

This Prospectus has been seen and approved by the Directors and Promoters of Portrade dotcom Berhad ("Portrade" or "Company") and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

The Adviser and Managing Underwriter acknowledge that, based on all available information and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Public Issue.

Approvals have been obtained from the Kuala Lumpur Stock Exchange ("KLSE") and the Securities Commission ("SC") for admission to the Official List of the MESDAQ Market and for permission to deal in and quotation for the entire issued and paid-up share capital of the Company including the Public Issue Shares which are the subject of this Prospectus. Nevertheless, the approval of the KLSE and the SC shall not be taken to indicate that the KLSE or the SC recommends the Public Issue which is the subject of this Prospectus and neither shall admission to the Official List of the MESDAQ Market be taken as an indication of the merits of the Company or the Group or the Public Issue Shares. The KLSE and the SC shall not be liable for any non-disclosure on the part of the Company and assume no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. INVESTORS SHOULD THEREFORE RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.

The Public Issue Price was entirely determined and agreed upon by the Company, the Adviser and the Managing Underwriter based on various relevant factors. Investors should form their own views on the valuation of the Public Issue Shares and the reasonableness of the bases used before deciding to invest in the Public Issue Shares.

A copy of this Prospectus has been registered by the SC and lodged with the Chief Executive Officer of the Companies Commission of Malaysia (formerly known as Registrar of Companies, Malaysia) who take no responsibility for its contents.

This Prospectus can also be viewed or downloaded from the KLSE's Website at [www.klse.com.my](http://www.klse.com.my)

#### INDICATIVE TIMETABLE

Date of Prospectus/ Opening date of the Public Issue .....	31 December 2002
Closing date of the Public Issue .....	10 January 2003
Despatch of Notices of Allotment to successful applicants .....	22 January 2003
Tentative listing date .....	28 January 2003

*This timetable is tentative and is subject to changes which may be necessary to facilitate implementation procedures. The application period will remain open until **8.00 p.m. on 10 January 2003** or for such further period or periods as the Directors of Portrade in their discretion may decide, in consultation with the Managing Underwriter.*

[ The rest of this page is intentionally left blank ]

---

**DEFINITIONS**


---

Except where the context otherwise requires, the following abbreviations shall apply throughout this Prospectus:-

ABS	—	ABS Computer Services (Sabah) Sdn Bhd (305731-X), a 49% owned associated company of MRSB
Act	—	Companies Act, 1965
ADA	—	Authorised Depository Agent
ADA Code	—	ADA (Broker) Code
APSB	—	Alfa Permana Sdn Bhd (423068-K), a Promoter and Major Shareholder of Portrade
Application	—	Application for the Public Issue Shares by way of Placement Application Form
AmMerchant Bank	—	AmMerchant Bank Berhad (23742-V) ( <i>formerly known as Arab-Malaysian Merchant Bank Berhad</i> )
ASEAN	—	Association of South East Asia Nations
CDS	—	Central Depository System
CMC	—	Communications and Multimedia Commission, Malaysia
EBIDTA	—	Earnings Before Interest, Depreciation, Taxation and Amortisation
EPS	—	Earnings Per Share
FIC	—	Foreign Investment Committee
GDP	—	Gross Domestic Product
KLSE or Exchange	—	Kuala Lumpur Stock Exchange (30632-P)
Listing	—	Admission to the Official List of the MESDAQ Market and the listing of and quotation for the enlarged issued and paid-up share capital of Portrade of RM9,330,000 comprising 93,300,000 Shares on the MESDAQ Market
Listing Requirements	—	The Listing Requirements of the KLSE for the MESDAQ Market
MCD or Central Depository	—	Malaysian Central Depository Sdn Bhd (165570-W)
MDC	—	Multimedia Development Corporation Sdn Bhd (389346-D)
MESDAQ Market	—	MESDAQ Market of the KLSE
MIH or Issuing House	—	Malaysian Issuing House Sdn Bhd (258345-X)
MRSB	—	Malitnet Resources Sdn Bhd (392087-M), a related company of Portrade by virtue of having certain common Major Shareholders and Directors
MRSB Group	—	MRSB and its subsidiaries and associated companies
MSB	—	Microlink Sdn Bhd (110434-M), a wholly owned subsidiary of MRSB
MSC	—	Multimedia Super Corridor
NAV	—	Net Assets Value
NTA	—	Net Tangible Assets
PAT	—	Profit After Tax

**DEFINITIONS (cont'd)**

PBT	—	Profit Before Tax
PDCL	—	Portrade dotcom Co. Ltd, a 49% owned associated company of Portrade incorporated in Thailand
PE Multiple	—	Price Earnings Multiple
Placement Agent	—	AmMerchant Bank Berhad (23742-V) (formerly known as Arab-Malaysian Merchant Bank Berhad)
Placement Application Form	—	A printed form for the purpose of applying for the Shares in Portrade in the Private Placement
Portrade	—	Portrade dotcom Berhad (517487-A)
Portrade Group or Group	—	Portrade and its subsidiary and associated companies collectively
PPI	—	Portrade Philippines, Inc. (company registration no. CS200258835), a 39.2% owned associated company of Portrade incorporated in the Philippines
PPSB	—	Premier Pact Sdn Bhd (284758-A), a Promoter and Major Shareholder of Portrade
Private Placement	—	Private placement of 12,000,000 new Shares in Portrade at an issue price of RM0.30 per Share to investors
Promoter(s)	—	Tan Tiong Liang @ Tan Chung Liang, Nobei Pang Paul Gen, Chua Boon Hua, Lau Hong Thiam, PPSB and APSB collectively
Public Issue	—	The issue of 13,300,000 new Shares in Portrade at the Public Issue Price subject to the terms and conditions of this Prospectus
Public Issue Shares	—	The 13,300,000 new Shares in Portrade to be issued pursuant to the Public Issue and subject to the terms and conditions of this Prospectus
Public Issue Price	—	RM0.30 per Share
R&D	—	Research and Development
RM and sen	—	Ringgit Malaysia and sen respectively
SC	—	Securities Commission
SESCo.	—	Sarawak Electricity Supply Corporation
Share(s)	—	Ordinary share(s) of RM0.10 each
TSSB	—	Trillium Solutions Sdn Bhd (276527-V) (formerly known as <i>Maitnet Consultancy Sdn Bhd</i> ), a wholly owned subsidiary of Portrade
Major Shareholder(s)	—	A person who has an interest or interests in one or more voting shares in the Company (or any other company which is its subsidiary or holding company or a subsidiary of its holding company) and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is not less than 5% of the aggregate of the nominal amounts of all the voting shares in the Company. For the purpose of this definition, "interest in shares" shall have the meaning given in section 6A of the Act.
TEUs	—	Twenty-Foot Equivalent Units
USA	—	United States of America
USD	—	United States Dollar

**DEFINITIONS (cont'd)*****TECHNICAL DEFINITIONS***

ASP	—	Applications Service Provider. Refers to an organisation that hosts application software on its own servers that customers can "rent" or access through the Internet or a private line connection. ASP offers a contractual service that deploys, hosts, manages, maintains and "rents" access to an application from a centrally managed facility
B2B	—	Business To Business
B2C	—	Business To Customer
CTS	—	Container Terminal System
EDI	—	Electronic Data Interchange, an electronic document exchange standard between different software applications
EDIFACT	—	Electronic Data Interchange For Administration, Commerce and Transport. A United Nations' rule which comprises a set of internationally agreed standards, directories, guidelines for electronic interchange of structured data and in particular that relates to trading in goods and services between independent computerised information systems
E-commerce	—	Electronic commerce
E-payment (s)	—	Electronic payment (s)
E-submission	—	Electronic submission of documentation
IBM	—	International Business Machines Corporation
ICT	—	Information and Communications Technology
Informix Inc.	—	Informix Incorporated
Informix 4GL	—	A fourth-generation programming language (4GL) developed by Informix Inc. 4GL aims to simplify programming and usage of programs through the use of commands that sound like plain English
Informix Dynamic 4GL	—	A fourth-generation programming language (for Internet) developed by Informix Inc.
Internet	—	The largest world-wide electronic network, interconnecting thousands of smaller networks and millions of computers
IPMS	—	Integrated Port Management System
ISDN	—	Integrated Services Digital Network. A fast digital communication service that operates at speed of up to 128 kilobits per second
iSELL	—	Internet development tool and application server from Informix Inc.
IT	—	Information Technology
JAVA	—	A programming language developed by Sun Microsystems, Inc. that enables programmers to create animations and interactive features on the Web
LAN	—	Local Area Network
MMS	—	Membership Management System
MS SQL Server	—	Relational database from Microsoft Corporation

---

**DEFINITIONS (cont'd)**

---

Oracle	—	Oracle Corporation
PC	—	Personal Computer
PKCS	—	Port Klang Community System
SAS	—	Shipping Agent System
UNCTAD	—	United Nations Council for Trade and Development
Unix	—	An operating system originally developed by Bell Labs.
Visual Basic	—	A programming language developed by Microsoft Corporation
VPN	—	Virtual Private Network
VSS	—	Vessels Services System
WAN	—	Wide Area Network
WAP	—	Wireless Application Protocol. A document exchange standard for the transmission of information to mobile communication
Web	—	World Wide Web
Web-based application	—	An application software that is capable to be deployed over the Internet
Web-enabled application	—	An application software that has been adopted to be deployed over the Internet
Web-portal	—	A Website that acts as gateway to other Websites and/or other applications
Website	—	Address on the Internet
XML	—	Extended Mark-up Language, a document exchange standard

***In the event of any conflict or inconsistency in meaning between the English and Bahasa Malaysia versions of this Prospectus, the English version shall prevail.***

[ The rest of this page is intentionally left blank ]

## TABLE OF CONTENTS

Page

<b>CORPORATE INFORMATION .....</b>	<b>XI</b>
<b>1. SUMMARY .....</b>	<b>1</b>
1.1 HISTORY AND PRINCIPAL ACTIVITIES.....	1
1.2 OWNERSHIP AND MANAGEMENT .....	2
1.2.1 Promoters/ Major Shareholders.....	2
1.2.2 Directors .....	3
1.2.3 Key management team.....	4
1.3 PRODUCTS AND SERVICES .....	4
1.3.1 CTS.....	4
1.3.2 VSS.....	4
1.3.3 SAS.....	5
1.3.4 MMS.....	5
1.3.5 Maintenance Services .....	5
1.3.6 Web-Portal "portrade.com" for e-port community.....	5
1.4 TECHNOLOGY - ASP MODEL .....	5
1.5 R&D CAPABILITIES .....	6
1.6 FINANCIAL STATISTICS FOR THE PAST FIVE (5) FINANCIAL YEARS .....	6
1.7 PROFORMA BALANCE SHEET OF PORTRADE GROUP AS AT 30 JUNE 2002 .....	7
1.8 INVESTMENT CONSIDERATIONS .....	8
1.9 PROSPECTS AND OUTLOOK FOR THE GROUP.....	8
1.10 PRINCIPAL STATISTICS RELATING TO THE PUBLIC ISSUE.....	8
1.10.1 Share Capital.....	8
1.10.2 Class Of Shares And Rights.....	9
1.10.3 Public Issue Price per Share .....	9
1.10.4 Market capitalisation of Portrade based on the Public Issue Price.....	9
1.10.5 Proforma NAV and NTA .....	9
1.11 PROCEEDS OF THE PUBLIC ISSUE AND UTILISATION.....	9
1.12 SUMMARY OF MATERIAL LITIGATION, MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES.....	10
<b>2. DETAILS OF THE PUBLIC ISSUE.....</b>	<b>11</b>
2.1 PURPOSES OF THE PUBLIC ISSUE.....	12
2.2 SHARE CAPITAL .....	12
2.3 DETAILS OF THE PUBLIC ISSUE .....	12
2.4 BASIS OF ARRIVING AT THE PUBLIC ISSUE PRICE .....	13
2.5 PROCEEDS OF THE PUBLIC ISSUE AND THEIR UTILISATION .....	13
2.6 BROKERAGE, PLACEMENT AND UNDERWRITING EXPENSES.....	14
2.7 ESTIMATED LISTING EXPENSES .....	17
2.8 FUTURE FINANCIALS INFORMATION.....	17
2.9 APPROVALS BY RELEVANT AUTHORITIES.....	17

**TABLE OF CONTENTS (cont'd)**

	Page
<b>3. INVESTMENT CONSIDERATIONS.....</b>	<b>19</b>
3.1 RISKS RELATED TO INVESTING IN SHARES.....	19
3.1.1 No prior market for Portrade Shares.....	19
3.1.2 The market price for Portrade Shares may be volatile.....	19
3.1.3 Existing shareholders would exercise continued control over the Company.....	19
3.2 RISKS RELATED TO FINANCIAL CONDITIONS.....	20
3.2.1 Fluctuation in the general Economic Conditions of the Region in which the Group operates.....	20
3.2.2 Ability to meet the proposed five (5) year Business Development Plan.....	20
3.2.3 The Group may need future Capital Injection.....	20
3.2.4 Foreign Exchange.....	20
3.3 RISKS RELATED TO OPERATIONS.....	21
3.3.1 Limited Operating History.....	21
3.3.2 Slow Take-Off of E-Submission/ E-Payment and E-commerce.....	21
3.3.3 Dependence on a niche market and limited range of application software for a significant portion of Revenues.....	21
3.3.4 Rapid Changes in Technology and Dependence on Technology Partners/ Vendors.....	22
3.3.5 Ability to implement new technology as it becomes available to remain competitive.....	22
3.3.6 Ability to compete successfully in the IT Industry.....	22
3.3.7 Safeguard of Intellectual Property Rights.....	23
3.3.8 Dependence on Key Personnel and potential Human Resources Constraints.....	24
3.3.9 Management of Growth.....	24
3.3.10 The Group may enter into Acquisitions and Joint Ventures.....	24
3.3.11 The Group relies on certain Relationships.....	24
3.3.12 Risk Associated with the Nature of Contract.....	25
3.3.13 Risk associated with sub-contracts of IT projects.....	25
3.3.14 Disclosure regarding Forwarding Looking Statements.....	25
3.4 RISKS RELATED TO REGULATIONS.....	26
3.4.1 Sovereignty, Political, Economic and Regulatory Considerations.....	26
3.4.2 MSC Status.....	26
3.5 RISKS RELATED TO TECHNOLOGY AND PRODUCTS.....	26
3.5.1 No Guarantee of Market Acceptance of ASP Business Model and Cost of Switching to the Group's Application Software.....	26
3.5.2 Computer Viruses, Illegal Access and Fraud may affect Confidence in ASP Services.....	27
3.5.3 Disruptions to Services due to Congestion or Unavailability of the Internet Services.....	27
3.5.4 Limitation on Product Liability Insurance.....	27
3.5.5 Product Development Cycle.....	27
3.5.6 Need to secure critical mass to ensure the success of the e-port community.....	28

[ The rest of this page is intentionally left blank ]

**TABLE OF CONTENTS (cont'd)**

	Page
<b>4. INFORMATION ON PORTRADE GROUP .....</b>	<b>29</b>
4.1 BACKGROUND INFORMATION.....	29
4.2 DEVELOPMENT OF THE GROUP.....	29
4.3 DETAILS OF SIGNIFICANT ACQUISITION OF SECURITIES/ ASSETS MADE WITHIN THE PAST TWO (2) YEARS .....	30
4.3.1 Acquisition of TSSB from MRSB.....	30
4.3.2 Acquisition of Port Systems for CTS and VSS from MSB.....	33
4.3.3 Acquisition of Informix systems and related services from MRSB.....	33
4.4 SHARE CAPITAL AND CHANGES IN SHARE CAPITAL .....	35
4.5 INFORMATION ON SUBSIDIARY AND ASSOCIATED COMPANIES .....	35
4.5.1 TSSB.....	35
4.5.2 PDCL.....	36
4.5.3 PPI.....	37
<b>5. INFORMATION ON MAJOR SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL .....</b>	<b>39</b>
5.1 MAJOR SHAREHOLDERS / PROMOTERS .....	39
5.1.1 Shareholding.....	39
5.1.2 Profiles of Major Shareholders .....	39
5.1.3 Promoters .....	40
5.1.4 Directorships in other Public Companies for the past two (2) years .....	40
5.1.5 Major Shareholding in other Public Companies for the past two (2) years.....	41
5.2 CHANGES IN MAJOR SHAREHOLDERS .....	41
5.3 BOARD OF DIRECTORS .....	42
5.3.1 Profiles .....	42
5.3.2 Directors' Shareholding in Portrade.....	44
5.3.3 Directorships in other Public Companies for the two (2) years .....	44
5.3.4 Major Shareholding in other Public Companies for the past two (2) years.....	44
5.3.5 Directors' Remuneration and Benefits .....	45
5.4 KEY MANAGEMENT TEAM.....	45
5.4.1 Profiles .....	45
5.4.2 Key Management Team's Shareholding in Portrade .....	46
5.5 AUDIT COMMITTEE.....	46
5.6 DECLARATIONS FROM THE DIRECTORS AND KEY MANAGEMENT TEAM.....	47
5.7 FAMILY RELATIONSHIP AND ASSOCIATIONS .....	47
5.8 SERVICE AGREEMENTS .....	47
<b>6. BUSINESS OVERVIEW.....</b>	<b>48</b>
6.1 BACKGROUND .....	48
6.1.1 The Client-Server.....	49
6.1.2 The Internet.....	49
6.1.3 The ASP.....	49
6.1.4 The Creation and The Need For A Port Trade Community Portal.....	51
6.2 THE GROUP'S BUSINESS.....	53
6.2.1 Vision .....	53
6.2.2 The Group's business.....	53
6.2.3 CTS.....	54



**TABLE OF CONTENTS (cont'd)**

	<i>Page</i>
6.2.4 VSS.....	55
6.2.5 SAS.....	56
6.2.6 MMS.....	56
6.2.7 Maintenance Services.....	57
6.2.8 Web-Portal "portrade.com" for e-port community.....	57
6.3 PRINCIPAL MARKETS, END USERS AND DEMAND FOR PRODUCTS AND SERVICES.....	58
6.4 COMPETITION AND COMPETITIVE ADVANTAGES.....	59
6.5 MODES OF MARKETING.....	59
6.6 MAJOR CUSTOMERS.....	60
6.7 MAJOR SUPPLIERS AND CONSULTANTS.....	60
6.8 LOCATION OF OPERATIONS.....	60
6.9 TECHNOLOGY, INTELLECTUAL PROPERTY AND LICENCES.....	61
6.10 QUALITY CONTROL PROCEDURES AND QUALITY MANAGEMENT PROGRAMMES.....	61
6.11 R&D.....	61
6.12 EMPLOYEES.....	62
6.13 INTERRUPTIONS TO BUSINESS DURING THE PAST TWELVE (12) MONTHS.....	62
<b>7. SUMMARY OF THE FIVE (5) YEARS BUSINESS DEVELOPMENT PLANS, STRATEGIES AND PROSPECTS.....</b>	<b>63</b>
7.1 FUTURE PLANS AND STRATEGIES.....	63
7.1.1 Brand Creation.....	63
7.1.2 New Products and Services.....	63
7.1.3 National and Regional Expansions.....	64
7.1.4 Strategic Alliances.....	64
7.2 HUMAN RESOURCES DEVELOPMENT.....	64
7.3 PROSPECTS.....	65
<b>8. INDUSTRY OVERVIEW.....</b>	<b>66</b>
8.1 THE WORLD ECONOMY.....	66
8.2 THE MALAYSIAN ECONOMY.....	66
8.3 THE ICT INDUSTRY.....	66
8.4 THE STATE OF THE MARITIME PORT AND SHIPPING INDUSTRY IN MALAYSIA.....	70
<b>9. FINANCIAL INFORMATION.....</b>	<b>72</b>
9.1 PROFIT AND DIVIDEND RECORD.....	72
9.2 ANALYSIS AND COMMENTARY ON FINANCIAL INFORMATION.....	73
9.2.1 Revenue and profitability.....	73
9.2.2 Segmental Analysis.....	74
9.2.3 Impact of Exchange Rate And Interest Rates Differences.....	74
9.2.4 Exceptional And Extraordinary Items.....	74
9.2.5 Changes To Accounting Policies and Practices.....	74
9.2.6 Pending Litigation.....	74
9.2.7 Directors' Declaration on Financial Performance.....	75
9.3 WORKING CAPITAL, BORROWINGS, MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES.....	75
9.3.1 Working Capital.....	75
9.3.2 Borrowings.....	75
9.3.3 Contingent Liabilities and Capital Commitments.....	75

**TABLE OF CONTENTS (cont'd)**

	<i>Page</i>
<b>10. MORATORIUM ON PROMOTERS' SHARES .....</b>	<b>76</b>
<b>11. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS .....</b>	<b>77</b>
11.1 RELATED PARTY TRANSACTIONS WITH DIRECTORS AND MAJOR SHAREHOLDERS .....	77
11.1.1 <i>Promotion of any assets Acquired/To Be Acquired within two (2) years</i> <i>preceding the date of this Prospectus .....</i>	77
11.1.2 <i>Contracts/ agreements entered into with related parties.....</i>	78
11.2 RELATED COMPANIES IN IT INDUSTRY .....	85
11.3 DECLARATION BY THE ADVISERS .....	87
<b>12. OTHER INFORMATION ON PORTRADE GROUP .....</b>	<b>88</b>
12.1 APPROVALS, MAJOR LICENSES AND PERMITS .....	88
12.2 SUMMARY OF LANDED PROPERTIES .....	88
<b>13. DIRECTORS' REPORT.....</b>	<b>89</b>
<b>14. ACCOUNTANTS' REPORT.....</b>	<b>90</b>
<b>15. PROFORMA BALANCE SHEET AND REPORTING ACCOUNTANTS' LETTER THEREON.....</b>	<b>112</b>
<b>16. FURTHER STATUTORY AND OTHER GENERAL INFORMATION.....</b>	<b>115</b>
16.1 SHARE CAPITAL .....	115
16.2 ARTICLES OF ASSOCIATION .....	115
16.2.1 <i>Transfer of shares.....</i>	115
16.2.2 <i>Remuneration of Directors .....</i>	116
16.2.3 <i>Voting and Borrowing Powers of Directors.....</i>	117
16.2.4 <i>Changes in Capital or Variation of Class Rights .....</i>	119
16.3 DIRECTORS, PROMOTERS AND MAJOR SHAREHOLDERS.....	119
16.4 GENERAL .....	121
16.5 EXPENSES AND COMMISSION .....	122
16.6 MATERIAL LITIGATION.....	122
16.7 MATERIAL AGREEMENTS.....	122
16.8 MATERIAL CONTRACTS.....	125
16.9 INSURANCE POLICIES .....	126
16.10 PUBLIC TAKE-OVERS .....	127
16.11 CONSENTS.....	127
16.12 DOCUMENTS FOR INSPECTION.....	127
16.13 RESPONSIBILITY.....	127
<b>17. PROCEDURES FOR APPLICATION AND ACCEPTANCE.....</b>	<b>128</b>
17.1 OPENING AND CLOSING OF APPLICATION LIST .....	128
17.2 TRADING OF SHARES LISTED ON MESDAQ MARKET .....	128
17.3 PROCEDURES FOR PUBLIC ISSUE.....	128
17.4 PROCEDURE FOR APPLICATION AND ACCEPTANCE.....	128
17.5 CDS ACCOUNTS.....	130
17.6 NOTICE OF ALLOTMENT .....	131
17.7 FORMALISING OF CDS ACCOUNTS.....	131
17.8 LIST OF AUTHORISED DEPOSITORY AGENTS.....	131

**CORPORATE INFORMATION****BOARD OF DIRECTORS**

<b>Name</b>	<b>Address</b>	<b>Occupation</b>	<b>Nationality</b>
Lawrence Lai Yew Son (Independent Non-Executive Chairman)	No. 13, Persiaran Luak Jalan Emas, Luak Bay 98000 Miri, Sarawak	Advocate and Solicitor	Malaysian
Chua Boon Hua (Executive Director)	No. 6 Jalan Nangka Batu Lintang 93200 Kuching, Sarawak	Director	Malaysian
Nobel Pang Paul Gen (Executive Director)	No.5, Richmond Hill Lorong Stampin Tengah, No. 5 93350 Kuching, Sarawak	Director	Malaysian
Lau Hong Thiam (Executive Director)	175 Green Heights 93250 Kuching, Sarawak	Director	Malaysian
Tan Tiong Liang @ Tan Chung Liang (Non-Executive Director)	165 Jalan Chawan 93300 Kuching, Sarawak	Director	Malaysian
Ong Lam Hoe (Non-Executive Director)	C4-03-3 Pantai Hill Park Jalan Pantai Dalam 59200 Kuala Lumpur	Director	Malaysian
Cecilia Law Tiing Tiing (Non-Executive Director)	120, Green Heights Jalan Lapangan Terbang, Lorong 4 93250 Kuching, Sarawak	Advocate and Solicitor	Malaysian
Choong Pee Choy (Independent Non-Executive Director)	No.7, Jalan Mambu Bukit Bandaraya 59100 Kuala Lumpur	Advocate and Solicitor	Malaysian

**AUDIT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Lawrence Lai Yew Son	Chairman	Independent Non-Executive Chairman
Choong Pee Choy	Committee Member	Independent Non-Executive Director
Lau Hong Thiam (MIA 8130)	Committee Member	Executive Director

**COMPANY SECRETARY** : Yeo Puay Huang (LS: 000577)  
453, Taman Kenny,  
Jalan Jelutong  
93350 Kuching, Sarawak

**REGISTERED OFFICE:  
AND HEAD OFFICE** : F07, 1st Floor, 2300 Century Square  
: Jalan Usahawan  
63000 Cyberjaya  
Selangor Darul Ehsan  
Tel: 03-8318 3388  
Fax : 03-8318 1866  
Email : info@portrade.com  
Website : www.portrade.com

---

**CORPORATE INFORMATION (cont'd)**

---

<b>REGISTRARS</b>	:	Securities Services (Holdings) Sdn Bhd Level 22, Menara Milenium Jalan Damanlela Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur
<b>ISSUING HOUSE</b>	:	Malaysian Issuing House Sdn Bhd 27th. Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50804 Kuala Lumpur
<b>PRINCIPAL BANKERS</b>	:	AmBank Berhad Level 18, Menara Dion Jalan Sultan Ismail 50250 Kuala Lumpur  AmFinance Berhad Level 20, Bangunan AmFinance No.8, Jalan Yap Kwan Seng 50450 Kuala Lumpur  Alliance Bank Malaysia Bhd Ground Floor, Wisma Ting Pek Khiing No. 1 Jalan Padungan 93100 Kuching, Sarawak
<b>AUDITORS AND REPORTING ACCOUNTANTS</b>	:	Arthur Andersen & Co. (Firm No. AF 0103) Chartered Accountants Level 2, B61, Taman Sri Sarawak Mall Jalan Tunku Abdul Rahman 93100 Kuching, Sarawak P.O.Box 2383, 93748, Kuching, Sarawak
<b>SOLICITORS</b>	:	Jeff Leong, Poon & Wong A-11-3A, Level 11, Megan Phileo Avenue Jalan Yap Kwan Seng 50450 Kuala Lumpur
<b>ADVISER, SPONSOR, MANAGING UNDERWRITER, UNDERWRITER AND PLACEMENT AGENT</b>	:	AmMerchant Bank Berhad ( <i>formerly known as Arab-Malaysian Merchant Bank Berhad</i> ) 22nd Floor, Bangunan AmBank Group 55 Jalan Raja Chulan 50200 Kuala Lumpur
<b>LISTING SOUGHT</b>	:	MESDAQ Market of the KLSE

[ The rest of this page is intentionally left blank ]

# PORTRADE DOTCOM BERHAD

(Company No: 517487-A)  
(Incorporated in Malaysia under the Companies Act, 1965)

**The following summary is only a summary of the salient information relating to Portrade Group and investors should read and understand the whole prospectus prior to deciding whether to invest**

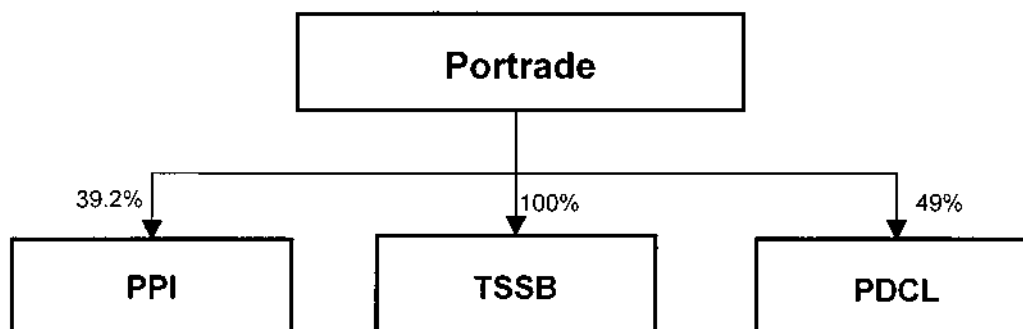
## 1. SUMMARY

### 1.1 History and Principal Activities

Portrade is a MSC Status company and was incorporated in Malaysia under the Act on 20 June 2000 as a private limited company under the name Portrade dotcom Sdn Bhd. Subsequently on 12 December 2001, it was converted to a public limited company and assumed its current name. Its current authorised share capital is RM20,000,000 comprising 200,000,000 Shares whilst its issued and paid-up share capital is RM8,000,000 comprising 80,000,000 Shares credited as fully paid up. Upon completion of the Public Issue, the enlarged issued and paid-up share capital of Portrade will be RM9,330,000 comprising 93,300,000 Shares. Portrade was accorded the MSC Status on 31 October 2000 and has registered with the CMC as an ASP Class Licence holder since 3 July 2002.

Portrade has a wholly owned subsidiary, TSSB and two (2) associated companies, namely PDCL and PPI. The principal activities of Portrade Group are in the provision of IT-related products and services for the maritime port, shipping and logistics industry and co-operatives which include but not limited to consultancy, design, research, development, and implementation of business application software solutions, providing sales of software and maintenance services.

The Group's corporate structure is as follows :



Summary details of the subsidiary and associated companies of Portrade are as follows :-

Name	Date of incorporation	Place of incorporation	Equity interest	Principal activities
TSSB	18.09.1993	Malaysia	100%	Provision of IT-related products and services
PDCL	05.04.2002	Thailand	49%	Marketing and provision of IT-related products and services in Thailand
PPI	28.10.2002	Philippines	39.2%	Marketing and provision of IT-related products and services in the Philippines

The Group is currently implementing its Web-based port application software for the five (5) ports under the Sabah Ports Authority, namely, Tawau, Sandakan, Lahad Datu, Kudat and Sapangar Bay ports. As at date, the Group has successfully implemented its port application software for the Tawau port and expects to complete implementing its application software for the remaining four (4) ports by the first quarter of 2003.

**1. SUMMARY (cont'd)**

The Group aims to be an ASP service provider of port application software for the ports in the ASEAN and Asia-Pacific region and has been actively expanding its operations abroad. In January 2001, Portrade entered into a joint venture agreement for the formation of PDCL in Thailand with a view of providing its IT-related products and services to the ports in Thailand. PPI was incorporated in October 2002 to facilitate the business venture of the Group in the Philippines. Portrade has in November 2002 entered into a subcontract agreement with Unisys Australia Limited (Philippines Branch) to undertake the implementation of the Philippines Ports Authority IT project. In the long run, the Group also plans to venture into Indonesia, Hong Kong, China and other ports in the Asia-Pacific region.

The ultimate goal of the Group is the establishment of a Web-portal, *Portrade.com*, for the port trading community in the Asia-Pacific region. It is envisioned that with the establishment of *Portrade.com*, all players in the port trading community, namely port authorities, port users, shipping agents, ship owners, players in the logistic and transportation industry will be able to transact and interact via the Internet to improve the overall efficiency and cost-effectiveness of the port trading community. The Group is in the process of developing a suite of community applications that will be hosted on its portal which enable the port trading community to conduct their businesses via the Internet and to transact and communicate more efficiently and effectively. *Portrade.com* is scheduled to be launched in 2003.

**1.2 Ownership and Management****1.2.1 Promoters/ Major Shareholders**

Based on the Register of Shareholders of Portrade as at the date of this Prospectus, the direct and indirect interest of the Promoters and Major Shareholders in the issued share capital of the Company before and after the Public Issue are as follows :-

Promoters/ Major Shareholders	Shareholding before Public Issue				Shareholding after Public Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
APSB	13,569,100	16.96	-	-	13,569,100	14.54	-	-
Ong Kuan Kuan	-	-	13,569,100 <sup>a</sup>	16.96	-	-	13,569,100 <sup>a</sup>	14.54
Ong Lam Hoe	-	-	13,569,100 <sup>a</sup>	16.96	-	-	13,569,100 <sup>a</sup>	14.54
PPSB	13,569,100	16.96	-	-	13,569,100	14.54	-	-
Law Kiu Ong	-	-	13,569,100 <sup>b</sup>	16.96	-	-	13,569,100 <sup>b</sup>	14.54
Cecilia Law Tiing Tiing	-	-	13,569,100 <sup>b</sup>	16.96	-	-	13,569,100 <sup>b</sup>	14.54
Tan Tiong Liang @ Tan Chung Liang	13,569,110	16.96	-	-	13,569,110	14.54	-	-
Nobel Pang Paul Gen	13,569,110	16.96	-	-	13,569,110	14.54	-	-
Chua Boon Hua	11,278,940	14.10	-	-	11,278,940	12.09	-	-
Lau Hong Thiam	3,759,640	4.70	-	-	3,759,640	4.03	-	-
	<b>69,315,000</b>	<b>86.64</b>			<b>69,315,000</b>	<b>74.28</b>		

**Notes :**

*Cecilia Law Tiing Tiing is the daughter of Law Kiu Ong and Ong Lam Hoe is the brother of Ong Kuan Kuan*

*a Deemed interested by virtue of their Major Shareholding in APSB*

*b Deemed interested by virtue of their Major Shareholding in PPSB*

**1. SUMMARY (cont'd)****1.2.2 Directors**

Based on the Register of Directors of Portrade as at the date of this Prospectus, the direct and indirect interest of the Directors in the issued share capital of the Company before and after the Public Issue are as follows :-

Directors	Designation	Shareholding before Public Issue				Shareholding after Public Issue			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Lawrence Lai Yew Son	Independent Non-Executive Chairman	-	-	-	-	-	-	-	-
Chua Boon Hua	Executive Director/ Chief Executive Officer	11,278,940	14.10	-	-	11,278,940	12.09	-	-
Nobel Pang Paul Gen	Executive Director/ Chief Marketing Officer	13,569,110	16.96	-	-	13,569,110	14.54	-	-
Lau Hong Thiam	Executive Director/ Chief Operating Officer	3,759,640	4.70	-	-	3,759,640	4.03	-	-
Tan Tiong Liang @ Tan Chung Liang	Non-Executive Director	13,569,110	16.96	-	-	13,569,110	14.54	-	-
Ong Lam Hoe	Non-Executive Director	-	-	13,569,100 <sup>a</sup>	16.96	-	-	13,569,100 <sup>a</sup>	14.54
Cecilia Law Tiing Tiing	Non-Executive Director	-	-	13,569,100 <sup>b</sup>	16.96	-	-	13,569,100 <sup>b</sup>	14.54
Choong Pee Choy	Independent Non-Executive Director	-	-	-	-	-	-	-	-
		<u>42,176,800</u>	<u>52.72</u>			<u>42,176,800</u>	<u>45.20</u>		

*Notes :*

*a* Deemed interested by virtue of his Major Shareholding in APSB

*b* Deemed interested by virtue of her Major Shareholding in PPSB

**1. SUMMARY (cont'd)****1.2.3 Key management team**

Key management team	Position	Shareholding before Public Issue				Shareholding after Public Issue #			
		<-- Direct -->		<--Indirect-->		<-- Direct -->		<--Indirect-->	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Peter U	Chief Technology Officer	-	-	-	-	-	-	-	-
Richard Wellis Sinyem	System Manager	259,000	0.32	-	-	259,000	0.28	-	-
Sim Soo Teck	General Manager of TSSB	626,000	0.78	-	-	626,000	0.67	-	-
Sim Yu Hock	Business Analyst	-	-	-	-	-	-	-	-
		885,000	1.10			885,000	1.10		

*Note :*  
# Exclude pink form allocation

Further information on the Promoters, Major Shareholders, Directors and key management team of Portrade Group are set out in Section 5 of this Prospectus.

**1.3 Products and Services**

Portrade Group aims to be a leading developer and provider of application software for the maritime port, shipping and logistic industry in the ASEAN region and to deliver its application software via the ASP business model. Currently, Portrade provides three (3) application software, namely CTS, VSS and SAS. TSSB on the other hand, has developed MMS to cater to the computerisation needs of the co-operatives. The Group is also involved in the provision of hardware and software maintenance services. Portrade also plans to operate and manage an e-port community Web-portal, *Portrade.com* that facilitates data exchange, messaging, E-payments, B2B transactions and other shipping and logistics-related information. A summary information on the products and services of the Group are set out below :-

**1.3.1 CTS**

CTS is an online real-time system for the management of container movements in a port container terminal. The system enables the ports to optimise container yard planning for the storage of containers and track movements of, and services rendered to containers from the point of discharging from vessels till delivery to the importers, and the receiving of containers from exporters up to loading onto vessels. The system also provides operational performance indicators and statistics as management tools for port operators to monitor and improve quality of services to port users.

Currently, the customers using CTS are Kuching Port Authority, Rajang Port Authority, Bintulu Port Sdn Bhd and Sabah Ports Authority.

**1.3.2 VSS**

VSS is also an online real-time system that enables port operators to manage the handling of, and services rendered to conventional cargoes (i.e. non-containerised cargoes but excluding bulk and liquid cargoes) and the processing of operational information for financial management (such as the billing for services provided to exporters/ importers and vessels calling at the ports). The system is also capable of providing operational performance indicators and statistics as management tools for port operators to monitor and improve the quality of services to port users.

Currently, the customers using VSS include Kuching Port Authority, Rajang Port Authority, Sabah Ports Authority and Penang Port Sdn Bhd.



## 1. SUMMARY (cont'd)

### 1.3.3 SAS

SAS is a client-server system that enables a shipping agent to process booking of vessel cargo space and shipping documents for exporters/ importers and billing. It records and maintains vessel scheduling and also enables the tracking of the movement of containers.

### 1.3.4 MMS

In addition to the port and shipping-related application software, TSSB has developed an application software that caters for the management of membership of co-operative organisations. MMS handles the recording and maintenance of members' personal particulars and their regular subscriptions. In addition, it also keeps records of loans taken by members and their subsequent repayments.

The MMS system using client-server technology is currently being used by two major co-operatives in Malaysia, namely Koperasi Pekerja-Pekerja Kerajaan Sabah Berhad and Koperasi Pekerja Kerajaan Sarawak Berhad.

### 1.3.5 Maintenance Services

As part of the Group's commitments to quality "after-sales" service to its customers, the Group also provides maintenance services on software and hardware for users of its application software on a contract and/or outsourcing basis.

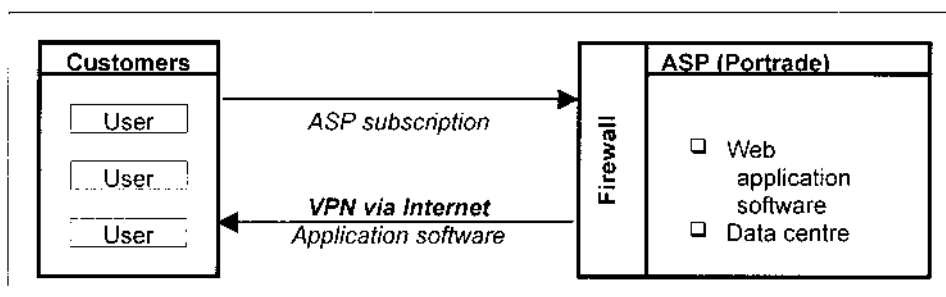
### 1.3.6 Web-Portal "portrade.com" for e-port community

To leverage on the Group's existing application software and clientele base, Portrade is in the process of developing a suite of community applications that will be hosted on Portrade's Web-portal, *Portrade.com*. These community applications will enable the port trading community to conduct their business and communicate more efficiently and effectively via the Internet. The portal will allow Portrade to diversify its earnings base and also create and establish its own brand-name "portrade.com" as a leading provider of application software for the players in the shipping and logistics industry. *Portrade.com* is scheduled to be launched in 2003.

Further details of the Group products and services are set out in Section 6.2 of this Prospectus. The Group also intends to develop more application software in the near future to broaden its product offerings and customers base. Details of these future application software are set out in Section 7.1.2 of this Prospectus.

## 1.4 Technology - ASP Model

Portrade Group adopts the ASP model in the delivery of its application software. ASP model enables Portrade Group to provide a wide choice of application software to corporate customers over a network (via the internet or private line connection). In return the customers would pay Portrade Group subscription fees under contractual arrangements. This mode of software delivery is illustrated in the following diagram :-



The Group uses various development tools such as Informix 4GL, Visual Basic, JAVA based tools and other Web-related tools to develop its application software. These development tools are deployed under various operating systems such as Unix, Windows NT, and Windows 95/98/2000. Databases used are mainly Informix and/or MS SQL Server. Following the acquisition of Informix Inc. by IBM, Portrade has migrated to WebSphere, a new platform supported by IBM.

## 1. SUMMARY (cont'd)

Portrade Group owns the intellectual property for all the various applications that were acquired and/or developed in-house. Portrade has registered with the CMC as an ASP Class Licence holder since 3 July 2002 and is currently in the process of submitting the application for the registration of trademarks for its application software and services to the relevant authorities. At present, the Group does not distribute/sell/ market any software developed by third parties.

### 1.5 R&D capabilities

The Group carries out its R&D activities at its office in Cyberjaya and has installed extensive security measures to ensure only authorised personnel have access to the R&D centre and its research findings. Portrade Group R&D team consists of twenty-five (25) members having industry and/or technology expertise.

The R&D has successfully converted CTS and VSS under client-server to be Web-enabled/Web-based. The R&D team currently concentrates mainly on R&D of best practices and standardisation of port business processes to ensure successful deployment of its application software under the ASP technology. This is a continuous process and will apply to all new application software of the Group. The Group's R&D also covers research in the advancement in technology and how new technology can be incorporated to enhance its applications. Further details of Portrade Group's R&D capabilities are set out in Section 6.11 of this Prospectus.

### 1.6 Financial statistics for the past five (5) financial years

The table below sets out the proforma consolidated financial results of Portrade Group for the four (4) financial years ended 31 December 1997 to 2000, the six months' period ended 30 June 2001 and the audited results for the financial year ended 30 June 2002.

	←----- Proforma Group ----->					Audited Financial year ended 30 June 2002
	←----- Financial year ended 31 December ----->				6 months ended 30 June 2001	
	1997	1998	1999	2000		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	2,425	890	1,591	903	2,505	7,854
<b>EBIDTA</b>	(77)	290	729	(304)	1,197	2,101
Interest	(6)	(5)	(13)	(40)	(3)	(14)
Depreciation	(20)	(17)	(22)	(21)	(143)	(574)
Amortisation	(33)	(162)	(214)	(182)	(26)	(1,309)
<b>(Loss)/ profit before share of results of associated company and taxation</b>	(136)	106	480	(547)	1,025	204
Share of results in associated company	-	-	-	-	-	(10)
<b>(Loss before taxation)/ PBT</b>	(136)	106	480	(547)	1,025	194
Taxation	-	-	(48)	48	(130)	(50)
<b>(Loss after taxation)/ PAT</b>	(136)	106	432	(499)	895	144
<b>Number of Shares assumed in Issue ('000)</b>	80,000	80,000	80,000	80,000	80,000	80,000
- Gross EPS (sen)	(0.17)	0.13	0.60	(0.68)	* 2.56	0.24
- Net EPS (sen)	(0.17)	0.13	0.54	(0.62)	* 2.24	0.18
<b>Enlarged number of Shares after Public Issue ('000)</b>	93,300	93,300	93,300	93,300	93,300	93,300
- Gross EPS after Public Issue(sen)	(0.15)	0.11	0.51	(0.59)	* 2.20	0.21
- Net EPS after Public Issue (sen)	(0.15)	0.11	0.46	(0.53)	* 1.92	0.15
Gross dividend rate (%)	Nil	Nil	Nil	Nil	Nil	Nil

**1. SUMMARY (cont'd)***Notes :-*

\* annualised

- (i) Portrade was only incorporated on 20 June 2000 and thus, the proforma consolidated results of Portrade Group for the financial years ended 31 December 1997 to 1999 comprise the financial results of TSSB only.
- (ii) The proforma consolidated financial results of Portrade Group for the financial years ended 31 December 1997 to 2000 and six months period ended 30 June 2001 have been prepared for illustrative purposes only, on the assumption that the Portrade Group had been in existence throughout the period under review, based on the audited financial statements of Portrade and TSSB. The effects of goodwill on consolidation and pre-acquisition profit were not taken into account in the above proforma consolidated financial results.
- (iii) There were no extraordinary items during the above reporting periods under review.
- (iv) The audited accounts of the Group were not subject to any audit qualifications during the period under review.

Further information on the financial information of Portrade Group are set out in Section 9 of this Prospectus.

**1.7 Proforma Balance Sheet of Portrade Group as at 30 June 2002**

The proforma balance sheet has been prepared based on the audited financial statements of Portrade and TSSB as at 30 June 2002 and should be read in conjunction with the notes set out in Section 15 of this Prospectus. The proforma balance sheet has been prepared for illustrative purposes only, incorporating the effects of the Public Issue as though they were effected on 30 June 2002.

	<b>Audited 30.6.2002 RM'000</b>	<b>Proforma Group RM'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	3,025	3,025
Deferred expenditure	2,232	2,232
Associated company	21	21
Goodwill arising on consolidation	4,499	4,499
	<u>9,777</u>	<u>9,777</u>
<b>CURRENT ASSETS</b>		
Trade receivables	1,643	1,643
Other receivables	1,447	1,147
Cash and bank balances	860	4,200
	<u>3,950</u>	<u>6,990</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	1,160	1,160
Other payables	1,839	1,839
Taxation	105	105
	<u>3,104</u>	<u>3,104</u>
<b>NET CURRENT ASSETS</b>	<u>846</u>	<u>3,886</u>
	<u>10,623</u>	<u>13,663</u>
<b>FINANCED BY :</b>		
Share capital	8,000	9,330
Share premium	-	1,710
Retained profits	316	316
Shareholders' equity	<u>8,316</u>	<u>11,356</u>
Long term payable	2,240	2,240
Hire purchase payables	61	61
Deferred taxation	6	6
Non-current liabilities	<u>2,307</u>	<u>2,307</u>
	<u>10,623</u>	<u>13,663</u>
<b>NTA per Share (RM)</b>	<u>0.02</u>	<u>0.05</u>

*Note :-*

The estimated listing expenses of RM950,000 is netted-off against the share premium account arising from the Public Issue.

**1. SUMMARY (cont'd)****1.8 Investment Considerations**

In addition to the other information in this Prospectus, the following factors should be considered carefully in evaluating investment in the Public Issue Shares offered by this Prospectus. The information in this Prospectus contains certain forward-looking statements that involve risks and uncertainties. Prospective applicants are cautioned that such statements are only predictions and that actual results or events may differ materially from those disclosed in this Prospectus.

The key risk factors that may affect the Group's future profitability are not limited to financial risks, market risks and industry risks. Risk factors include Market Acceptance of the Groups' products and technologies, Marketability of Portrade's Shares, Economics Fluctuations, Foreign Exchange Fluctuations, Government Regulations and Policies, Strategic Relationships, Reliance on customers, Dependence on Key personnel and technology partners/ vendors, Competition, Future Capital Injection, Control by Major Shareholders and Directors, Service Disruptions, Technology Risk, Achievability of Business Development Plan, Intellectual Property Rights, Future Acquisitions and Joint Ventures, Growth Management, Legal Uncertainty, Product Development Cycle, Litigation Risks and MSC Status. Further discussion on the risk factors is included in Section 3 "Investment Considerations" of this Prospectus. **If you are unsure about any of the information contained in Section 3, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.**

**1.9 Prospects and Outlook for the Group**

Portrade's strategy is to consolidate its position in Malaysia and also to market its products and services to the regional ports in the ASEAN/ Asia-Pacific regions. Portrade will utilise the ASP business model to deliver its products and services to its customers. Leveraging on the ASP business model, the Group aims to create a digital port trading community by aggregating all the players in the maritime port, shipping and logistic industry, thereby facilitating E-Submission/ E-Payment and E-commerce. Portrade will emerge as the owner/ operator of its Web-portal that promotes and facilitates international trade and transportation of goods using IT. With the vast experience of its Promoters and relationships with port operators in the region, the management is committed to and confident of making Portrade a premier ASP for the port trading communities in the region.

TSSB will continue to be a niche player in the provision of ASP applications and plans to expand its products and services to other co-operative organisations in Malaysia. It also plans to diversify its product offering to include the municipal and city council through its Web-based Council Management System and the pharmaceutical industry via its Pharmaceutical Inventory Control System. Such expanded product offerings and clientele base will ensure the long term success of TSSB.

Further discussion on the prospects and outlook for the Group and the ICT industry is included in Section 7.3 and 8.3(d) of this Prospectus respectively.

**1.10 Principal statistics relating to the Public Issue**

The following statistics relating to the Public Issue are derived from the full text of this Prospectus and should be read in conjunction with the text.

**1.10.1 Share Capital**

Share of RM0.10 each ("Shares")	RM
<b>Authorised Share Capital</b>	
□ 200,000,000 Shares	<u>20,000,000</u>
<b>Issued And Fully Paid-Up Share Capital :-</b>	
□ 80,000,000 Shares	8,000,000
<b>To be issued pursuant to the Public Issue:-</b>	
□ 13,300,000 Shares	1,330,000
<b>Enlarged issued and paid-up share capital upon listing</b>	<u>9,330,000</u>

## 1. SUMMARY (cont'd)

### 1.10.2 Class Of Shares And Rights

There is only one class of shares in the Company, namely ordinary shares of RM0.10 each ("Shares"), all of which rank pari passu with one another. The Public Issue Shares to be issued pursuant to this Prospectus will rank pari passu in all respect with the existing Shares of the Company including voting rights and rights to all dividends that may be declared subsequent to the date of this Prospectus.

Subject to any special rights attaching to any shares which may be issued by the Company in the future, the holders of Shares in the Company shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and the whole of any surplus in the event of the liquidation of the Company.

Each ordinary shareholder shall be entitled to vote at any general meeting of the Company in person or by proxy or by attorney, and, on show of hands, every person present who is a shareholder or representatives or proxy or attorney of a shareholder shall have one vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representatives shall have one vote for each Share held.

### 1.10.3 Public Issue Price per Share

The Public Issue Price per Share has been fixed at RM0.30.

### 1.10.4 Market capitalisation of Portrade based on the Public Issue Price

Based on the Public Issue Price of RM0.30 per Share, the market capitalisation of Portrade is approximately RM28 million.

### 1.10.5 Proforma NAV and NTA

Proforma NAV based on the proforma consolidated balance sheet as at 30 June 2002 :-

◆ Proforma NAV upon listing (RM'000)	11,356
◆ Proforma NAV per Share upon listing (RM)	0.12

Proforma NTA based on the proforma consolidated balance sheet as at 30 June 2002 :-

◆ Proforma NTA upon listing (RM'000)	4,625
◆ Proforma NTA per Share upon listing (RM)	0.05

KLSE has vide its approval letter dated 23 August 2002 granted waiver from Rule 2.6.1 of the Listing Requirements to allow the NTA per Share of Portrade to be less than the par value of its Share.

### 1.11 Proceeds of the Public Issue and Utilisation

All proceeds of the Public Issue after deducting the relevant listing expenses will accrue to Portrade. The estimated total gross proceeds of the Public Issue is approximately RM3.99 million. Portrade will bear all other expenses incidental to the listing of and quotation for Portrade's Shares on the MESDAQ Market which include underwriting commission and/or placement fees, brokerage, registration fee, professional fees, authorities fees, advertising, listing expenses and other fees the aggregate of which is estimated to be approximately RM950,000.

**1. SUMMARY (cont'd)**

The proceeds from the Public Issue of approximately RM3.99 million will be utilised as follows:-

	RM'000	Proposed utilisation timeframe
(i) Working Capital	3,190	Within six (6) months from date of listing
(ii) Part finance estimated listing expenses	800	Immediate upon completion of the Public Issue
<b>Total proceeds</b>	<b><u>3,990</u></b>	

For more detail on the above mentioned proceeds, please refer to Section 2.5 of this Prospectus.

**1.12 Summary of Material Litigation, Material Commitments and Contingent Liabilities**

As at 18 December 2002 (*being the last practicable date prior to the printing of this Prospectus*):-

- (i) The Group is not engaged in any material litigation whether, as plaintiff or defendant, and the Board of Directors have no knowledge of any proceedings pending or threatened against the Group or any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group;
- (ii) The Group has no material commitments; and
- (iii) Save as disclosed below, the Group has no other contingent liabilities :-

	RM'000
Consultancy fees payable in dispute	<u>350,000</u>

Further details of the abovementioned contingent liability is set out in Note 15 of the Accountants' Report in Section 14 of this Prospectus.

[ The rest of this page is intentionally left blank ]