

PAN PACIFIC ASIA
BERHAD
PAN PACIFIC ASIA BERHAD
(Company No.: 199795-T)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("EGM") of Pan Pacific Asia Berhad ("PPAB" or "Company") will be held at Mersawa & Meranti Room, Lower Ground Floor, Eastin Hotel, 13, Jalan 16/11 Pusat Dagang, Section 16, 46350 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 30 August 2005 at 10.30 a.m. or immediately after the conclusion of the court convened meeting for the shareholders of PPAB to be held on the same day at 10.00 a.m. whichever is later for the purpose of considering and if thought fit, passing the following resolutions:-

SPECIAL RESOLUTION

PROPOSED SCHEME OF ARRANGEMENT WITH SHAREHOLDERS

"THAT, subject to the passing of Ordinary Resolutions 1, 2, 3, 4, 5 and 6, and the sanction of the High Court of Malaya ("High Court") and approval-in-principle being obtained from Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the new ordinary shares to be issued hereunder, the approval be and is hereby given for the implementation of a proposed scheme of arrangement with shareholders ("Proposed Scheme of Arrangement With Shareholders") made pursuant to Section 176 of the Companies Act, 1965 ("Act") whereby, the scheme of arrangement will comprising the following:-

- Proposed reduction of the existing issued and paid-up share capital of PPAB of RM128,578,004 comprising 128,578,004 ordinary shares of RM1.00 each in PPAB ("PPAB Shares") to RM6,428,900 comprising 128,578,004 ordinary shares of RM0.05 each ("Proposed Reduction");
- Proposed consolidation of the 128,578,004 ordinary shares of RM0.05 each in PPAB into 6,428,900 PPAB Shares upon completion of the Proposed Reduction ("Proposed Consolidation");
- Proposed cancellation of the entire issued and paid-up share capital of PPAB of RM6,428,900 comprising 6,428,900 PPAB Shares upon completion of the Proposed Consolidation ("Proposed Cancellation");
- In consideration for the Proposed Cancellation, Compugates Holdings Berhad ("CHB") shall allot and issue to the shareholders of PPAB 6,428,900 CHB Shares ("CHB Share") at par, credited as fully paid-up on the basis of one (1) CHB Share for every one (1) PPAB Share held after the Proposed Consolidation; and
- Forthwith and contingent upon the Proposed Cancellation, PPAB shall apply an amount of RM6,428,900 out of the credit reserve arising in paying in full at par 6,428,900 PPAB Shares which shall be allotted and issued, credited as fully paid-up to CHB

THAT all new CHB Shares to be issued hereunder shall rank pari passu in all respects with the existing CHB Shares except that they will not be entitled to any dividends, rights, allotments and/or other distributions, for which the relevant entitlement date precedes the relevant date of the said shares;

AND THAT the Directors of the Company be and are hereby authorised and empowered to carry out, do all such acts and take all such steps they may consider necessary, and to give effect to and implement the Proposed Scheme of Arrangement With Shareholders."

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION

"THAT, subject to the passing of Special Resolution, Ordinary Resolutions 2, 3, 4, 5 and 6, and approval-in-principle being obtained from Bursa Securities for the listing of and quotation for the new ordinary shares, the Directors of the Company be and are hereby authorised and empowered to carry out, do all such acts and take all such steps they may consider necessary, and to execute, sign and deliver all such documents as may be necessary or required to give effect to or complete the acquisition by CHB of the entire equity interest in the CSB for an aggregate purchase consideration of RM162,000,000 to be satisfied by the issuance of 85,000,000 new CHB Shares at an issue price of RM1.00 each and 77,000,000 irredeemable convertible preference share of RM0.10 each in CHB ("ICPS") at an issue price of RM1.00 per ICPS to the vendors of CSB ("Proposed Acquisition");

THAT all new CHB Shares to be issued hereunder shall rank pari passu in all respects with the existing CHB Shares except that they will not be entitled to any dividends, rights, allotments and/or other distributions, for which the relevant entitlement date precedes the relevant date of the said shares;

AND THAT the Directors of the Company be and are hereby authorised and empowered to carry out, do all such acts and take all such steps they may consider necessary, and to give effect to and implement the Proposed Acquisition."

ORDINARY RESOLUTION 2

PROPOSED EXEMPTION

"THAT, subject to passing of Special Resolution, Ordinary Resolutions 1, 3, 4, 5 and 6, the approval be and is hereby given for the exemption to the vendors of CSB from having to undertake a mandatory general offer pursuant to Paragraph 6(1)(a) of the Malaysian Code on Take-Overs and Mergers, 1998 ("Code") for all the remaining CHB Shares not already owned by the vendors of CSB after the Proposed Acquisition under Practice Note 2.9.6 of the Code ("Proposed Exemption");

AND THAT the Directors of the Company be and are hereby authorised and empowered to carry out, do all such acts and take all such steps they may consider necessary, and to give effect to and implement the Proposed Exemption."

ORDINARY RESOLUTION 3

PROPOSED SCHEME OF ARRANGEMENT WITH SCHEME CREDITORS

"THAT, subject to the passing of Special Resolution, Ordinary Resolutions 1, 2, 4, 5 and 6, and subject to the sanction of the High Court pursuant to Section 176 of the Act, the proposed scheme of arrangement with scheme creditors comprising a settlement of total debts (subject to proof of debts) owing to the scheme creditors of PPAB amounting approximately RM243.867 million as at 30 June 2003 being the cut-off date used to determine the settlement amount outstanding via the issuance of 4,000,000 new CHB Shares and 16,000,000 ICPS ("Proposed Scheme of Arrangement With Creditors");

THAT all new CHB Shares to be issued hereunder shall rank pari passu in all respects with the existing CHB Shares except that they will not be entitled to any dividends, rights, allotments and/or other distributions, for which the relevant entitlement date precedes the relevant date of the said shares;

AND THAT the Directors of the Company be and are hereby authorised and empowered to carry out, do all such acts and take all such steps they may consider necessary, and to give effect to and implement the Proposed Scheme of Arrangement With Creditors."

ORDINARY RESOLUTION 4

PROPOSED RESTRICTED ISSUE

"THAT, subject to passing of Special Resolution, Ordinary Resolutions 1, 2, 3, 5 and 6, and the approval-in-principle being obtained from Bursa Securities for the listing of and quotation for the new ordinary shares to be issued hereunder, the approval be and is hereby given for the implementation of a renounceable restricted issue of up to 25,000,000 new CHB Shares to the Entitled Shareholders (as defined in the Explanatory Statement-cum-Circular dated 5 August 2005) at an issue price of RM1.00 per share ("Proposed Restricted Issue");

THAT all new CHB Shares to be issued hereunder shall rank pari passu in all respects with the existing CHB Shares except that they will not be entitled to any dividends, rights, allotments and/or other distributions, for which the relevant entitlement date precedes the relevant date of the said shares;

AND THAT the Directors of the Company be and are hereby authorised and empowered to carry out, do all such acts and take all such steps they may consider necessary, and to give effect to and implement the Proposed Restricted Issue."

ORDINARY RESOLUTION 5

PROPOSED LISTING TRANSFER

"THAT, subject to the passing of Special Resolution, Ordinary Resolutions 1, 2, 3, 4 and 6, and subject to the approval being obtained from the relevant authorities, the Directors of the Company be and are hereby authorised and empowered to carry out, do all such acts and take all such steps as are necessary to give effect to and implement the transfer of the listing status of the Company on the Main Board of Bursa Securities to CHB and as a consequence of which CHB will be listed and quoted on the Main Board of Bursa Securities in place of the Company."

ORDINARY RESOLUTION 6

PROPOSED DISPOSAL/LIQUIDATION

"THAT, subject to the passing of Special Resolution, Ordinary Resolutions 1, 2, 3, 4 and 5, the approval be and is hereby given for the implementation of the transfer by CHB the entire issued and paid-up share capital of PPAB comprising 6,428,900 PPAB Shares to a special purpose vehicle in order to facilitate the disposal, winding-up and/or liquidation of PPAB and its subsidiaries ("Proposed Disposal/Liquidation");

AND THAT the Directors of the Company be and are hereby authorised and empowered to carry out, do all such acts and take all such steps they may consider necessary, and to give effect to and implement the Proposed Disposal/Liquidation."

By Order of the Board

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Lim Phooi Kee (MIA 2759)
Nuruluyun binti Abdul Jabar (MIA 9113)
Company Secretaries

Petaling Jaya
5 August 2005

Notes:-

(1) A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. Where a member appoints two (2) or more proxies to attend the Extraordinary General Meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy. 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, a person approved by the Registrar of Companies in a particular case.

(2) The instrument appointing the proxy in the case of an individual shall be in writing under the hand of the appointer or his attorney duly appointed under a power of attorney and in the case of a corporation, the instrument appointing a proxy must be under seal or under the hand of an officer or attorney duly authorised.

(3) The instrument appointing a proxy must be deposited at the Registered Office of the Company Unit 602B, Level 6, Tower B, Uptown 5, 5 Jalan SS21/39, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan no later than 28 August 2005 at 10.30 a.m.