

## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL

### 6.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

#### 6.1.1 Promoters' Shareholdings in Fotronics

The Promoters and their respective shareholdings in Fotronics upon completion of the Public Issue are as follows:

Promoter	Nationality/ country of incorporation	Designation	< -----Direct ----- >		< ----- Indirect ----- >	
			No. of Fotronics Shares	% held	No. of Fotronics Shares	% held
Memcorp	British Virgin Islands	-	91,980,755	45.32	12,856,650 <sup>a</sup>	6.33
FInc	Japan	-	12,856,650	6.33	-	-
Seah Bak Seng	Singaporean	Executive Director	4,660,000	2.30	-	-
Ng Kwok Leung, George	Canadian	Executive Director	13,043,569	6.43	-	-
YEPL	Singapore	-	5,480,295	2.70	-	-

*Note:*

*a* Deemed interested by virtue of its substantial shareholding in FInc.

The above shareholdings take into consideration the Public Issue Shares entitled for subscription by the eligible Directors and employees of the Fotronics Group but do not take into consideration the allocation of the Options under the ESOS.

#### 6.1.2 Substantial Shareholders' Shareholdings in Fotronics

The substantial shareholders and their respective shareholdings in Fotronics upon completion of the Public Issue are as follows:

Substantial shareholder	Nationality/ country of incorporation	Designation	< ----- Direct ----- >		< ----- Indirect ----- >	
			No. of Fotronics Shares	% held	No. of Fotronics Shares	% held
Memcorp	British Virgin Islands	-	91,980,755	45.32	12,856,650 <sup>a</sup>	6.33
FInc	Japan	-	12,856,650	6.33	-	-
Seah Bak Kheow	Singaporean	Executive Chairman / Chief Executive Officer	60,000	0.03	104,837,405 <sup>b</sup>	51.65
Yip Yan Foon	Singaporean	-	-	-	104,837,405 <sup>c</sup>	51.65
Ng Kwok Leung, George	Canadian	Executive Director	13,043,569	6.43	-	-

## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL (*cont'd*)

Substantial shareholder	Nationality/ country of incorporation	Designation	< ----- Direct ----- >		< ----- Indirect ----- >	
			No. of Fotronics Shares	% held	No. of Fotronics Shares	% held
Seah Wee Kiat, Willie	Singaporean	-	60,000	0.03	104,837,405 <sup>d</sup>	51.65
Seah Wee Ping	Singaporean	-	60,000	0.03	104,837,405 <sup>d</sup>	51.65
Seah Sze Wei, Cheryl	Singaporean	-	-	-	104,837,405 <sup>d</sup>	51.65
Seah Sze Min, Charmaine	Singaporean	-	-	-	104,837,405 <sup>d</sup>	51.65

Notes:

*a* Deemed interested by virtue of its substantial shareholding in FInc.

*b* Deemed interested by virtue of his spouse's and children's substantial shareholdings in Memcorp and Memcorp's substantial shareholding in FInc.

*c* Deemed interested by virtue of her substantial shareholding in Memcorp, her children's substantial shareholdings in Memcorp and Memcorp's substantial shareholding in FInc.

*d* Deemed interested by virtue of his/her substantial shareholding in Memcorp, his/her mother's substantial shareholding in Memcorp and Memcorp's substantial shareholding in FInc.

Seah Bak Kheow is the spouse of Yip Yan Foon. Seah Wee Kiat, Willie, Seah Wee Ping, Seah Sze Wei, Cheryl and Seah Sze Min, Charmaine are the children of Seah Bak Kheow and Yip Yan Foon.

The above shareholdings take into consideration the Public Issue Shares entitled for subscription by the eligible Directors and employees of the Fotronics Group but do not take into consideration the allocation of the Options under the ESOS.

### 6.1.3 Profiles on the Promoters / Substantial Shareholders of Fotronics

**Seah Bak Seng**, a Singaporean, aged 62, is the Executive Director of Fotronics. He was appointed to the Board of Fotronics on 15 September 2004. He graduated with a Certificate in Education from the Singapore Teacher's Training College in 1966 and thereafter taught at various secondary schools as well as at the Institute of Technical Education, Singapore for more than 20 years. Subsequently, he was the General Manager of Multiskill Management, a human resource consultancy firm providing recruitment, training and commercial advice to assist new companies in their initial set-up from 1986 to 1993. Prior to joining MPC in 2000, he worked as a freelance human resource consultant. With his vast experience in human resource management, he played an instrumental role in leading MPC to attain ISO 9001:2000 quality accreditations from the British Standards Institutions in 2001.

He is a member of the Chartered Management Institute, UK and member of the Society for Human Resource Management, USA. Besides serving as members in the above capacities, he has also written training manuals and a book on office management.

He is responsible for the human resource and strategic planning within the Fotronics Group. In addition to being on the Board of Fotronics, he is also the Director of MPC, Director of FIPL and Director of Memcorp.

## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL (*cont'd*)

FInc was incorporated on 1 March 1978 as a private limited company in Japan as a *kabushiki kaisha* (joint stock company with limited liability) under the Commercial Code of Japan. The present authorised share capital is Yen1,552,000,000 consisting of 250,000 ordinary shares without par value while its issued and paid-up share capital is Yen388,000,000 consisting of 166,667 ordinary shares without par value. FInc is principally involved in process management, R&D and engineering design.

As at 23 December 2004, the direct and indirect interests of the directors in FInc are as follows:

Director	< ----- Direct ----- >		< ----- Indirect ----- >	
	No. of shares	% held	No. of shares	% held
Seah Bak Kheow	-	-	161,667 <sup>a</sup>	97.0
Masato Ikeuchi	4,000	2.4	-	-
Yutaka Watanabe	1,000	0.6	-	-
Koh Poh Jin	-	-	-	-

*Note:*

*a* Deemed interested by virtue of his spouse's and children's substantial shareholdings in Memcorp.

As at 23 December 2004, the direct and indirect interests of the substantial shareholders in FInc are as follows:

Substantial shareholder	< ----- Direct ----- >		< ----- Indirect ----- >	
	No. of shares	% held	No. of shares	% held
Memcorp	161,667	97.0	-	-
Seah Bak Kheow	-	-	161,667 <sup>a</sup>	97.0
Yip Yan Foon	-	-	161,667 <sup>b</sup>	97.0
Seah Wee Kiat, Willie	-	-	161,667 <sup>c</sup>	97.0
Seah Wee Ping	-	-	161,667 <sup>c</sup>	97.0
Seah Sze Wei, Cheryl	-	-	161,667 <sup>c</sup>	97.0
Seah Sze Min, Charmaine	-	-	161,667 <sup>c</sup>	97.0

*Notes:*

*a* Deemed interested by virtue of his spouse's and children's substantial shareholdings in Memcorp.

*b* Deemed interested by virtue of her substantial shareholding in Memcorp and her children's substantial shareholdings in Memcorp.

*c* Deemed interested by virtue of his / her substantial shareholdings in Memcorp and his / her mother's substantial shareholding in Memcorp.

**Ng Kwok Leung, George**, a Canadian, aged 48, is the Executive Director of Fotronics. He was appointed to the Board of Fotronics on 15 September 2004. He obtained his High Certificate of Building Technology from the Hong Kong Polytechnic Institution in 1976. He started his career as a Chemical Engineer with Y Cee Enterprises Ltd in 1979. Subsequently in 1989, he joined Permaquik Corporation as Regional Marketing Manager. In 1990, he established Y Cee Company Limited, a company principally involved in construction materials. He joined Vtrek (HK) in 2001 as Director. Currently, he is responsible for the operations of Vtrek (HK) and Vtrek (China).

He is also the Director of Y Cee Company Limited, Director of Vtrek (HK), Director of Vtrek (China), Director of MPC and Director of Memcorp.

## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL (*cont'd*)

**Memcorp** was incorporated on 18 February 2002 as a private limited company in the British Virgin Islands. The present authorised share capital is USD50,000 consisting of 50,000 ordinary shares of USD1.00 each and its issued and paid-up share capital is USD1,000 consisting of 1,000 ordinary shares of USD1.00 each. Memcorp is principally involved in investment holding.

As at 23 December 2004, the direct and indirect interests of the directors of Memcorp are as follows:

Director	< ----- Direct ----- >		< ----- Indirect ----- >	
	No. of shares	% held	No. of shares	% held
Ng Kwok Leung, George	-	-	-	-
Yutaka Watanabe	-	-	-	-
Seah Bak Seng	-	-	-	-

As at 23 December 2004, the direct and indirect interests of the substantial shareholders of Memcorp are as follows:

Substantial shareholder	< ----- Direct ----- >		< ----- Indirect ----- >	
	No. of shares	% held	No. of shares	% held
Yip Yan Foon	600	60.0	-	-
Seah Wee Kiat, Willie	100	10.0	-	-
Seah Wee Ping	100	10.0	-	-
Seah Sze Wei, Cheryl	100	10.0	-	-
Seah Sze Min, Charmaine	100	10.0	-	-

*Note:*

*Yip Yan Foon is the mother to Seah Wee Kiat, Willie, Seah Wee Ping, Seah Sze Wei, Cheryl and Seah Sze Min, Charmaine.*

**YEPL** was incorporated on 21 April 1978 as a private limited company in Singapore under the Companies Act, Cap 50. The present authorised share capital is SGD3,000,000 consisting of 3,000,000 ordinary shares of SGD1.00 each and its issued and paid-up share capital is SGD1,000,000 consisting of 1,000,000 ordinary shares of SGD1.00 each. YEPL is principally involved in investment holding.

As at 23 December 2004, the direct and indirect interests of the directors of YEPL are as follows:

Directors	< ----- Direct ----- >		< ----- Indirect ----- >	
	No. of shares	% held	No. of shares	% held
Tan Bor Daan	35,001	3.5	200,000 <sup>a</sup>	20.0
Tan Lay Guat	35,001	3.5	200,000 <sup>a</sup>	20.0

*Note:*

*a Deemed interested by virtue of their substantial shareholdings in Choo & Choo Holding Pte Ltd.*

## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL *(cont'd)*

As at 23 December 2004, the direct and indirect interests of the substantial shareholders of YEPL are as follows:

Substantial shareholder	<----- Direct ----->		<----- Indirect ----->	
	No. of shares	% held	No. of shares	% held
Choo & Choo Holding Pte Ltd	200,000	20.0	-	-
Chua Lay Yian	100,000	10.0	-	-
Choo Siu Heng	-	-	200,000 <sup>a</sup>	20.0
Tan Bor Daan	35,001	3.5	200,000 <sup>a</sup>	20.0
Tan Lay Guat	35,001	3.5	200,000 <sup>a</sup>	20.0

*Note:*

*a* Deemed interested by virtue of his/her substantial shareholding in Choo & Choo Holding Pte Ltd.

### 6.1.4 Directorships and Substantial Shareholdings in all other public corporations for the past two (2) years

None of the Promoters and substantial shareholders of Fotronics has any directorships and/or substantial shareholdings (holding five percent (5%) shareholdings or more), direct or indirect in other public corporations for the past two (2) years prior to the date of this Prospectus.

### 6.1.5 Changes in Shareholdings of Promoters/Substantial Shareholders of Fotronics for the past three (3) years

Save as disclosed below, there has been no changes in the direct shareholdings of the Promoters/substantial shareholders of Fotronics for the past three (3) years:

Promoter/ substantial shareholder	At incorporation		After Acquisitions		After Shareholders' Arrangements	
	No. of Fotronics Shares	% held	No. of Fotronics Shares	% held	No. of Fotronics Shares	% held
Memcorp	-	-	-	-	91,980,755	60.42
FInc	-	-	12,856,650	8.44	12,856,650	8.44
Seah Bak Seng	-	-	38,328,661	25.18	4,600,000	3.02
Ng Kwok Leung, George	-	-	24,390,966	16.02	12,983,569	8.52
YEPL	-	-	10,453,271	6.87	5,480,295	3.60
Yip Yan Foon	-	-	-	-	-	-
Seah Bak Kheow	-	-	-	-	-	-
Seah Wee Kiat, Willie	-	-	66,204,052	43.49	-	-
Seah Wee Ping	-	-	-	-	-	-
Seah Sze Wei, Cheryl	-	-	-	-	-	-
Seah Sze Min, Charmaine	-	-	-	-	-	-

## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL *(cont'd)*

### 6.1.6 Knowledge and Experience of Promoters

#### Seah Bak Seng

Please refer to his profile under Section 6.1.3.

#### FInc

Please refer to its profile under Section 6.1.3.

#### Ng Kwok Leung, George

Please refer to his profile under Section 6.1.3

#### Memcorp

Please refer to its profile under Section 6.1.3.

#### YEPL

Please refer to its profile under Section 6.1.3.

## 6.2 DIRECTORS

### 6.2.1 Directors' Shareholdings in Fotronics

The Directors and their respective shareholdings in Fotronics upon completion of the Public Issue are as follows:

Director	Designation	< ---- Direct ----- >		< ---- Indirect ----- >	
		No. of Fotronics Shares held	% held	No. of Fotronics Shares held	% held
Seah Bak Kheow	Executive Chairman / Chief Executive Officer	60,000	0.03	104,837,405 <sup>a</sup>	51.65
Seah Bak Seng	Executive Director	4,660,000	2.30	-	-
Cheng Joo Wan	Executive Director	60,000	0.03	-	-
Masato Ikeuchi	Executive Director	60,000	0.03	-	-
Yutaka Watanabe	Alternate Director to Masato Ikeuchi / Business Development Director of FIPL	60,000	0.03	-	-
Ng Kwok Leung, George	Executive Director	13,043,569	6.43	-	-
Koh Poh Jin	Executive Director	60,000	0.03	-	-
Yong Kit Fai	Executive Director	60,000	0.03	-	-
Dato' Sim Bee Ming	Non-Independent Non-Executive Director	60,000	0.03	-	-
Yuen Kin Pheng	Independent Non- Executive Director	60,000	0.03	-	-



## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL (cont'd)

Director	Designation	< ----- Direct ----- >		< ----- Indirect ----- >	
		No. of Fotronics Shares held	% held	No. of Fotronics Shares held	% held
Patrick Bouju	Independent Non-Executive Director	60,000	0.03	-	-
Benoit Jean-Marie Mauffrey	Independent Non-Executive Director	60,000	0.03	-	-
Yeo Toon Mok, Albert	Independent Non-Executive Director	60,000	0.03	-	-

*Note:*

*a Deemed interested by virtue of his spouse's and children's substantial shareholdings in Memcorp and Memcorp's substantial shareholding in FInc.*

*The above shareholdings take into consideration the Public Issue Shares entitled for subscription by the eligible Directors and employees of the Fotronics Group but do not take into consideration the allocation of the Options under the ESOS.*

### 6.2.2 Profiles of Directors

**Seah Bak Kheow**, a Singaporean, aged 53, is the Executive Chairman / Chief Executive Officer of Fotronics. He was appointed to the Board of Fotronics on 15 September 2004. He has more than 20 years of working experience in the precision engineering industry. His involvement in the precision engineering industry started in 1980 when, upon completing his HSC 'A' Levels, he established Nikko Video and Services Pte Ltd ("Nikko Video"), a distributor of imported VCR drumheads for the replacement market. In 1998, he acquired FInc from Japan Energy Corporation Ltd and ventured into the assembly of drumheads by capitalising on the established brand name of FInc and its technology. Subsequently, in 2000, he established MPC to expand upstream into the processing of drumheads.

He is responsible for the overall business operations of the Fotronics Group. Besides being on the Board of Fotronics, he is also the Non-Executive Chairman of FInc, Chairman of Vtrek (HK) and Director of Vtrek (China).

#### **Seah Bak Seng**

Please refer to his profile under Section 6.1.3.

**Cheng Joo Wan**, a Singaporean, aged 52, is the Executive Director of Fotronics. He was appointed to the Board of Fotronics on 15 September 2004. He obtained his Bachelor of Science (Honours), majoring in Electrical and Electronic Engineering from Liverpool Polytechnic, UK in 1980 and his Masters in Micro Processing Engineering and Digital Electronics from Manchester Institute of Science and Technology, UK in 1981.

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**6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL (cont'd)**


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He has held various management positions within the system and application development industry and senior management positions in semi-government agencies in Singapore for almost 20 years. From 1982 to 1985, he was the System Controller / Electronic Data Processing Manager at Hwee Seng Pte Ltd. Thereafter, in 1985, he joined NEC Singapore Pte Ltd as Assistant Divisional Manager. Between 1993 and 2003, he held various positions within the Standard, Productivity and Innovation for growth ("Spring Singapore") (formerly known as the National Productivity Board ("NPB")), which includes amongst others, Divisional Director for the Marketing & Customer Service Division, Executive Director of NPI Pte Ltd, the international marketing and business development arm of NPB and Chief Executive Officer of Technology Commercialization TC2 Pte Ltd, a subsidiary company of NPB. His last position held was Programme Director of Spring Singapore where he was responsible for the small, medium enterprises and domestic development. Currently, he is Chief Executive Officer of FIPL.

**Masato Ikeuchi**, a Japanese, aged 56, is the Executive Director of Fotronics. He was appointed to the Board of Fotronics on 15 September 2004. He obtained his Bachelor of Arts in Political Science from Keio University, Japan in 1971. Upon graduation, he was attached to Nippon Mining Corporation Ltd (now known as Japan Energy Corporation Ltd ("JEC")) as a Sales Executive. Thereafter, he was promoted to Manager, Research and Planning for the Magnetic Recording Heads Division of JEC in 1986. In 1988, he assumed the position of Manager, Marketing and Sales for Magnetic Recording Heads Division of JEC and subsequently was promoted to Head of Magnetic Recording Heads Division of JEC in 1990. In 1991, he was made a Director of FInc where he spearheaded the technological development of magnetic recording heads for industrial and specialised usage. He joined FMSB as Director in 1991.

Besides being on the Board of Fotronics, he is also President of FInc, Director of FMSB and Director of FTSB.

**Yutaka Watanabe**, a Japanese, aged 54, is the Alternate Director to Masato Ikeuchi/Business Development Director of FIPL. He has more than 25 years of work experience in the precision engineering industry. His involvement in the precision engineering industry started in 1974 when he joined Nippon Video Kikaku Incorporated where he was responsible for the sales and marketing of AV equipment. Subsequently, he joined FInc in 1981 as a Sales Manager, marketing drumheads for more than 15 years and thereafter was promoted to Business Development Director in 1998. He joined FIPL as Director in 2004. He is also responsible for the formulation of the Fotronics Group's business plan and strategies. In addition, he is also a Director of Memcorp.

**Ng Kwok Leung, George**

Please refer to his profile under Section 6.1.3.

**Koh Poh Jin**, a Singaporean, aged 43, is the Executive Director of Fotronics. He was appointed to the Board of Fotronics on 15 September 2004. He has more than 15 years of work experience in the VCR drums business and has vast expertise in precision metal machining. Upon completion of his HSC 'O' Levels in 1980, he started his career with Nikko Video as Manager of Sales and Marketing. Subsequently, he joined FInc in 1998 as Director where he was responsible for Sales and Marketing. In 2001, he joined MPC as General Manager of Technical Operations. He is currently responsible for the Group's technical and design development as well as their production facilities.

Besides being on the Board of Fotronics, he is also the Managing Director of FMSB, Director of FInc and Director of FTSB.



## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL *(cont'd)*

**Yong Kit Fai**, a Malaysian, aged 41, is the Executive Director of Fotronics. He was appointed to the Board of Fotronics on 15 September 2004. He has more than 18 years of work experience in the fields of auditing, accounting, trading, manufacturing and assembling. He started his career in 1986 with an audit firm and subsequently joined FMSB in 1990 as Finance and Administration Manager. Thereafter, he was promoted to Director of FMSB in 1990. Since 1998, he has been spearheading the brand building of the "Futek" brand of AV products as well as the "Futek" own brand of electrical home appliances in Malaysia. Currently, he is responsible for the strategic planning and operations of FMSB and FTSB.

He is a Fellow of the Chartered Institute of Management Accountants, UK and member of the Malaysian Institute of Accountants. Besides being on the Board of Fotronics, he is also the Director of FMSB and FTSB respectively.

**Dato' Sim Bee Ming**, a Malaysian, aged 46, is the Non-Independent Non-Executive Director of Fotronics. He was appointed to the Board of Fotronics on 15 September 2004. Upon the completion of his Sijil Pelajaran Malaysia, he ran the family's petrol business in Klang and Pulau Ketam from 1983 to 1998. Subsequently in 1998, he was appointed General Manager of Lian Choon Chan Shell Station and was Lain Ann Chan Shell's dealer in Pulau Ketam.

Besides being on the Board of Fotronics, he is also the Director of FMSB and FTSB. He is also the Managing Director of Marl-One Development Sdn Bhd, a building contractor and is a shareholder and Executive Director of Kelong Nasib Baik Sdn Bhd, a kelong fish breeding company. In addition, he is also a Justice of Peace.

**Yuen Kin Pheng**, a Singaporean, aged 53 is the Independent Non-Executive Director of Fotronics. He was appointed to the Board of Fotronics on 15 September 2004. He obtained his Bachelor in Business Administration (First Class Honours) and Masters in Business Administration from the University of Singapore in 1980 and 1981 respectively. Subsequently, he pursued his Advanced Management Program from Wharton School, University of Pennsylvania, USA. He has also won several awards including the Mobil Gold Medal, SGV Gold Medal and International Chamber of Commerce Prize for his academic achievements.

In 2003, he was appointed President and Business Leader of Trane for the Asia Pacific region. Prior to his appointment at Trane, he was President of Honeywell International Inc. for the Asia Pacific and China region. In this capacity, he was responsible for the operations of Honeywell International Inc. and instrumental in leading Honeywell International Inc.'s business initiatives as well as driving growth and expansion in the Asia Pacific region.

He joined AlliedSignal China Inc. ("AlliedSignal") in 1994 to head the company's aerospace activities in China. He was later promoted to Chairman and subsequently to Vice President of Commercial Air Transport for North Asia's Division of AlliedSignal for the China, Taiwan, Korea and Japan regions. In 1999, following the merger between AlliedSignal Inc. and Honeywell International Inc., he was appointed Vice President of Aerospace for Honeywell Inc., Asia Pacific. Prior to joining AlliedSignal, he was Vice President and General Manager of the Singapore Aviation Services Pte Ltd and Vice President of Business Development of Singapore Aerospace Ltd.

In addition, he has served in various positions with the Singapore Air Force for 18 years and has also won the Commendation Gold Medal for outstanding services in the Singapore Air Force.

## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL (*cont'd*)

**Patrick Bouju**, a French national, aged 56 is the Independent Non-Executive Director of Fotronics. He was appointed to the Board of Fotronics on 15 September 2004. A veteran of the electronic industry, he has over 30 years of work experience in the high technology industry and almost 25 years of work experience in marketing in the Asia Pacific region, particularly in the electronics industry in China. He is currently a private consultant in the field of biometrics. Prior to this, he was President of IPC Peripherals Ltd in Singapore, Chief Executive Officer of Hagenuk Telecom in Germany, President of ST Microelectronics Incorporated for the Hong Kong and Korea regions, General Manager of Thomson Passive Components Corporation in the USA and Managing Director of Thomson Far East Ltd, Hong Kong.

**Benoit Jean-Marie Mauffrey**, a French national, aged 51 is the Independent Non-Executive Director of Fotronics. He was appointed to the Board of Fotronics on 15 September 2004. He has more than 25 years of work experience in international business development, negotiation, sales and marketing in a diverse range of industries specifically in the Asia Pacific region.

Currently, he is Asia Pacific Managing Director for NASDAQ-listed Globecomm Systems Inc., a company dealing in end-to-end communication and broadcast solutions. Prior to that, between 1974 and 1985, he was Sales Director of CMR Pte Ltd, a French company manufacturing automated equipment for ocean-going vessels whilst from 1986 to 1989, he was Managing Director of MDSA (HK) Ltd, a company producing semiconductors and CAD/CAM products. Subsequently, from 1989 to 1994, he was Managing Director of Matra Hachette (HK), a French company involved in the aerospace, defence, automotive, semiconductors, telecommunications, CAD/CAM, publishing and transportation industries.

**Yeo Toon Mok, Albert**, a Singaporean, aged 63, obtained his Bachelor of Laws with Honours from the National University of Singapore in 1973. He was admitted as an Advocate & Solicitor of the Supreme Court, Singapore in 1974 and in the same year, started his legal practice with Messrs. Lui Boon Poh & Co.. He subsequently joined Tat Lee Bank Limited as its Legal Officer until 1982. Since then, he has been a practicing partner in the legal firm of Lim & Lim.

### 6.2.3 Directors' Directorship and Substantial Shareholdings in all other public corporations for the past two (2) years

None of the Directors of the Company has any other directorships and/or substantial shareholdings, (holding five percent (5%) shareholdings or more), direct or indirect in other public corporations for the past two (2) years prior to the date of this Prospectus.

### 6.2.4 Directors' Aggregate Remuneration and Benefits

For the financial year ended 31 March 2004, the remuneration paid to the Directors of the Company for services in all capacities to the Fotronics Group was RM271,000. For the financial year ending 31 March 2005, the amount payable to the Directors of the Company is approximately RM1,614,800. Details of the aggregate remuneration are as follows:

RM	< ----- No. of Directors ----- >	
	Year ended 31 March 2004	Year ending 31 March 2005
0 – 100,000	2	5
100,000 – 200,000	2	4
Above 200,000	-	4
	<b>4</b>	<b>13</b>

## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL *(cont'd)*

### 6.2.5 Representation of Corporate Shareholders

None of the Directors of the Company has any representation of corporate shareholdings on the Board of Fotronics.

### 6.3 AUDIT COMMITTEE

The main functions of the audit committee will fall within the ambit of the Listing Requirements. The members of the audit committee are as follows:

Name	Designation	Directorship
Yeo Toon Mok, Albert	Chairman	Independent Non-Executive Director
Yong Kit Fai	Member	Executive Director
Benoit Jean-Marie Mauffrey	Member	Independent Non-Executive Director

### 6.4 KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL

#### 6.4.1 Key Management's or Key Technical Personnel's Shareholdings

The key management's or key technical personnel's shareholdings in Fotronics upon completion of the Public Issue are as follows:

Key management or key technical personnel	Designation	< ----- Direct ----- >		< ----- Indirect ----- >	
		No. of Fotronics Shares held	% held	No. of Fotronics Shares held	% held
Seah Bak Kheow	Executive Chairman / Chief Executive Officer	60,000	0.03	104,837,405 <sup>a</sup>	51.65
Seah Bak Seng	Executive Director	4,660,000	2.30	-	-
Cheng Joo Wan	Executive Director	60,000	0.03	-	-
Masato Ikeuchi	Executive Director	60,000	0.03	-	-
Yutaka Watanabe	Alternate Director to Masato Ikeuchi / Business Development Director of FIPL	60,000	0.03	-	-
Ng Kwok Leung, George	Executive Director	13,043,569	6.43	-	-
Koh Poh Jin	Executive Director	60,000	0.03	-	-
Yong Kit Fai	Executive Director	60,000	0.03	-	-
Niam Chong Loong	Chief Operating Officer of FIPL	40,000	0.02	-	-
Makoto Nomoto	Chief Engineer of the Fotronics Group	40,000	0.02	-	-
Muthan Vivekanandhan	Chief Quality Assurance Engineer of the Fotronics Group	40,000	0.02	-	-

## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL *(cont'd)*

Key management or key technical personnel	Designation	< ----- Direct ----- >		< ----- Indirect ----- >	
		No. of Fotronics Shares held	% held	No. of Fotronics Shares held	% held
Tetsuo Ikeda	Chief Production Planning Controller of the Fotronics Group and Director of Vtrek (China)	60,000	0.03	-	-
Tan Eng Kiat	Chief Strategic Planner of the Fotronics Group	40,000	0.02	-	-
Ng Kim Lam	Director and General Manager of FMSB and FTSB	60,000	0.03	-	-
Seah Li Shan, Susanah	Senior Manager, Human Resource and Management ISO representative of the Fotronics Group	40,000	0.02	-	-

*Note:*

*a Deemed interested by virtue of his spouse's and children's substantial shareholdings in Memcorp and Memcorp's substantial shareholding in FInc.*

*Seah Bak Seng is the brother of Seah Bak Kheow. Seah Li Shan, Susanah is the daughter of Seah Bak Seng and niece of Seah Bak Kheow.*

*The above shareholdings take into consideration the Public Issue Shares entitled for subscription by the eligible Directors and employees of the Fotronics Group but do not take into consideration the allocation of the Options under the ESOS.*

### 6.4.2 Profiles on the Key Management or Key Technical Personnel

Save for the profiles of Seah Bak Kheow, Seah Bak Seng, Cheng Joo Wan, Masato Ikeuchi, Yutaka Watanabe, Ng Kwok Leung, George, Koh Poh Jin and Yong Kit Fai which are disclosed in Sections 6.1.3 and 6.2.2 above, the profiles of the key management or key technical personnel are as follows:

**Niam Chong Loong**, a Singaporean, aged 48, is the Chief Operating Officer of FIPL. He obtained his Bachelor of Engineering in Electrical and Electronic Engineering from the National University of Singapore in 1980 and subsequently a Diploma in Marketing Management from the Singapore Institute of Management in 1985. He has 22 years of work experience in the fields of computer systems, networking and telecommunications, test and measurement instruments and microelectronics.

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**6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL (cont'd)**


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He started his career as a Systems Engineer with Hewlett Packard (S'pore) Pte Ltd in 1980 and was later promoted to Field Sales Engineer in 1983. In 1986, he joined AT&T (S'pore) Pte Ltd as Regional Sales and Marketing Manager where he was responsible for marketing telecommunications equipment in the Asia Pacific region. Subsequently, he was promoted to Regional Managing Director for the Asia Pacific Region in 1988, and the company was later restructured to become Lucent Technologies Microelectronics (*now known as Agere Systems*). In 2000, he joined Arrow Asiapac Ltd as Vice-President of Sales and Marketing for Korea and Taiwan and Business Development for the Asia Pacific region. In 2002, he became the Managing Director of Tech Fusion Technology Pte Ltd after having left Arrow Asiapac Ltd.

He assumed his current position in FIPL in 2004 and is responsible for the information and communication businesses of the Fotronics Group in the Asia Pacific region.

**Makoto Nomoto**, a Japanese, aged 45, is the Chief Engineer of the Fotronics Group. He graduated with a Technical Diploma from Nippon Kogakuin College, specialising in Television Broadcast Technology in 1979. He started his career with FInc as a Technical Assistant in the Video Head Tip Division. In 1980, he was promoted to the position of Chief Engineer for the production of VCR drumheads. In 1993 he was attached to FMSB as Technical Advisor, where he was responsible for setting-up the FMSB assembly plant and in training the technicians and operators in the various VCR drumheads assembly process. In 1999, he was promoted to Chief Engineer of FInc. In 2004, he joined Fotronics as Chief Engineer.

He is very knowledgeable in the Japanese Kanban Quality System and is responsible for ensuring the standards of the Japanese Kanban Quality System are adopted in the Group's total quality management system.

**Muthan Vivekanandhan**, an Indian, aged 29, is the Chief Quality Assurance Engineer of the Fotronics Group. He obtained his Bachelor of Mechanical Engineering from Bharathidasan University, India in 1997 and subsequently in 1998, he graduated with a Masters in Engineering from the same university specialising in Manufacturing Technology.

He started his career in 1995 as a Production Engineer with Bharat Heavy Electricals Ltd in India and subsequently worked with several engineering firms in India prior to joining MPC as a Production Engineer in 2001.

Currently, he is responsible for the total quality management of the Group, which includes managing the procedures and standards for quality control.

**Tetsuo Ikeda**, a Japanese, aged 53, is the Chief Production Planning Controller of the Fotronics Group. He obtained his Bachelor of Engineering in Electronic Engineering from Nippon Kogakuin College. He started his career as a Technical Assistant with Akai Incorporated, Japan prior to joining FInc in 1978. From 1978 to 1986, he joined FInc as a Technical Assistant and was a member of the engineering team which developed static heads for VCRs. In 1987 he was promoted to Production Manager for the "Pan-Cake" VCRs. Subsequently, in 1990, he was promoted to Purchasing and Procurement Manager where he was responsible for overseeing the production facility in Shenzhen, China and for overseeing the production schedule of drumheads by contract based manufacturers. In 2001, he was made Director of Vtrek (China) and was involved in the setting up of the Vtrek (China) plant.

He is responsible for the co-ordination and control of all production activities of the Group.



## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL (*cont'd*)

**Tan Eng Kiat**, a Singaporean, aged 36, is the Chief Strategic Planner of the Fotronics Group. He obtained his Bachelor in Accountancy from Nanyang Technological University, Singapore in 1992. He is a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Singapore, with more than 10 years of finance and accounting experience in the manufacturing, trading and service industries.

Upon graduation in 1992, he joined KPMG Peat Marwick as an Auditor and thereafter, in 1996 he joined Brunswick Haw Par Holding Pte Ltd as an Accountant. He was promoted to Finance and Administration Manager in 1998 and in 1999, he left Brunswick Haw Par Holdings Pte Ltd to join Nikko Industrial & Services Pte Ltd as Finance Manager. Subsequently in 2001, he left Nikko Industrial & Services Pte Ltd to join MPC as Finance Manager. He is currently responsible for maintaining an optimum level of effectiveness for the overall operations of the Group.

**Ng Kim Lam**, a Malaysian, aged 42, is the Director and General Manager of FMSB and FTSB. She obtained her Higher Diploma in Accounting from the London Chamber of Commerce and Industry, UK and is currently pursuing her Chartered Association of Certified Accountants, UK. She has more than 14 years of finance and accounting experience specialising in the manufacturing industry.

She started her career in an audit firm and subsequently joined FMSB in 1994 as Assistant Accounts Manager. Thereafter, she was promoted to Operations Manager of FMSB and FTSB in 1998. In 2003, she was promoted to her current position and is principally responsible for the overall finance, accounting and administration functions as well as implementing proper internal control systems and budgets for FMSB and FTSB. In addition, she also assists in the strategic planning of FMSB and FTSB and assists in overseeing the operations of FMSB and FTSB.

**Seah Li Shan, Susanah**, a Singaporean, aged 27 is the Senior Manager, Human Resource and Management ISO representative of the Fotronics Group. She obtained her Diploma in Business (Marketing) from Ngee Ann Polytechnic, Singapore in 1997. Upon obtaining her Diploma, she was attached to Singtel Ltd as Marketing Officer until 1998 before she left to further her studies. After obtaining her Bachelor in Business Studies specialising in Public Relations and Marketing at Queensland University of Technology, Australia, she returned to Singapore and joined MPC as Human Resource Executive in 2002. She was promoted to her current position in 2004 and is currently responsible for all public relations and human resource planning within the Group.

### 6.5 INVOLVEMENT IN OTHER BUSINESSES/CORPORATIONS

Save as disclosed below, none of the executive Directors and key management or key technical personnel has any involvement in other businesses/corporations, other than within the Fotronics Group.

Executive Director/key management or key technical personnel	Corporations which Directors /key management or key technical personnel have interests	Designation	Remarks
Ng Kwok Leung, George	Y Cee Company Ltd	Director/ Substantial shareholder	Participation non-active
Seah Bak Kheow	FInc	Non-Executive Chairman / Substantial shareholder	Participation non-active



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**6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL (cont'd)**


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<b>Executive Director/key management or key technical personnel</b>	<b>Corporations which Directors /key management or key technical personnel have interests</b>	<b>Designation</b>	<b>Remarks</b>
Masato Ikeuchi	FInc	President/ Shareholder	Participation active
Yutaka Watanabe	FInc	Director/ Shareholder	Participation non-active
Makoto Nomoto	FInc	Chief Engineer	Participation active
Koh Poh Jin	FInc	Director	Participation non-active
Tetsuo Ikeda	FInc	Purchasing and Procurement Manager	Participation active

The above list excludes dormant corporations which the executive Directors and key management or key technical personnel have interests in.

- (i) Seah Bak Kheow is the Executive Chairman/Chief Executive Officer of Fotronics as well as the Non-Executive Chairman and substantial shareholder of FInc. As his participation in FInc is non-active, he will be allocating all his time and efforts in the Fotronics Group. Seah Bak Kheow is also a substantial shareholder of Fotronics by virtue of his spouse's and children's substantial shareholdings in Memcorp and Memcorp's substantial shareholding in FInc. As such, Seah Bak Kheow has an interest in the related party transactions set out in Section 9.1.2 (i) and (ii) of this Prospectus. The steps taken to minimise the potential conflict of interests are set out in Section 9.2 of this Prospectus.
- (ii) Masato Ikeuchi is the Executive Director of Fotronics as well President and non-substantial shareholder of FInc. Pursuant to the Technical Assistance and Know-How Agreement, Masato Ikeuchi will provide amongst others, support for the R&D requirements of the Fotronics Group and to transfer certain technical knowledge and know-how of FInc to the Group. By virtue of his dual positions as Executive Director of Fotronics and President of FInc, he will be able to co-ordinate the transfer of the technical knowledge and know-how. As President and non-substantial shareholder of FInc, he has an interest in the related party transactions set out in Sections 9.1.2 (i) and (ii) of this Prospectus. The steps taken to minimise the potential conflict of interests are set out in Section 9.2 of this Prospectus.
- (iii) Yutaka Watanabe is the Business Development Director and Alternate Director to Masato Ikeuchi of Fotronics. He is also a minority shareholder and Director of FInc. As his participation in FInc is non-active, he will be allocating all his time and efforts in the Fotronics Group. As Director and non-substantial shareholder of FInc, Yutaka Watanabe has an interest in the related party transactions set out in Sections 9.1.2 (i) and (ii). The steps taken to minimise the potential conflict of interests are set out in Section 9.2 of this Prospectus.
- (iv) Makoto Nomoto is seconded to the Fotronics Group as a Chief Engineer. Pursuant to the Technical Assistance and Know-How Agreement, he will assist and advise on establishing the R&D activities of the Fotronics Group. He is also the Chief Engineer of FInc. By virtue of his dual position in Fotronics and FInc, he will be able to co-ordinate the transfer of the technical knowledge and know-how. Hence, there is no conflict of interest for Makoto Nomoto being the Chief Engineer of Fotronics Group as well as Chief Engineer of FInc.

## 6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL *(cont'd)*

- (v) Koh Poh Jin is the Executive Director of Fotronics and Director of FInc. There is no conflict of interest for Koh Poh Jin as an Executive Director of Fotronics as his participation in FInc is non-active.
- (vi) Tetsuo Ikeda is the Chief Production Planning Controller of the Fotronics Group as well as Director of Vtrek (China). Pursuant to the Technical Assistance and Know-How Agreement, he will assist and advise on establishing the R&D activities of the Fotronics Group. He is also Purchasing and Procurement Manager of FInc. By virtue of his dual positions in both the Fotronics Group and FInc, he will be able to co-ordinate the transfer of the technical knowledge and know-how. Hence, there is no conflict of interest for Tetsuo Ikeda being the Chief Production Planning Controller of Fotronics Group and Director of Vtrek (China) as well as Purchasing and Procurement Manager of FInc.
- (vii) Ng Kwok Leung, George is the Executive Director of Fotronics as well as Director and substantial shareholder of Y Cee Company Ltd. As his participation in Y Cee Company Ltd is non-active, he will be allocating all his time and efforts in the Fotronics Group. As Director and substantial shareholder of Y Cee Company Ltd, Ng Kwok Leung, George has an interest in the related party transaction set out in Section 9.1.2 (iii). The details of the said transactions and the steps taken to minimise the potential conflict of interests are set out in Section 9.1.2 of this Prospectus.

### 6.6 DECLARATION FROM THE DIRECTORS, SUBSTANTIAL SHAREHOLDERS/PROMOTERS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL

No Director, substantial shareholder/Promoter, key management or key technical personnel is or has been involved in any of the following events (whether in or outside Malaysia):

- (i) a petition under a bankruptcy or insolvency laws was filed (and not struck out) against such person or any corporation of which he was a partner or any corporation of which he was a director or key personnel; or
- (ii) such person was charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (iii) such person was the subject of any order, judgment or ruling of any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

### 6.7 FAMILY RELATIONSHIP AND ASSOCIATIONS

Save as disclosed below, there is no other family relationship or association among the Directors, Promoters, substantial shareholders of the Company and key management or key technical personnel of the Fotronics Group:

- Seah Bak Seng is the brother of Seah Bak Kheow;
- Seah Li Shan, Susanah is the daughter of Seah Bak Seng;
- Yip Yan Foon is the spouse of Seah Bak Kheow; and
- Seah Wee Kiat, Willie, Seah Wee Ping, Seah Sze Wei, Cheryl and Seah Sze Min, Charmaine are the children of Seah Bak Kheow and Yip Yan Foon.

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**6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT OR KEY TECHNICAL PERSONNEL *(cont'd)***

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**6.8 SERVICE CONTRACTS**

As at 23 December 2004, there is no existing or proposed service contracts between the Directors and the Company or its subsidiary companies including contracts expiring, or terminable by the employing Company without payments or compensation (other than statutory compensation) within one (1) year.

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## 7. APPROVALS AND CONDITIONS

The SC and SC (on behalf of FIC) on 16 July 2004, Bursa Securities on 20 July 2004 and the MITI on 1 April 2004 had approved the Listing Scheme. BNM had on 8 July 2004 and 9 August 2004 approved the Acquisition of MPC and proceeds raised from the Public Issue to be utilised outside Malaysia. The Bursa Securities on 14 December 2004 had granted an extension of time for a further three (3) months to 20 April 2005 for the completion of the Listing Scheme. The conditions imposed by the aforesaid authorities and the status of compliance are as follows:

*(a) Conditions imposed by the SC vide its approval letter dated 16 July 2004:*

Authority	Details of Conditions Imposed	Status of Compliance
SC	(i) Fotronics is to disclose the status of the utilisation of the listing proceeds to be raised from the public issue in its quarterly and annual reports until the proceeds are fully utilised;	To be complied
	(ii) Fotronics is to meet the thirty percent (30%) Bumiputera equity requirement within one (1) year after Fotronics has achieved the profit track record requirement for companies applying for listing on the Second Board of the Bursa Securities or within five (5) years after being listed on the MESDAQ Market of the Bursa Securities, whichever is the earlier, in which the shares to be allocated to Bumiputera investors should be approved by MITI;	To be complied
	(iii) Avenue/Fotronics is to submit a preliminary proposal to the SC six (6) months before the expiry date of the compliance on how Fotronics intends to meet the Bumiputera equity condition; and	To be complied
	(iv) Avenue/Fotronics is to inform the SC on the completion date of the Listing.	To be complied

*(b) Conditions imposed by the Bursa Securities vide its approval letter dated 20 July 2004:*

Authority	Details of Conditions Imposed	Status of Compliance
Bursa Securities	(i) Fotronics is to disclose the following in the prospectus:	Complied. As disclosed in:
	(a) The directorships and shareholdings of Fotronics' directors, promoters and shareholders in FInc;	Section 6.1.3
	(b) The principal activities of FInc; and	Section 6.1.3
	(c) Justification that there is no conflict of interest arising from Fotronics' directors', promoters' and shareholders' interest in FInc.	Section 6.5

## 7. APPROVALS AND CONDITIONS (cont'd)

Authority	Details of Conditions Imposed	Status of Compliance
	(ii) Fotronics is to inform Bursa Securities on the appointment of the independent directors and to provide confirmation that they qualify as independent directors under the Listing Requirements; and	Complied. Fotronics, vide its letter dated 10 December 2004
	(iii) Fotronics is to include a negative statement in its prospectus on the exclusion of a profit forecast from the prospectus and the reasons thereof.	Not applicable. Nonetheless, the profit estimate is disclosed in Sections 2.6.5 and 11.3.1 of this Prospectus
(c)	<i>The SC, under the FIC's Guidelines for the Acquisition of Assets, Mergers &amp; Take-Overs 1974, vide its letter dated 16 July 2004, approved the Listing Scheme and has no objection to the equity structure of Fotronics arising from the implementation of the Listing Scheme, as follows:</i>	

Authority	Details of Conditions Imposed		Status of Compliance
SC (on behalf of FIC)	Before Listing Scheme % held	After Listing Scheme % held	Not applicable
Bumiputera	-	-	
Non-Bumiputera	100.00	36.99	
Foreign	-	63.01	
Total	100.00	100.00	

(d) Conditions imposed by the MITI vide its approval letter dated 1 April 2004:

Authority	Details of Conditions Imposed	Status of Compliance
MITI	(i) Fotronics is to meet the thirty percent (30%) Bumiputera equity requirement within one (1) year after Fotronics has achieved the profit track record requirement for companies applying for listing on the Second Board of the Bursa Securities or within five (5) years after being listed on the MESDAQ Market of the Bursa Securities, whichever is the earlier;	To be complied
	(ii) Obtain the SC's approval on the Listing Scheme; and	Complied
	(iii) Obtain the Bursa Securities' approval on the Listing Scheme.	Complied



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**7. APPROVALS AND CONDITIONS (cont'd)**


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(e) *Conditions imposed by BNM vide its approval letters dated 8 July 2004 and 9 August 2004 respectively pursuant to the Acquisition of MPC and proceeds raised from Public Issue to be utilised outside Malaysia, are as follows:*

<b>Authority</b>	<b>Details of Conditions Imposed</b>	<b>Status of Compliance</b>
BNM	(i) Fotronics is to repatriate all dividend, profit or interest and revenue from the disposal of investment received as soon as the said dividend, profit or interest is paid or whenever investment in the share capital of the companies abroad is sold and to inform the Jabatan Pentadbiran Pertukaran Asing ("JPPA");	To be complied
	(ii) Fotronics is to submit to the JPPA, a quarterly report on the following: (a) investment abroad (ECM9/OIR); and (b) credit facilities to non-residents (ECM6/LER)  Fotronics is given an option to submit the report by mail or electronically. However, Fotronics is encouraged to submit the said report electronically. The said report is to reach the JPPA within one (1) month after the end of every quarter; and	To be complied
	(iii) Fotronics is to submit to the JPPA, copies of the financial statements of Fotronics and its subsidiary companies every year as soon as the abovementioned financial statements are made available.	To be complied

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## 8. MORATORIUM ON SALE OF FOTRONICS SHARES

Under the Listing Requirements, the Bursa Securities has imposed that Fotronics Shares held by the Promoters/substantial shareholders, namely FInc, Memcorp, Seah Bak Seng, YEPL and Ng Kwok Leung, George amounting to 45% of the enlarged issued and paid-up share capital of Fotronics are to be placed under moratorium at the date of its admission to the Official List of the MESDAQ Market.

In conjunction with the Listing, the following Promoters/substantial shareholders have agreed to a moratorium on the sale of their Fotronics Shares.

Promoters	After the Public Issue		Under Moratorium	
	No. of Fotronics Shares	% held	No. of Fotronics Shares	% held
FInc	12,856,650	6.33	9,181,531	4.52
Memcorp	91,980,755	45.32	65,687,835	32.36
Seah Bak Seng	4,660,000	2.30	3,285,079	1.62
Ng Kwok Leung, George	13,043,569	6.43	9,272,185	4.57
YEPL	5,480,295	2.70	3,913,740	1.93
	128,021,269	63.08	91,340,370	45.00

Pursuant to the moratorium, the Promoters/substantial shareholders of Fotronics will not be allowed to sell, transfer or otherwise dispose of any part of their respective shareholdings in Fotronics amounting to a total of 91,340,370 Fotronics Shares held by them, representing 45% of the enlarged issued and paid-up share capital of Fotronics, within one (1) year from the date of admission of Fotronics to the Official List of the MESDAQ Market. Thereafter, they are permitted to sell, transfer or otherwise dispose up to a maximum of one third (1/3) of their respective shareholdings per annum on a straight-line basis.

The restriction is specifically endorsed on the notices of the allotment representing the respective shareholdings of the Promoters/substantial shareholders which are under moratorium to ensure that trading of these Shares is not allowed, in compliance with the restrictions imposed by the Bursa Securities and the SC. The restriction is fully accepted by the Promoters/substantial shareholders and the public is deemed to have notice of this restriction.

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## 9. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTERESTS

### 9.1 RELATED PARTY TRANSACTIONS

#### 9.1.1 Interest in Similar Business

Save as disclosed below, none of the other Directors or substantial shareholders of Fotronics and/or its subsidiary companies have interests, direct or indirect, in any business carrying on a similar trade as the Company and/or its subsidiary companies:

- (i) FInc is principally involved in process management, R&D and engineering design. FInc is one of the Promoters and substantial shareholder of the Company.

Seah Bak Kheow, Yutaka Watanabe, Masato Ikeuchi and Koh Poh Jin are Directors of Fotronics and FInc. Memcorp is a substantial shareholder of Fotronics and FInc. Seah Bak Kheow's spouse and his children are shareholders of Memcorp. Seah Bak Seng, Ng Kwok Leung, George and Yutaka Watanabe who are Directors of Fotronics are also Directors of Memcorp. The transactions between FInc and Fotronics Group are further detailed below.

#### 9.1.2 Transactions between the Fotronics Group and the Promoters, Directors of the Fotronics Group, Substantial Shareholders and/or their Related Parties

The current interests, directorships and/or shareholdings in other business/corporations of the existing Promoters, Directors of the Fotronics Group, substantial shareholders and/or related parties do not give rise to a material conflict of interest situation with the business of the Fotronics Group. All related party transactions between the Fotronics Group and the Promoters, Directors of the Fotronics Group, substantial shareholders and/or their related parties are disclosed as follows:

- (i) As referred to in Section 9.1.1 (i) above, on 28 February 2004, the Company entered into an agreement with FInc for FInc to grant to the Group the exclusive right and licence to manufacture, use and sell certain products using the technical knowledge and know-how of FInc. The entry into the said agreement will enhance Fotronic's R&D expertise. In consideration of the provision of the technical knowledge, know-how and other services for a period of five (5) years commencing from the date falling on the completion date of the Acquisitions, Fotronics shall pay to FInc USD250,000 to be paid in five (5) annual instalments.

Due date for payment	Payment Amount (USD)
Effective date	50,000
1 <sup>st</sup> anniversary of effective date	50,000
2 <sup>nd</sup> anniversary of effective date	50,000
3 <sup>rd</sup> anniversary of effective date	50,000
4 <sup>th</sup> anniversary of effective date	50,000

- (ii) As referred to in Section 9.1.1 (i) above, FMSB and MPC trade with FInc. For the financial year ended 31 March 2004, the transactions between the Fotronics Group and FInc which are in the ordinary course of business amounted to RM1,941,425 from the sale of drumheads by FMSB and MPC to FInc, RM55,082 for assembly fees charged by FMSB to FInc and RM3,979,024 for the purchase of raw materials such as magnetic recording head tips, magnetic recording head base and other consumable items by FMSB and MPC from FInc. FInc is principally involved in product process management, R&D and engineering design for certain products hence, its principal activities do not compete directly with the Fotronics Group which is principally involved in precision assembly and manufacturing of critical enabling components. The Board of Fotronics will ensure that all transactions between FMSB, MPC and FInc will be at arm's length after the Listing.

## 9. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTERESTS *(cont'd)*

- (iii) Pursuant to a tenancy agreement dated 9 October 2003, Vtrek (HK) rents office space from Y Cee Company Limited ("Y Cee"). Ng Kwok Leung, George is the Director and substantial shareholder of Fotronics and also a Director and substantial shareholder of Y Cee. The annual rental payable by Vtrek (HK) to Y Cee amounts to HKD66,000. Y Cee's transaction with Vtrek (HK) is not material and the Board of Fotronics will ensure all transactions between Vtrek (HK) and Y Cee will be at arm's length after the Listing.
- (iv) A joint and several guarantee by Seah Bak Seng (a shareholder and Director of Fotronics) and Ng Kwok Leung, George (a substantial shareholder and Director of Fotronics) in favour of Hongkong and Shanghai Banking Corporation Limited for up to SGD3,000,000 in respect of credit facilities granted to MPC, particularly as set out in Section 18.6 (viii) of this Prospectus.
- (v) A guarantee by Seah Bak Seng (a shareholder and Director of Fotronics) in favour of Hitachi Credit Singapore Pte Ltd ("Hitachi") for the payment by MPC of all sums due under the hire purchase agreement entered into between Hitachi and MPC, particularly as set out in Section 18.6 (ix) of this Prospectus.

### 9.1.3 Promotion of Assets

Save for the Acquisitions as set out in Section 5.3 of this Prospectus, none of the Directors or substantial shareholders of Fotronics has any interests, direct or indirect, in the promotion of or in any assets acquired or proposed to be acquired or assets disposed or proposed to be disposed or leased to or proposed to be leased to Fotronics or its subsidiary companies within the two (2) years preceding the date of this Prospectus.

## 9.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST SITUATIONS

Certain Directors of the Group are also officers and/or Directors/shareholders of related parties of the Group as stated in Section 6.5 of this Prospectus and as such represents potential conflict of interest. The Audit Committee of the Company was constituted on 15 September 2004 by the Board of Fotronics. The Audit Committee reviews any related party transactions and conflict of interest situations that may arise within the Fotronics Group. The Audit Committee periodically reviews the procedures set by the Company to monitor future related party transactions to ensure these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to third parties dealing at arm's length and are not detrimental to the Company's minority shareholders. All reviews by the Audit Committee are reported to the Board of the Company for further action.

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**9. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTERESTS (cont'd)**

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**9.3 DECLARATION BY ADVISERS**

Save as disclosed below, there is no conflict of interest situations between the Fotronics Group and its Advisers, Reporting Accountants, Solicitors and Independent Industry Research Consultant:

- (i) Avenue has given its confirmation that there are no existing or potential interests or conflict of interests in its capacity as the Adviser, Sponsor, Placement Agent and Underwriter for the Listing Scheme.
- (ii) Deloitte has given its confirmation that there are no existing or potential interests or conflict of interests in its capacity as the Reporting Accountants for the Listing Scheme.
- (iii) Mazlan has given its confirmation that there are no existing or potential interests or conflict of interests in its capacity as the Solicitors for the Listing Scheme.
- (iv) BER has given its confirmation that there are no existing or potential interests or conflicts of interest in its capacity as the Independent Industry Research Consultant for the Listing Scheme.

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## 10. OTHER INFORMATION ON THE FOTRONICS GROUP

## 10.1 APPROVALS, MAJOR LICENCES AND PERMITS

Approvals, major licences and permits under the possession of the Fotronics Group are as follows:

Type of Approval/ Licence/Permit	Authority	Date of Issue	Description	Salient Conditions	Status of Compliance
<b>FMSB</b>					
Manufacturing License issued under the Industrial Co- ordination Act, 1975	MITI/ Malaysian Industrial Development Authority	28.09.1990 (effective from 02.08.1990)	For the manufacturing of video heads and video drumheads at No. 16, Jalan 51A/227, Petaling Jaya, Selangor Darul Ehsan	(i) In the event the company is allowed to be a public company and offers the public to buy its shares, the capital structure, valuation of all its assets, goodwill and profit/reserves which are converted to capital, the methods and basis of issuance and distribution of the said shares must be approved by the relevant government authority;  (ii) The original shares held by foreign shareholders cannot be disposed off without the prior written approval from MITI being obtained;	Noted
					Met

10. OTHER INFORMATION ON THE FOTRONICS GROUP (cont'd)

Type of Approval/ Licence/Permit	Authority	Date of Issue	Description	Salient Conditions	Status of Compliance
				(iii) The composition of the board of directors of FMSB ("Board of FMSB") shall reflect the equity structure of the company. The MITI shall be informed of any appointment and modification to the Board of FMSB;	Noted
				(iv) The company is prohibited from entering into any agreements in particular in relation to the involvement and commencement of manufacturing activities, obtaining technical assistance and knowledge, services (including intake of trade officers), management, purchasing, marketing, royalty payment, patents and brand names without the prior written approval of MITI; and	Noted
				(v) The company must export all of the productions.	Noted



## 10. OTHER INFORMATION ON THE FOTRONICS GROUP (cont'd)

Type of Approval/ Licence/Permit	Authority	Date of Issue	Description	Salient Conditions	Status of Compliance
<b><u>MPC</u></b>					
Provisional Factory Permit	Chief Inspector of Factories	27.10.2004 – 31.05.2005	For the setting-up of a factory	For the manufacturing of video drumheads and DDS.	Met
<b><u>Vtrek (China)</u></b>					
Business Licence (as amended by letter dated 28 August 2003 issued by Panyu District Bureau of Foreign Trade and Economic Cooperation of Guangzhou Municipality and letter dated 22 September 2004 issued by State Authority of Investment and Commerce, Panyu District)	Guangzhou Municipal Administration for Industry and Commerce	20.08.2001 – 20.08.2016	For the establishment of Vtrek (China) as a wholly foreign-owned enterprise. • Business scope: For the manufacturing, processing and sales of new types of electronic devices and components, photoelectrical precision devices	(i) Total investment amount: USD28.0 million. (ii) Registered capital: USD11.2 million. (iii) Form of capital contribution: equipment to be valued at USD7.2 million and cash in the amount of USD4.0 million. (iv) Time limit for capital contribution: all the registered capital shall be paid by 21 March 2005.	- - - To be complied

10. OTHER INFORMATION ON THE FOTRONICS GROUP *(cont'd)*

10.2 LANDED PROPERTIES OF THE FOTRONICS GROUP

The details of the landed property of the Fotronics Group as at the date of this Prospectus are set out below:

Registered owner	Title No./Location	Approximate Land Area/Built-up Area	Description/Existing Use	Tenure	Date of Acquisition	NBV as at 31.03.2004 (at cost) RM	Age of building (years)
FMSB	H.S. (D) 7582 Lot P.T. 16 Jalan 51A/227 Seksyen 51A Town of Petaling Jaya District of Petaling Selangor Darul Ehsan <sup>a</sup>	16,000 square feet / 11,800 square feet	Industrial Land / Semi Detached Factory	99 years expiring on 13 March 2074	27.06.1990	920,422	14

*Note:*

*a The Property is issued with a Certificate of Fitness dated 15 July 1978.*