture, the total equity participation of GHL in the joint venture corporation (based on the eventual issued capital of the joint venture corporation) compared with the net</li> </ul>

	<p>assets of GHL. The value of the transaction should include shareholders' loans and guarantees to be given by GHL; or</p> <p>(h) the aggregate original cost of investment of the subject matter of the transaction divided by the net assets of GHL, in the case of a disposal and where the acquisition of the subject matter took place within last 5 years.</p>
<b>PHP</b>	Philippines peso, the lawful currency of the Philippines.
<b>Pre-Bid Agreement</b>	the pre-bid agreement between TCL and GHL dated 4 October 2013 (as released to ASX on 7 October 2013 under cover of an initial substantial holder notice) as described in <b>section 5.5</b> .
<b>Prescribed Occurrence</b>	<p>any of the following events:</p> <p>(a) a member of the EPY Group converts all or any of its shares into a larger or smaller number of shares;</p> <p>(b) a member of the EPY Group resolves to reduce its share capital in any way;</p> <p>(c) a member of the EPY Group:</p> <ol style="list-style-type: none"> <li>a. enters into a buy-back agreement; or</li> <li>b. resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;</li> </ol> <p>(d) a member of the EPY Group issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;</p> <p>(e) a member of the EPY Group issues, or agrees to issue, convertible notes;</p> <p>(f) a member of the EPY Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;</p> <p>(g) a member of the EPY Group charges or agrees to charge, a security interest in the whole, or a substantial part, of its business or property;</p> <p>(h) a member of the EPY Group resolves to be wound up;</p> <p>(i) a liquidator or provisional liquidator of a member of the EPY Group is appointed;</p> <p>(j) a court makes an order for the winding up of a member of the EPY Group;</p> <p>(k) an administrator of a member of the EPY Group is appointed under section 436A, 436B or 436C of the Corporations Act;</p> <p>(l) a member of the EPY Group executes a deed of company arrangement; or</p> <p>(m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of a member of the EPY Group.</p>
<b>Prescribed Securities</b>	securities prescribed by Bursa Securities to be deposited with Bursa Depository under and in accordance with section 14 of SICDA.
<b>Pro Forma Historical Financial Information</b>	has the meaning given to it in <b>section 7.5</b> .

<b>Proposed Acquisition</b>	the acquisition by GHL of some or all of the EPY Shares in accordance with the terms of this Offer.
<b>Proposed Exemption</b>	has the meaning given to it in <b>section 13.13(c)</b> .
<b>Proposed Share Issuance</b>	the proposed issuance and allotment of new GHL Shares to Cycas in exchange for cash for the purposes of part financing the Offer (or working capital in the event that it is not utilised to fund the Offer).
<b>Record of Depositors</b>	a record of securities holders established by Bursa Depository pursuant to the Rules of Bursa Depository.
<b>Related Body Corporate</b>	has the meaning given to that term in the Corporations Act.
<b>Relevant Date</b>	7:00pm on 7 November 2013 (Melbourne time).
<b>Relevant Interest</b>	has the meaning given to that term in the Corporations Act.
<b>Rights</b>	all accretions, rights or benefits attaching to or arising from EPY Shares on or after the Announcement Date (including all rights to receive dividends, bonuses or other shares of its profits or assets as well as rights to receive or subscribe for shares, stock units, notes or options and all other distributions or entitlements declared, paid, made or issued by EPY or any of its subsidiaries).
<b>RM</b>	Malaysian Ringgit, the lawful currency of Malaysia.
<b>Rules of Bursa Depository</b>	The rules of Bursa Depository as issued under the Securities Industry (Central Depositories) Act 1991 of Malaysia.
<b>Rules of Bursa Securities</b>	The rules of Bursa Securities.
<b>Scrip Consideration</b>	2.75 GHL Shares for each EPY Share.
<b>SICDA</b>	Securities Industry (Central Depositories) Act 1991 of Malaysia.
<b>Simon Loh</b>	Mr Simon Loh Wee Hian.
<b>SRN</b>	has the same meaning as in the ASX Settlement Operating Rules.
<b>SSA</b>	the share subscription agreement entered into by GHL and Cycas as supplemented by the supplemental share subscription agreement dated 30 October 2013 executed by GHL and Cycas described in <b>section 8.3</b> .
<b>Subsidiary</b>	has the meaning given to that term in section 9 of the Corporations Act.
<b>Takeover Bid</b>	the off-market bid in accordance with Part 6.5 of the Corporations Act under which GHL offers to acquire all EPY Shares.
<b>Target's Statement</b>	the target's statement required to be sent to EPY Shareholders by EPY.
<b>TCL</b>	Tobikiri Capital Limited (a private limited company incorporated in the British Virgin Islands with company number 627619), which holds its EPY Shares through a nominee, HSBC Custody Nominees (AUST) Limited ABN 43 003 094 568).
<b>Unconditional</b>	that the Offers and any contracts resulting from acceptance of the Offers are no longer subject to fulfilment of the Conditions.
<b>Unmarketable Parcel</b>	a number of GHL Shares which is less than a "marketable parcel" under the market rules of ASX (currently a parcel of less than AUD500), calculated based on the highest closing price for GHL Shares publishing during the Bid Period (or, in relation to GHL Shares issued in respect of Accepting EPY Shareholders during the Bid Period, based on the highest closing price for GHL Shares

	published during the period beginning on the first day of the Bid Period and ending on the earlier of:  (a) five trading days before the first date on which GHL must pay or provide Consideration to an EPY Shareholder under the terms of the Offers; and  (b) the end of the Bid Period.
<b>Unmarketable Parcel Shareholder</b>	has the meaning given to the term in <b>section 13.11(b)</b> .
<b>USD</b>	US dollars, the lawful currency of the United States of America.
<b>VWAP</b>	volume weighted average price.
<b>Withdrawal Rights</b>	the Withdrawal Rights described in <b>section 13.24</b> which are extended to EPY Shareholders who accepted the Offer on or before 28 January 2014.
<b>Your EPY Shares</b>	all the EPY Shares held by you including all EPY Shares held by you at the Relevant Date and still retained by you, and all EPY Shares acquired by you on or after the Relevant Date and still retained by you and <b>my/our EPY Shares</b> has a corresponding meaning.

**Dated 7 November 2013**

Signed for and on behalf of GHL by Kanagaraj Lorenz, a director of GHL who is authorised to sign this Bidder's Statement on behalf of GHL pursuant to a unanimous resolution passed by the directors.



**Kanagaraj Lorenz**  
Group Chief Executive Officer

## Corporate directory

### **Registered Office**

Level 18, The Gardens North Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur

### **Offer Information Line**

Within Australia: 1300 389 265  
From overseas: +613 9415 4124

### **Directors of GHL**

Datuk Kamaruddin Bin Taib  
Simon Loh Wee Hian  
Kanagaraj Lorenz  
Ng King Kau  
Fong Seow Kee  
Goh Kuan Ho

### **Company secretaries of GHL**

Wong Wai Foong  
Lim Poh Yen

### **Share registry for Offer**

Computershare Investor Services Pty Limited  
GPO Box 2115  
Melbourne VIC 3001  
Australia

# ATTACHMENT A

GHL's announcements to Bursa Securities since 1 January 2013 to date of Bidder's Statement



Date	Description
30/10/13	MULTIPLE PROPOSALS GHL SYSTEMS BERHAD ("GHL" OR "COMPANY") (I) PROPOSED ACQUISITION; (II) PROPOSED EXEMPTION; AND (III) PROPOSED SHARE ISSUANCE (COLLECTIVELY REFERRED TO AS "PROPOSAL")
29/10/13	ADDITIONAL LISTING ANNOUNCEMENT EXERCISE OF EXECUTIVES' SHARE SCHEME
21/10/13	OTHERS GHL SYSTEMS BERHAD ("GHL" OR "COMPANY") – INCORPORATION OF A NEW SUBSIDIARY, GHL EPAYMENTS PHILIPPINES, INC ("GEPI") VIA GHL EPAYMENTS SDN BHD ("GEPSEB")
09/10/13	DEALINGS IN LISTED SECURITIES (CHAPTER 14 OF LISTING REQUIREMENTS):DEALINGS OUTSIDE CLOSED PERIOD (Amended Announcement)
09/10/13	DEALINGS IN LISTED SECURITIES (CHAPTER 14 OF LISTING REQUIREMENTS):DEALINGS OUTSIDE CLOSED PERIOD
09/10/13	Changes in Director's Interest (S135) - Kanagaraj Lorenz
08/10/13	Changes in Director's Interest (S135) - Kanagaraj Lorenz
08/10/13	DEALINGS IN LISTED SECURITIES (CHAPTER 14 OF LISTING REQUIREMENTS):DEALINGS OUTSIDE CLOSED PERIOD
08/10/13	Changes in Director's Interest (S135) - Ng King Kau
08/10/13	DEALINGS IN LISTED SECURITIES (CHAPTER 14 OF LISTING REQUIREMENTS):DEALINGS OUTSIDE CLOSED PERIOD
04/10/13	GHL SYS-RESUMPTION OF TRADING
04/10/13	MULTIPLE PROPOSALS GHL SYSTEMS BERHAD ("GHL" OR "COMPANY") (I) PROPOSED ACQUISITION; (II) PROPOSED EXEMPTION; AND (III) PROPOSED SHARE ISSUANCE (COLLECTIVELY REFERRED TO AS "PROPOSALS")
03/10/13	SUSPENSION OF SECURITIES
03/10/13	GHL SYS-SUSPENSION OF TRADING
26/09/13	OTHERS GHL SYSTEMS BERHAD ("GHL" OR "THE COMPANY") - INCORPORATION OF A NEW SUBSIDIARY, GHL EPAYMENTS CO. LTD. ("GEPCL") VIA GHL EPAYMENTS SDN BHD ("GEPSEB")
04/09/13	OTHERS GHL SYSTEMS BERHAD ("GHL" OR "THE COMPANY") - OFFER OF OPTIONS UNDER EXECUTIVES' SHARE SCHEME
30/08/13	OTHERS GHL SYSTEMS BERHAD ("GHL" OR "THE COMPANY") - RE-ORGANISATION OF GROUP STRUCTURE
30/08/13	NEW ISSUE OF SECURITIES (CHAPTER 6 OF LISTING REQUIREMENTS):ESOS GHL SYSTEMS BERHAD ("GHL" OR "COMPANY") - EXECUTIVES' SHARE SCHEME
23/08/13	Quarterly rpt on consolidated results for the financial period ended 30/6/2013
01/08/13	Changes in Director's Interest (S135) - Loh Wee Hian
01/08/13	Changes in Director's Interest (S135) - Ng King Kau
01/08/13	Changes in Director's Interest (S135) - Kanagaraj Lorenz
01/08/13	Changes in Director's Interest (S135) - Fong Seow Kee

Date	Description
01/08/13	Changes in Director's Interest (S135) - Goh Kuan Ho
01/08/13	Changes in Sub. S-hldr's Int. (29B) - Goh Kuan Ho
01/08/13	Changes in Sub. S-hldr's Int. (29B) - Loh Wee Hian
31/07/13	MULTIPLE PROPOSALS GHL SYSTEMS BERHAD ("GHL" OR "COMPANY") (I) CAPITAL REDUCTION; (II) RIGHTS ISSUE; (III) EXEMPTION; AND (IV) INCREASE IN AUTHORISED SHARE CAPITAL (COLLECTIVELY REFERRED TO AS "CORPORATE EXERCISES")
30/07/13	Additional Listing Announcement
24/07/13	DEALINGS IN LISTED SECURITIES (CHAPTER 14 OF LISTING REQUIREMENTS):DEALINGS DURING CLOSED PERIOD
24/07/13	NEW ISSUE OF SECURITIES (CHAPTER 6 OF LISTING REQUIREMENTS):FUND RAISING RENOUNCEABLE RIGHTS ISSUE OF 36,346,550 NEW ORDINARY SHARES OF RM0.20 EACH IN GHL ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FOUR (4) ORDINARY SHARES OF RM0.20 EACH IN GHL HELD AT AN ISSUE PRICE OF RM0.24 PER RIGHTS SHARE ("RIGHTS ISSUE")
10/07/13	DEALINGS IN LISTED SECURITIES (CHAPTER 14 OF LISTING REQUIREMENTS):DEALINGS OUTSIDE CLOSED PERIOD
09/07/13	DEALINGS IN LISTED SECURITIES (CHAPTER 14 OF LISTING REQUIREMENTS):DEALINGS OUTSIDE CLOSED PERIOD
02/07/13	RENOUNCEABLE RIGHTS ISSUE OF 36,346,550 NEW ORDINARY SHARES OF RM0.20 EACH IN GHL SYSTEMS BERHAD ("GHL" OR THE "COMPANY") ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FOUR (4) ORDINARY SHARES OF RM0.20 EACH IN GHL HELD BY THE ENTITLED SHAREHOLDERS OF THE COMPANY AT 5.00 P.M. ON 2 JULY 2013, AT AN ISSUE PRICE OF RM0.24 PER RIGHTS SHARE
01/07/13	Changes in Director's Interest (S135) - Fong Seow Kee
01/07/13	DEALINGS IN LISTED SECURITIES (CHAPTER 14 OF LISTING REQUIREMENTS):DEALINGS OUTSIDE CLOSED PERIOD
01/07/13	OTHERS GHL Systems Berhad ("GHL" or "the Company") - Merging of the Nomination Committee and Remuneration Committee
27/06/13	GENERAL MEETINGS: OUTCOME OF MEETING
24/06/13	GHLSYS - NOTICE OF RIGHTS ENTITLEMENT
20/06/13	GHLSYS - NOTICE OF RIGHTS ENTITLEMENT
20/06/13	GHLSYS - NOTICE OF RIGHTS ENTITLEMENT
19/06/13	Important Relevant Dates for Renounceable Rights
18/06/13	Rights Issue
18/06/13	MULTIPLE PROPOSALS GHL SYSTEMS BERHAD ("GHL" OR "COMPANY") (I) PROPOSED CAPITAL REDUCTION; (II) PROPOSED RIGHTS ISSUE; (III) PROPOSED EXEMPTION; (IV) PROPOSED EXECUTIVES' SHARE SCHEME; AND (V) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL (COLLECTIVELY REFERRED TO AS "PROPOSALS")
04/06/13	Annual Report 2012
04/06/13	Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature
03/06/13	GENERAL MEETINGS: NOTICE OF MEETING

Date	Description
28/05/13	Quarterly rpt on consolidated results for the financial period ended 31/3/2013
28/05/13	MULTIPLE PROPOSALS GHL SYSTEMS BERHAD ("GHL" OR "COMPANY") (I) PROPOSED CAPITAL REDUCTION; (II) PROPOSED RIGHTS ISSUE; (III) PROPOSED EXEMPTION; (IV) PROPOSED EXECUTIVES' SHARE SCHEME; AND (V) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL (COLLECTIVELY REFERRED TO AS "PROPOSALS")
15/05/13	Annual Audited Accounts - 31 December 2012 (Errata) (Amended Announcement)
30/04/13	OTHERS GHL SYSTEMS BERHAD ("GHL" OR "THE COMPANY") - INCORPORATION OF WHOLLY-OWNED SUBSIDIARY, PT. SPOTPAY INDONESIA ("PT SPOTPAY")
22/04/13	DEALINGS IN LISTED SECURITIES (CHAPTER 14 OF LISTING REQUIREMENTS):DEALINGS OUTSIDE CLOSED PERIOD
22/04/13	Changes in Director's Interest (S135) - Loh Wee Hian
22/04/13	Changes in Sub. S-hldr's Int. (29B) - Loh Wee Hian
15/04/13	Annual Audited Accounts - 31 December 2012
08/04/13	OTHERS GHL Systems Berhad ("GHL" or "the Company) - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate")
04/04/13	OTHERS GHL SYSTEMS BERHAD ("GHL" OR "THE COMPANY") - ACQUISITION OF WHOLLY-OWNED SUBSIDIARY, GHL EPAYMENTS SDN BHD ("GEP")
02/04/13	GENERAL MEETINGS: OUTCOME OF MEETING
06/03/13	CIRCULAR TO SHAREHOLDERS IN RELATION TO:- PART A (I) PROPOSED CAPITAL REDUCTION (AS DEFINED HEREIN); (II) PROPOSED RIGHTS ISSUE (AS DEFINED HEREIN); (III) PROPOSED EXEMPTION (AS DEFINED HEREIN); (IV) PROPOSED EXECUTIVES' SHARE SCHEME (AS DEFINED HEREIN); AND (V) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL PART B INDEPENDENT ADVICE LETTER FROM BANK ISLAM MALAYSIA BERHAD TO THE NON-INTERESTED SHAREHOLDERS OF GHL SYSTEMS BERHAD IN RELATION TO THE PROPOSED EXEMPTION AND NOTICE OF EXTRAORDINARY GENERAL MEETING
05/03/13	GENERAL MEETINGS: NOTICE OF MEETING
21/02/13	OTHERS GHL SYSTEMS BERHAD ("GHL" or "the Company") - Change in Composition of Nomination Committee
21/02/13	Quarterly rpt on consolidated results for the financial period ended 31/12/2012
18/02/13	OTHERS GHL SYSTEMS BERHAD ("GHL" OR "THE COMPANY") - ACQUISITION OF WHOLLY-OWNED SUBSIDIARY, GHL PAYMENT SERVICES SDN BHD ("GHLPS")
18/02/13	OTHERS GHL SYSTEMS BERHAD ("GHL" OR "THE COMPANY") - ACQUISITION OF WHOLLY-OWNED SUBSIDIARY, GHL BPO1 SDN BHD ("GHL BPO1")

# ATTACHMENT B

EPY's announcements to ASX since 1 January 2013 to date of Bidder's Statement (other than in relation to the Offer)

Date	Description
06/11/2013	Becoming a substantial holder
04/10/2013	Trading Hal
26/08/2013	Half Yearly Report and Accounts
03/07/2013	Acquisition of remaining interest in e-pay (M) Sdn Bhd
30/05/2013	Results of Meeting
26/04/2013	Annual Report to shareholders
19/04/2013	Notice of Annual General Meeting/Proxy Form
27/03/2013	Full Year Statutory Accounts
25/02/2013	Preliminary Final Report

# ATTACHMENT C

Announcement by GHL to ASX (released on 7 October 2013)



GHL Systems Bhd  
293040-D

#### 4 October 2013

#### GHL Systems Berhad (GHL) announces offer for e-pay Asia Limited (ASX: EPY)

GHL Systems Berhad ("GHL" or "Bidder"), a company listed on Bursa Malaysia Securities Berhad ("Bursa Securities"), proposes to make an off-market takeover offer ("Offer") to acquire all of the shares in EPY ("Bidder").

Under the terms of the Offer, EPY shareholders will receive cash of AUD0.40 per EPY Share (**Cash Consideration**).

The Cash Consideration values EPY at approximately AUD22.8 million.

The proposed Cash Consideration of AUD0.40 per EPY Share was arrived at after taking into consideration, amongst others, the following:-

- (i) the range of traded market prices of EPY Shares of AUD0.315 to AUD0.38 for the past one (1) month up to 2 October 2013, being the latest practicable date prior to the finalisation of the Offer proposal; and
- (ii) the earnings potential of EPY.

The Offer Price represents a premium of AUD0.025 or 6.67% to the closing price of EPY Shares on 3 October 2013 (the last trading date prior to this announcement).

As an alternative to the Cash Consideration, EPY shareholders will have the choice to elect to receive 2.75 GHL shares for each EPY share held (**Scrip Consideration**).

For clarification, EPY shareholders who accept the Offer will have to elect for either the Cash Consideration or the Scrip Consideration, but not a combination of both considerations. Fractional entitlements for Scrip Consideration, if any, will be rounded down.

The major beneficial shareholder of EPY, Tobikiri Capital Limited (a company controlled by Mr Simon Loh Wee Hian) ("TCL") has entered into an agreement with GHL under which TCL has agreed to accept the Offer in respect of 11,388,063 of the EPY Shares owned or controlled by it, subject to the terms of such agreement. This represents 19.99% of the total issued shares of EPY. TCL has agreed to accept the Scrip Consideration in respect of these EPY Shares. A copy of this agreement has been separately released to the ASX today under cover of a substantial shareholder notice.

TCL has also stated today that, assuming that it considers that no superior proposal has been received, its intention is to accept the Offer for the remainder of the issued ordinary shares in EPY owned or controlled by it. These further shares consist of 23,684,541 EPY shares (representing 41.61% of the total EPY shares on issue) ("**Remainder Shares**"). TCL has stated that if it accepts the Offer in respect of the Remainder Shares, it will elect to receive the Scrip Consideration in respect of all such shares. A copy of this letter is attached as **Annexure B**.

The Offer is not conditional on any minimum level of acceptances being received]. The Offer will, however, be subject to a number of conditions set out in **Annexure A**, including the approval of GHL's shareholders and certain Malaysian regulatory approvals.

The Cash Consideration for the transaction will be funded by proceeds to be raised from bank borrowings and internally generated funds as well as GHL's proposed share issuance to a strategic investor (Cycas) (discussed further below).

Head Office  
C-8-15, Block C, Jln Dataran SD1, Dataran SD, PJU9  
Bandar Sri Damansara, 52200 Kuala Lumpur, Malaysia  
Tel +603-6286 3388 Fax +603-6280 2999 www.ghl.com

Innovation Centre  
LS-5-7B, Enterprise 4 Technology Park Malaysia  
Bukit Jalil, 57000 Kuala Lumpur, Malaysia  
Tel +603-8998 9860 Fax +603-8998 3301



The Company has entered into a share subscription agreement ("**SSA**") with Cycas for the proposed issuance and allotment of new GHL shares ("**New Issue Shares**") to be satisfied in cash for purposes of part financing the Offer ("**Proposed Share Issuance**"). Pursuant to the SSA, the issuance of the New Issue Shares to Cycas shall represent twenty percent (20%) of the enlarged share capital of the Company i.e. upon completion of the Offer (including the issue of Scrip Consideration) and the Proposed Share Issuance.

GHL and EPY have certain directors in common. GHL expects that EPY will put in place certain protocols to ensure that the Offer is considered separately by the independent directors. EPY will also be required to appoint an independent expert to provide an opinion on the Offer.

It is GHL's intention that, if it acquires a relevant interest in 90% or more of EPY shares and is entitled to proceed to compulsory acquisition, GHL will proceed to compulsory acquisition of the remaining EPY shares. Alternatively, if GHL acquires majority control of EPY but is not entitled to proceed to compulsory acquisition, GHL will seek to delist the company if it is entitled to do so.

The Offer is in line with the GHL group's plan to expand its electronic payment business. The EPY group is one of Asia's largest regional electronic payment networks consisting of 18,000 points of sale that can accept cash payments for pre-paid mobile, reload, bills payment and process debit and credit card transactions. Pursuant to the Proposed Acquisition, the enlarged group should have an Electronic Data Capture ("**EDC**") terminal network of about 60,000 terminals in Malaysia alone. GHL believes this shall open up opportunities for the Group to increase revenue through the cross-selling of products and services both in Malaysia as well as regionally.

#### **Further information**

GHL will dispatch to shareholders a Bidder's Statement containing the terms of the Offer and other material information relevant to EPY shareholders consideration of the Offer. EPY shareholders should consider the information contained in the Bidder's Statement before taking any action in relation to the Offer.

#### **About GHL**

GHL is a public company listed on the Main Market of Bursa Malaysia Securities Berhad. The GHL Group is involved in the electronic payment industry as a provider of support and sale of Electronic Data Capture (EDC) terminal sale, provision of payment network solutions and transaction payment acquisition, which comprises of revenue earned from transactional based activities undertaken by merchants.

#### **About EPY**

EPY operates in the electronic payment industry as a provider of electronic top-up services for mainly prepaid mobile users and the sale of software services. The principal activity of the EPY Group is the provision of point-of-sale terminals to their network of retail agents, provision of customised software solutions, software licenses and the provision of ongoing software maintenance services.

Head Office  
C-G-15, Block C, Jln Dataran SD1, Dataran SD, PJU9  
Bandar Sri Damansara, 52200 Kuala Lumpur, Malaysia  
Tel +603-6286 3388 Fax +603-6280 2999 [www.ghl.com](http://www.ghl.com)

Innovation Centre  
L5-E-7B, Enterprise 4 Technology Park Malaysia  
Bukit Jalil, 57000 Kuala Lumpur, Malaysia  
Tel +603-6068 9660 Fax +603-6068 3301



## ANNEXURE A

# Bid Conditions

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The Offer and any contracts resulting from acceptance of the Offer are subject to fulfilment of the following conditions:

- 1 **(Bidder shareholder approval)** Bidder shareholder approval is obtained for the Offer in accordance with Malaysian regulatory requirements. (Note: To avoid any doubt, the Bidder may not treat any failure to obtain such approval as a defeating condition for the purposes of the Corporations Act unless:
  - (a) the Bidder convenes a meeting of Bidder shareholders and the Bidder board of directors recommends that the Bidder shareholders vote in favour of the resolution;
  - (b) each director of the Bidder who is entitled to vote as a Bidder shareholder on that resolution votes in favour of the resolution; and
  - (c) notwithstanding paragraphs (a) and (b), shareholder approval is not obtained.)

**(Bidder Shareholder Approval).**

- 2 **(Approval for issuance of shares)** Approval of Bursa Malaysia Securities Berhad (**Bursa Securities**) is obtained for the listing of and quotation on the Main Market of Bursa Securities of the Bidder Consideration Shares and New Issue Shares to be issued pursuant to the Offer and the Proposed Share Issuance.
- 3 **(Exemption granted to Mr Simon Loh Wee Hian)** The Securities Commission, Malaysia granting an exemption under Paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-overs and Mergers 2010 to Mr Simon Loh Wee Hian and the parties acting in concert with him from the obligation to extend a mandatory takeover offer for the remaining Bidder Shares not already held by them pursuant to the issuance of new Bidder shares to them upon accepting the Scrip Consideration of the Offer (**Proposed Exemption**).
- 4 **(Regulatory Approvals)** Before the end of the Offer Period, all approvals that are required by law or by any Government Agency as are necessary to permit:
  - (a) the Offer to be lawfully made to, and accepted by, Target Shareholders; and
  - (b) any transaction contemplated by the Offer to be completed,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same. In each case on an unconditional basis or on the basis of conditions that impose only non-material requirements incidental to the approvals set out in this condition and, at the end of the Offer Period, all of those approvals remain in full force and effect in all respects and are not subject to any notice or indication of intention to remove, suspend, restrict, modify or not renew those approvals.

**5 (Absence of regulatory actions)** Between the Announcement Date and the end of the Offer Period (each inclusive):

- (a) there is not in effect any preliminary or final decision, order or decree issued by any court, the Takeovers Panel or any Government Agency;
- (b) no action or investigation is announced, commenced or threatened by any court, the Takeovers Panel or any Government Agency; and
- (c) no application is made to any court, the Takeovers Panel or any Government Agency (other than by Bidder or its associates),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offers and the completion of any transaction contemplated by the Takeover Bid or which requires the divestiture by Bidder of any Target Shares or the divestiture of any material assets of the Bidder or Target or their subsidiaries.

**6 (No superior proposal recommended)** The Target board of directors or any independent board committee appointed by it in relation to the Offer does not recommend a competing proposal that it considers to be more favourable to Target Shareholders than the Offer.

**7 (Conduct of Target business)** Except for any proposed transaction or matter the material terms of which have been publicly announced by Target to the ASX before the Announcement Date or in the ordinary course of business, during the period commencing on the Announcement Date and ending at the end of the Offer Period, none of the following events occurs nor is an intention to do any of the following announced:

- (a) a member of the Target Group through its action or omission acquires, offers to acquire, agrees to acquire or comes under an obligation to acquire one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount in aggregate greater than AUD250,000;
- (b) a member of the Target Group enters into, offers to enter into or announces that it proposes to enter into any agreement, joint venture, partnership, management agreement or commitment which would require expenditure, or the foregoing of revenue, by one or more members of the Target Group which is, in aggregate, more than AUD250,000;
- (c) a member of the Target Group incurs or commits to, or grants to another person a right the exercise of which would involve the Target Group incurring or committing to, any capital expenditure or liability in respect of one or more related items of greater than AUD250,000 other than as a consequence of the transaction (excluding, without limitation, fees payable to its Advisers and the Independent Expert); or

- (d) a member of the Target Group enters into or agrees to enter into any contract of service or management contract, or varies or agrees to vary any existing contract of service or management contract with any director or officer of the Target Group, or pays or agrees to pay any retirement benefit or allowance to any director or officer of the Target Group, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, officer or other employee of the Target Group (except as required by law or provided under any agreement or arrangement as in effect and publicly disclosed as at the Announcement Date).
- 8 **(Distributions)** That during the period commencing on the Announcement Date and ending at the end of the Offer Period, Target does not make or declare, or announce an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).
- 9 **(Material Adverse Change)** Between the Announcement Date and the end of the Offer Period (each inclusive), no Material Adverse Change occurs in relation to Target. Material Adverse Change means one or more occurrences or any fact, matter or circumstance (whenever occurring or reasonably likely to occur) that is announced or becomes known to Bidder that individually, or when aggregated with all such occurrences, facts, matters or circumstances, has had or is reasonably likely to have, a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of Target and its subsidiaries taken as a whole.
- 10 **(Prescribed occurrences)** That none of the occurrences specified in section 652C of the Corporations Act happens in relation to Target or any member of the Target Group during the period commencing on the Announcement Date and ending at the end of the Offer Period.

#### Definitions

In this document:

**Announcement Date** means 4 October 2013, being the date on which Bidder notified details of the Takeover Bid to Target;

**ASIC** means the Australian Securities and Investments Commission;

**ASX** means ASX Limited ABN 90 008 624 691;

**Bidder** means GHL Systems Berhad;

**Bidder Consideration Shares** means the Bidder Shares to be issued Target Shareholders who accept Scrip Consideration under the Offer;

**Bidder Shares** means fully paid ordinary shares in the capital of Bidder;

**Bidder's Statement** means the bidder's statement, being the statement of Bidder under Part 6.5 Division 2 of the Corporations Act relating to the Offer;

**Cash Consideration** means AUD 0.40 per Target Share;

**Corporations Act** means the Corporations Act 2001 (Cth);

**Cycas** means Cycas;

**Government Agency** means a government or governmental, semi-governmental, administrative, fiscal or judiciary body, department, commission, authority, tribunal, agency or entity whether foreign, federal, state, territorial or local;

**New Issue Shares** means the Bidder Shares to be issued to Cycas pursuant to the Proposed Share Issuance;

**Offer** means the offer for Target Shares under the Takeover Bid to be contained in the Bidder's Statement;

**Offer Period** means the period commencing on the date the Bidder's Statement is sent to Target Shareholders and (unless the Offer is withdrawn) ending on the closing date to be set out in the Bidder's Statement or such later date to which the Offer has been extended;

**Proposed Share Issuance** means the proposed issuance and allotment of new Bidder Shares to Cycas in exchange for cash for the purposes of part financing the Offer;

**Related Body Corporate** has the meaning given to that term in the Corporations Act;

**Scrip Consideration** means 2.75 Bidder Shares for each Target Share;

**Takeover Bid** means the proposed off-market bid in accordance with Part 6.5 of the Corporations Act under which Bidder proposes to offer to acquire all Target Shares;

**Target** means epay Asia Limited ABN 99 089 227 887;

**Target Group** means Target and its Related Bodies Corporate;

**Target Shareholder** means a holder of Target Shares; and

**Target Shares** means fully paid ordinary shares in the capital of Target.

## ANNEXURE B

### STATEMENT OF INTENTION

#### **Tobikiri Capital Limited (Co no. 627619)**

16-18, Jalan PJS11/28A, Jalan PJS11/28A, Bandar Sunway, Petaling Jaya, Selangor,  
Malaysia.

---

4 October 2013

The Directors  
GHL Systems Berhad  
Level 18, The Gardens North Tower,  
Mid Valley City,  
Lingkar Syed Putra,  
59200 Kuala Lumpur

Dear Directors

We refer to the proposed takeover offer for all of the issued ordinary shares in e-pay Asia Limited ABN 99 089 227 887 (**Target**) announced today by GHL Systems Berhad (**Bidder**) (**the Offer**).

We note that Tobikiri Capital Limited (**Tobikiri**) has entered into an agreement with the Bidder to (through its nominee HSBC Custody Nominees (AUST) Limited) accept the Offer in respect of 11,386,063 of the Target shares owned or controlled by it, subject to the terms of such agreement.

Tobikiri wishes to inform the Bidder that, assuming that it considers that no superior proposal has been received, its intention is to accept the Offer for the remainder 23,684,541 issued ordinary shares owned or controlled by it representing 41.61% of the total Target shares on issue.

If Tobikiri accepts the Offer in respect of the Remainder Shares, it will elect to receive the Scrip Consideration in respect of all such shares.

Yours sincerely

  
-----  
Simon Loh, Director  
Tobikiri Capital Limited

# ATTACHMENT D

GHL's unaudited financial statements for period ended 30  
September 2013

## **GHL's unaudited financial statements for period ended 30 September 2013**

The unaudited consolidated statement of financial position and audited statement of comprehensive income for the GHL Group for the period ended 30 September 2013 are set out below. These financial statements were not audited or reviewed by GHL's Auditor but were prepared in accordance with Malaysian regulatory requirements.

Under Malaysian regulatory requirements, there is a principal that the final audited accounts for a company listed on the Main Market of Bursa Securities should not have more than a 10% variance to what has been reported in any unaudited results previously made or released for that period. In accordance with Appendix 9C(19) of the Main Market Listing Requirements, if there is such a variance, an explanation of the difference and a reconciliation of the difference must be included in the annual report for the company.

### **GHL SYSTEMS BERHAD**

(Incorporated in Malaysia)

### **UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION** **AS AT 30 SEPTEMBER 2013**

**30.09.2013**  
**RM'000**

#### **ASSETS**

##### **Non-current assets**

Property, plant and equipment	33,057
Intangible asset	2,107
Deferred tax assets	1,200
	36,364

##### **Current assets**

Inventories	9,129
Trade receivables	10,946
Other receivables	1,991
Tax recoverable	502
Fixed deposits with licensed banks	835
Cash and bank balances	19,336
	42,739

**TOTAL ASSETS** 79,103

#### **EQUITY AND LIABILITIES**

##### **Equity attributable to equity holders of the parent**

Share capital	36,630
Share premium reserves	19,733
Treasury shares	(638)
	55,725
Non-controlling interest	(60)
<b>Total Equity</b>	<b>55,665</b>

**GHL SYSTEMS BERHAD**

(Incorporated in Malaysia)

**UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2013 (continued)**

**30.09.2013  
RM'000**

**Non-current liabilities**

Hire purchase payables	464
Bank borrowings	1,679
Deferred tax liability	807
Deferred income	3,519
	6,469

**Current liabilities**

Trade payables	1,351
Other payables	14,500
Hire purchase payables	725
Bank borrowings	393
Tax payables	-

16,969

**Total Liabilities**

23,438

**TOTAL EQUITY AND LIABILITIES**

79,103



**GHL SYSTEMS BERHAD**

(Incorporated in Malaysia)

**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

	<b>9 months 2013 RM'000</b>
Revenue	48,556
Cost of sales	<u>(17,737)</u>
Gross profit	30,819
Other operating income	725
Payroll expenses	(17,260)
Administration expenses	(4,715)
Distribution costs	(1,599)
Other expenses	<u>(270)</u>
	7,700
Depreciation expenses	(2,025)
Finance costs	<u>(147)</u>
Profit before taxation	5,528
Income tax expense	<u>37</u>
Profit for the period	5,565
Other comprehensive income	
Foreign exchange differences, representing net gain/(loss) not recognised in statement of comprehensive income	<u>84</u>
Profit for the financial period, representing total comprehensive income for the financial period	<u><u>5,649</u></u>

**GHL SYSTEMS BERHAD**

(Incorporated in Malaysia)

**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013 (continued)**

	<b>9 months 2013</b> <b>RM'000</b>
Net profit for the financial period attributable to:	
Owners of the Company	5,606
Non-controlling interest	(41)
	<u>5,565</u>
Total other comprehensive income attributable to:	
Owners of the Company	5,690
Non-controlling interest	(41)
	<u>5,649</u>
Earning per share attributable to owners of the parent (sen):	
Basic	<u>3.52</u>
Fully diluted	<u>3.52</u>

## **Basis of Preparation**

The interim financial report for the period ended 30 September 2013 was prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2012.

The significant accounting policies and methods of computation applied in the interim financial report are consistent with those adopted in the most recent audited financial statements for the year ended 31 December 2012 except for the effects of newly issued Malaysian Financial Reporting Standard (“MFRS”) and IC Interpretations to be applied for the financial period beginning on 1 January 2013:

*MFRS 10 Consolidated Financial Statements*

*MFRS 11 Joint Arrangements*

*MFRS 12 Disclosures of Interests in Other Entities*

*MFRS 13 Fair Value Measurement*

*MFRS119 Employee Benefits (2011)*

*MFRS 127 Separate Financial Statements (2011)*

*MFRS 128 Investments in Associates and Joint Ventures (2011)*

*IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine*

*Amendments to MFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*

*Amendments to MFRS 1 First-time Adoption of MFRS – Government Loans*

*Amendments to MFRS 101 Presentation of Financial Statements*

*Amendments to MFRS 116 Property, Plant and Equipment*

*Amendments to MFRS 132 Financial Instruments: Presentation*

*Amendments to MFRS 134 Interim Financial Reporting*

*Amendments to MFRS 10 Consolidated Financial Statements: Transition Guidance*

*Amendments to MFRS 11 Joint Arrangements: Transition Guidance*

*Amendments to MFRS 12 Disclosures of Interests in Other Entities: Transition Guidance*

# ATTACHMENT E

Instructions for setting up a CDS Account and trading account in Malaysia

## 1 Introduction

This Attachment provides an overview about the process for setting up a CDS Account and a trading account in Malaysia. You will need to set up a CDS Account if you wish to elect to receive the Scrip Consideration (and are not an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder – see **section 13.11**) and a trading account if you wish to trade the Scrip Consideration on Bursa Securities, the securities exchange in Malaysia.

You may obtain further information on CDS Accounts from the Bursa Securities' website at: <http://www.bursamalaysia.com/market/securities/education/faqs-on-cds/>.

## 2 Key steps

A CDS Account needs to be opened with an Authorised Depository Agent. The key steps to opening a CDS Account and a trading account are:

- select an Authorised Depository Agent (a list is available from the Offer Information Line and the Bursa Securities' as disclosed in section 6 of this Attachment); and
- open a CDS Account and trading account (further details below).

You may wish to engage an Australian stockbroker to set up an international share trading account for you to assist with this process. Please contact your stockbroker or the Offer Information Line if you would like further information about this.

## 3 Opening a CDS Account

### How do I open a CDS Account?

To open a CDS Account, you need to provide the following to your selected Authorised Depository Agent in accordance with the instructions on that form:

#### If you are an individual investor:

- Complete an Application for Opening of Account form and submit it to your selected Authorised Depository Agent
- Complete two (2) Specimen Signature Cards. You can obtain these cards from your selected Authorised Depository Agent
- Two (2) certified true copies of your passport or applicable identity documents as stated in the Application for Opening of Account form
- Payment for the CDS Account opening fee of RM10

#### If you are a corporate investor

- Complete an Application for Opening of Account form (request a copy by calling the Offer Information Line or obtain from Bursa Securities' website at: [http://www.bursamalaysia.com/misc/cds\\_FMN010\\_Application-for-Opening-of-Account.pdf](http://www.bursamalaysia.com/misc/cds_FMN010_Application-for-Opening-of-Account.pdf))
- Complete two (2) Specimen Signature Cards. You can obtain these cards from your selected Authorised Depository Agent
- Two (2) copies of all necessary supporting documents (e.g. Certificate of Incorporation, Board resolution, etc) as stated in the Application for Opening of Account form
- Payment for the CDS Account opening fee of RM10

Kindly liaise with your selected Authorised Depository Agent for further details on the necessary supporting documents for the opening of a CDS Account.

Once the application is successful, your selected Authorised Depository Agent will then open the CDS Account and give you your CDS Account number. Bursa Depository will send you an account opening confirmation notice by ordinary mail.

<b>How do I open a CDS Account if I cannot be present in person?</b>	<p>Pursuant to Rule 25.01 (1A) of the Rules of Bursa Depository, it is mandatory for an individual to be present in person before the Authorised Depository Agent if he or she intends to open or formalise a securities account. In the event that he or she is unable to do so, the Authorised Depository Agent may pursuant to Rule 5.02A (2) expressly waive the requirement to be present in person. The Authorised Depository Agent may instead permit the investor to submit the relevant account opening form (available at all Authorised Depository Agents) and present his documents for verification in front of any of the following people who are also required to witness or certify the supporting documents:</p> <p>Dealer's representative</p> <ul style="list-style-type: none"> <li>(a) Authorised Officer of an Authorised Depository Agent</li> <li>(b) Authorised Officer of an Exempt Dealer (as defined in the Securities Act 1983 (Act280))</li> <li>(c) Authorised Officer of a Malaysian Embassy/High Commission Consulate</li> <li>(d) Notary Public (in the absence of a Notary Public in applicant's country, the authorized officers of a licensed stockbroking company or the lawyers* of that country may be allowed to verify)</li> <li>(e) Others as approved by Bursa Depository</li> </ul> <p><i>* an advocate/solicitor or barrister admitted to the recognised Bar council of the respective country.</i></p>
<b>Who are Authorised Depository Agents?</b>	<p>A list of Authorised Depository Agents can be found on Bursa Securities' website (<a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a> - <a href="http://www.bursamalaysia.com/market/securities/equities/brokers/list-of-participating-organisations">http://www.bursamalaysia.com/market/securities/equities/brokers/list-of-participating-organisations</a>).</p>
<b>Are there any fees to open a CDS Account?</b>	<p>Yes, a fee of RM10 will be charged by Bursa Depository for opening the CDS Account.</p>

#### 4 How do I trade the Scrip Consideration on Bursa Securities?

<b>How do I open a trading account?</b>	<p>To trade GHL Shares on Bursa Securities, you will need to open a trading account maintained with an Authorised Depository Agent (a list of Authorised Depository Agents is provided in Section 3 above).</p> <p>You also need to open a CDS Account (as described in Section 3 above) and a bank account (with a bank that can provide a direct crediting service) in order to open a trading account in Malaysia.</p> <p>You must contact an Authorised Depository Agent and complete an application form provided by them in accordance with their instructions.</p> <p>The supporting documents required by the Authorised Depository Agent for the opening of a trading account may differ between different agents, hence kindly liaise with your selected Authorised Depository Agent on the necessary supporting documents for opening of a trading account.</p>
<b>How do I trade GHL Shares?</b>	<p>If you already have a CDS Account, a trading account open with a Authorised Depository Agent and a bank account opened with a bank that provides direct crediting services, you are able to instruct the Authorised Depository Agent with whom you have a trading account to trade your GHL Shares on your behalf.</p>

**What are the fees payable if I trade my GHL Shares?**

When trading shares on the local exchange in Malaysia, there are typically three kinds of fees/expenses incurred:

**(a) Brokerage fees**

The brokerage fees shall be the minimum fees prescribed in the table below, or shall be on a fully negotiated basis, subject to a maximum of 0.70% of the contract value, whichever is higher. The brokerage fees quoted to the Scheme Creditors shall be on a negotiated basis with the stockbroking company(s) subject to the abovementioned minimum and maximum fees, hence, the stockbroking fees may differ between the stockbroking companies.

Category of Trade	Minimum Brokerage Rate*
Inter-broker	Fully negotiable
Institutional	Fully negotiable
Retail trades valued above RM100,000	0.3% of contract value
Retail trades valued below RM100,000	0.6% of contract value
Online routed retail trades (via ECOS)** & ***	Fully negotiable
Trades executed less than a board lot***	Fully negotiable
Trades where cash upfront has been given prior to the execution of the trades***	Fully negotiable
Same day buy and sell trades	0.15% of contract value

**Notes:**

- \* *Fixed brokerage (Always subjected to the fixed brokerage of RM2.00 on transaction of loan instruments and RM40.00 on any other transaction).*
- \*\* *Participating Organisation's Electronic Client-Ordering System approved by Bursa Malaysia.*
- \*\*\* *The minimum fixed brokerage of RM40.00 is not applicable for these transactions*

**(b) Clearing fees**

**(i) Novated**

0.03% of transaction value (payable by both buyer and seller) with a maximum of RM1,000.00 per contract. There is no minimum fee imposed.

**(ii) Direct business**

0.03% of transaction value (payable by both buyer and seller) with a maximum of RM1,000.00 per contract and a minimum of RM10.00.

**(c) Stamp Duty**

The stamp duty chargeable on transactions on the stock market in Malaysia is as follows:

- (i) RM1.00 for RM1,000.00 or fractional part of value of securities (payable by both buyer and seller), and the stamp duty shall be remitted to the maximum of RM200.
- (ii) All instruments relating to the issue of, offer for subscription, or purchase of, or invitation to subscribe or purchase, debentures approved by the Securities Commission under Section 32 of the Securities Commission Act, 1993, and the transfer of such debentures, are exempted from stamp duty.

## **5 What happens if you do not provide details of a CDS Account?**

If you accept the Offer and elect to receive Scrip Consideration (and are not an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder) but do not nominate a CDS Account into which your GHIL Shares should be issued, the issue of GHIL Shares will be delayed until you provide such information (and your acceptance of the Offer may be rejected if Computershare does not receive such details). GHIL will not be responsible for any delay or failure in issuing the GHIL Shares to your CDS Account if incorrect or insufficient information has been provided in the Direction and Indemnity Form.

If you are an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder and elect Scrip Consideration, you do not need to provide details of a CDS Account as the process described in **section 13.11** will apply to you.

## **6 How can I get copies of the forms and documents required?**

If you require any of the documents listed below, please call the Offer Information Line to request copies of these documents:

- (a) list of Authorised Depository Agents
- (b) Direction and Indemnity Form



# ATTACHMENT F

Direction and Indemnity Form

**Direction and Indemnity relating to takeover bid by GHL Systems Berhad for  
e-pay Asia Limited**

I/We refer to the takeover offer by GHL Systems Berhad (**GHL**) for all of the shares in e-pay Asia Limited (**EPY**) as set out in GHL's bidder's statement dated 7 November 2013 (**Bidder's Statement**). Capitalised terms in this form have the same meaning as the Bidder's Statement.

I/We am/are a shareholder(s) in EPY and have accepted the Offer, as per the registered details below and I/we am /are not an Ineligible Foreign Shareholder.

	<i><b>insert below :</b></i>
Holder's HIN or SRN:	
Registered Holder Name:	
Registered Holder Address:	
If a CHESS Holding, CHESS takeover acceptance message Transaction ID:	

I/We unconditionally and irrevocably direct, authorise and instruct GHL to issue the GHL Shares to which I/we am/are entitled to receive as a result of my/our acceptance of the Offer for credit to my/our CDS Account or that of my/our Authorised Nominee or to the CDS Account of my/our underlying client or the Authorised Nominee of my/our underlying client as per the details below, in lieu of a share certificate being issued in my/our name.

**\*\* Details of CDS account**

	<i><b>insert below :</b></i>
Name of CDS account:	
Address:	
Shareholder's Identity Card No. / Passport No. / Company Registration No.:	
CDS A/C No.:	
# GHL Securities to be issued.	
Nationality	
Race (for Malaysian only)	
<b>** PLEASE ENSURE THE DETAILS OF CDS ACCOUNT IS IDENTICAL WITH THE INFORMATION IN THE RECORDS OF THE BURSA MALAYSIA DEPOSITORY SDN BHD</b>	

I/We jointly and severally represent and warrant to GHL and without prejudice to the scope of the undertakings and indemnities given below that:

1. I/We or me/my underlying client have full legal ownership of the EPY Shares to which this form relates and that GHL will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights to return immediately for cancellation to you the original share certificate if received;
2. I/We will not receive a share certificate or any other document evidencing title to my/our entitlement of GHL Shares following allotment and issue and the GHL Shares will instead be credited to my/our CDS Account or that of my/our Authorised Nominee or to the CDS Account of our underlying client (if the EPY Shares are held by us as Controlling Participant, custodian or nominee) or the CDS Account of the Authorised Nominee of our underlying client;
3. There is no change in beneficial ownership of the consideration payable on my EPY Shares to which this form relates and that the issue of GHL Shares into the CDS Account is not a change of beneficial ownership;
4. I/We have lodged with Computershare Investor Services Pty Limited (**Computershare**) a duly and properly completed and executed Acceptance Form / initiated an Acceptance in CHESS in respect of the Offer in accordance with the Bidder's Statement and, in particular, prior to the end of the Offer Period;
5. Where the EPY Shares are held for another by a Controlling Participant, custodian or nominee, *[insert Controlling Participant/custodian/nominee name]* \_\_\_\_\_'s client has provided instruction consistent with the documentation to *[insert Controlling Participant, custodian or nominee name]* \_\_\_\_\_ in relation to the GHL Shares to be issued to *[insert name of ultimate beneficial owner or the Authorised Nominee of the ultimate beneficial owner]* \_\_\_\_\_ into the CDS Account as specified above under this form;
6. I/We or my/our underlying client acknowledge that the warranties given and terms and conditions set out in the Bidder's Statement continue in full force and effect;
7. I/We or my/our underlying client acknowledge that the allotment and issue of my/our entitlement of the GHL Shares to the CDS Account as specified above constitutes an allotment and issue of GHL Shares to the person entitled to such shares under the Offer;
8. I/We or my/our underlying client acknowledge that GHL is not privy to and has no knowledge (actual, implied or constructive) of my/our relationship or arrangement with any Authorised Nominee, Controlling Participant, nominee or custodian of mine/us.
9. I/We or my/our underlying client acknowledge and agree that I/We have had an opportunity to obtain independent professional, operational and financial advice regarding this form;
10. I/We or my/our underlying client undertake to be responsible for any fee or other charge that may be levied by the Authorised Nominee (if any);
11. I/We or my/our underlying client am/are warrant that the information provided by me/us is true and correct in every particular.

In consideration of GHL agreeing, at our request and pursuant to this written direction, to allot and issue the GHL Shares (to which I/We am/are entitled to as a result of my/our acceptance of the Offer) by crediting my/our CDS Account or that of my/our Authorised Nominee or the CDS Account of my/our underlying client or the Authorised Nominee of my/our underlying client instead of to me/us, I/We undertake not to bring any claim against and release GHL and any of its directors, officers, employees, consultants or advisors in relation to the direction given by me/us under this form. I/We undertake not to make any claim against GHL or any of its directors, officers, employees,

I/We agree and shall indemnify and hold harmless GHL and any and all of its directors, officers, employees, consultants and advisors for any loss, costs, charges and expenses incurred by any of them in relation to any of the above representations, warranties and undertakings or otherwise arising out of the allotment, issue or transfer of GHL Shares which are the subject of this form.

I/We acknowledge that the terms of this form will be governed by the laws of Victoria, Australia.

The contact details of my/our authorised representative in this matter, in case I/we need to be contacted about this Form are as follows:

Contact Name: \_\_\_\_\_

Daytime telephone number: \_\_\_\_\_

email address: \_\_\_\_\_

_____ Signature	_____ Signature	_____ Signature
_____ Name	_____ Name	_____ Name
_____ Date	_____ Date	_____ Date

*(If shares are held jointly, all parties must sign here)*

*(If shares are held by a company, where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director can also sign alone. Otherwise, this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held.)*

#### **Lodgement**

This signed and correctly completed form must be received by Computershare Investor Services Pty Limited at [GHL OFFER@computershare.com.au](mailto:GHL OFFER@computershare.com.au) by no later than the closing date of the Offer (currently 7.00pm (Melbourne time) on 24 January 2014), or such later time if the Offer is extended. Late or misdirected forms will not be accepted. You must retain the original form as GHL reserves the right to request the production of the original form.