

## IMPORTANT NOTICE

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF PERISAI PETROLEUM TEKNOLOGI BHD ("PERISAI" OR "THE COMPANY") AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF THERE ARE NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING.

RHB SAKURA MERCHANT BANKERS BERHAD, BEING THE ADVISER, UNDERWRITER, PLACEMENT AGENT AND SPONSOR ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC ISSUE (AS DEFINED HEREAFTER).

THE SECURITIES COMMISSION ("SC") AND THE BURSA MALAYSIA SECURITIES BERHAD (FORMERLY KNOWN AS MALAYSIA SECURITIES EXCHANGE BERHAD) ("BURSA MALAYSIA") HAVE APPROVED THE PUBLIC ISSUE ON 16 AND 20 APRIL 2004 RESPECTIVELY AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC AND BURSA MALAYSIA RECOMMEND THE PUBLIC ISSUE.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

BURSA MALAYSIA SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS CORRECTNESS OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST OF THE MESDAQ MARKET OF BURSA MALAYSIA ("MESDAQ MARKET") IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE PUBLIC ISSUE, THE COMPANY OR OF ITS SECURITIES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE APPLICATION FORM, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

### CHARACTERISTICS OF THE MESDAQ MARKET:

INVESTORS SHOULD BE AWARE THAT THE MESDAQ MARKET IS A DISTINCT MARKET FROM THE MAIN AND SECOND BOARDS IN MANY RESPECTS. IN PARTICULAR, COMPANIES LISTED ON THE MESDAQ MARKET ARE SUBJECT TO DIFFERENT QUANTITATIVE AND QUALITATIVE REQUIREMENTS, WHICH HAVE BEEN PRIMARILY DESIGNED TO ACCOMMODATE HIGH-GROWTH AND / OR TECHNOLOGY COMPANIES. COMPANIES THAT ARE LISTED ON THE MESDAQ MARKET MAY NOT HAVE AN OPERATING HISTORY OR ANY PROFIT TRACK RECORD PRIOR TO LISTING. AS SUCH, WHILST POTENTIAL INVESTMENT RETURNS MAY BE RELATIVELY HIGH, COMPANIES LISTED ON THE MESDAQ MARKET MAY BE OF HIGHER INVESTMENT RISK. THE REGULATORY PHILOSOPHY UNDERLYING THE MESDAQ MARKET IS THAT THE MARKET SHOULD BE ALLOWED TO DETERMINE THE MERITS OF THE SECURITIES / INSTRUMENTS IN A PARTICULAR COMPANY. HENCE, AS WITH ALL INVESTMENTS, PROSPECTIVE INVESTORS SHOULD BE AWARE OF ALL POTENTIAL RISKS IN INVESTING IN SUCH COMPANIES AND SHOULD MAKE THE DECISION TO INVEST AFTER DUE AND CAREFUL CONSIDERATION BY REFERRING TO, AMONGST OTHERS, THE PROSPECTUS, LATEST FINANCIAL STATEMENTS AND CORPORATE ANNOUNCEMENTS OF THE COMPANY. IN THIS RESPECT, ADVICE FROM A SECURITIES PROFESSIONAL / ADVISER IS STRONGLY RECOMMENDED.

SECURITIES LISTED ON BURSA MALAYSIA ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 45 OF THE SECURITIES COMMISSION ACT 1993, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

A COPY OF THIS PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM THE BURSA MALAYSIA WEBSITE AT [www.bursamalaysia.com](http://www.bursamalaysia.com).

**INDICATIVE TIMETABLE**

The indicative timing of events leading up to the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company of RM20,800,000 comprising 208,000,000 Shares on the MESDAQ Market is set out below:

<b>Event</b>	<b>Tentative date</b>
Date of Prospectus / Opening date of application	16 June 2004
Closing date of application	23 June 2004
Balloting of applications for the Issue Shares	25 June 2004
Allotment of the Issue Shares	2 July 2004
Listing of and quotation for the Company's entire enlarged issued and paid-up share capital on the MESDAQ Market	5 July 2004

This timetable is tentative and is subject to changes, which may be necessary to facilitate implementation procedures. The application period will open at 10.00 a.m. on 16 June 2004 and remain open until 5.00 p.m. on 23 June 2004 or for such further period as the Directors of Perisai and the Underwriter and Placement Agent in their absolute discretion may mutually decide. Should the closing date of application be extended, the dates of allotment for the Issue Shares and listing of and quotation for the entire enlarged issued and paid-up share capital of Perisai on the MESDAQ Market would be extended accordingly. Any extension to the closing date for the application will be published in a widely circulated daily English and Bahasa Malaysia newspapers before the original closing date.

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**DEFINITIONS**


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Unless otherwise indicated or required by the context, the following abbreviations shall apply throughout this Prospectus:

Act	- The Companies Act, 1965 (as amended)
Acquisitions	- Acquisition of CSSB, Acquisition of RMSB, Acquisition of FSSB, Acquisition of OTSB and Acquisition of WWSB collectively
Acquisition of CSSB	- Acquisition by Perisai of 60% equity interest in CSSB as detailed in section 3.3(i)(a) of this Prospectus
Acquisition of FSSB	- Acquisition by Perisai of the entire equity interest in FSSB as detailed in section 3.3(i)(b) of this Prospectus
Acquisition of OTSB	- Acquisition by Perisai of the entire equity interest in OTSB as detailed in section 3.3(i)(c) of this Prospectus
Acquisition of RMSB	- Acquisition by Perisai of the entire equity interest in RMSB as detailed in section 3.3(i)(d) of this Prospectus
Acquisition of WWSB	- Acquisition by Perisai of 37.5% equity interest in WWSB as detailed in section 3.3(i)(e) of this Prospectus
ADA	- Authorised Depository Agent
ADA Code	- ADA (Broker) Code
AFTA	- ASEAN Free Trade Area
ASEAN	- Association of South East Asian Nations
ATM	- Automated teller machine
Brunei Shell	- Brunei Shell Petroleum Company Sdn Bhd
Bursa Malaysia	- Bursa Malaysia Securities Berhad ( <i>formerly known as Malaysia Securities Exchange Berhad</i> )
Carigali	- PETRONAS Carigali Sdn Bhd, a subsidiary company of PETRONAS
CDS	- Central Depository System
CSSB	- Corro-Shield (M) Sdn Bhd (Company No. 383695-M), a 60% owned subsidiary of Perisai
Depository	- Bursa Malaysia Depository Sdn Bhd ( <i>formerly known as Malaysian Central Depository Sdn Bhd</i> )
DnV	- Det Norske Veritas
DSSB	- Diversified Skills Sdn Bhd (Company No. 628703-D)
Eligible Persons	The directors and employees of Perisai and its subsidiary companies, who meet the criteria of eligibility for participation in the Pink Form Allocation
EBITDA	- Earnings before interest, tax, depreciation and amortisation
EPS	- Earnings per share

**DEFINITIONS (Cont'd)**

ESB	-	Escorp Sdn Bhd (Company No. 324238-A)
ExxonMobil	-	ExxonMobil Exploration and Production Malaysia Inc.
FIC	-	Foreign Investment Committee
Flotation Scheme	-	The Acquisitions, Public Issue and listing of and quotation for the entire enlarged issued and paid-up share capital of Perisai on the MESDAQ Market collectively
FSSB	-	Fibaroll (SEA) Sdn Bhd (Company No. 259263-P), a wholly-owned subsidiary of Perisai
GDP	-	Gross domestic product
GNP	-	Gross national product
ISSB	-	Impact Surge Sdn Bhd (Company No. 310095-A), a wholly-owned subsidiary company of OTSB which in turn is a wholly-owned subsidiary company of Perisai
Issue Share(s)	-	The 52,000,000 new Share(s) to be issued pursuant to the Public Issue
MESDAQ Market	-	MESDAQ Market of Bursa Malaysia
MIDFCCS or Issuing House	-	MIDF Consultancy and Corporate Services Sdn Bhd
MITI	-	Ministry of International Trade and Industry
MMLR	-	Listing Requirements of Bursa Malaysia for the MESDAQ Market
MoF	-	Ministry of Finance
MTSB	-	Maya Terang Sdn Bhd (Company No. 618874-T)
Nippon Oil	-	Nippon Oil Exploration (Malaysia) Ltd
NTA	-	Net tangible assets
OTSB	-	Orinippon Trading Sdn Bhd (Company No. 478158-M), a wholly-owned subsidiary of Perisai
PAT / LAT	-	Profit after taxation / Loss after taxation
PBT / LBT	-	Profit before taxation / Loss before taxation
PE Multiple	-	Price to earnings multiple
PETRONAS	-	Petroleum Nasional Berhad
Pink Form Allocation	-	The 20,800,000 Issue Shares reserved for subscription by Eligible Persons pursuant to the Public Issue
Perisai / the Company	-	Perisai Petroleum Teknologi Bhd (Company No. 632811-X)
Perisai Group / the Group	-	Perisai and its subsidiary companies and associated company
Perisai Share(s) / Share(s)	-	Ordinary share(s) of RM0.10 each in Perisai

**DEFINITIONS (Cont'd)**

Placement Agent	- RHB Sakura
PRSS	- PETRONAS Research and Scientific Services Sdn Bhd, a subsidiary of PETRONAS
PSC	- Production Sharing Contracts
Public Issue	- Public Issue of 52,000,000 Issue Shares at an issue price of RM0.33 per Issue Share payable in full on application comprising: <ul style="list-style-type: none"> <li>(i) Pink Form Allocation;</li> <li>(ii) 29,120,000 Issue Shares by way of placement to eligible public investors identified by the Placement Agent; and</li> <li>(iii) 2,080,000 Issue Shares available for application by the Malaysian public</li> </ul> <p>in conjunction with the listing of Perisai on the MESDAQ Market</p>
R&D	- Research and development
RHB Sakura	- RHB Sakura Merchant Bankers Berhad (Company No. 19663-P)
RIL	- Romilly International Limited (Company No. 178619), a company in which CSSB holds the entire 789,474 Cumulative Redeemable 5% Preference Shares of USD1 each
RM	- Ringgit Malaysia
RMSB	- Romilly (M) Sdn Bhd (Company No. 477626-H), a wholly-owned subsidiary of Perisai
ROC	- Registrar of Companies
Shell	- Sarawak Shell Berhad, Sabah Shell Petroleum Co Ltd and Shell Exploration and Production Malaysia B.V, collectively
SC	- Securities Commission
SMSB	- Spiral Match Sdn Bhd (Company No. 605590-H)
STSB	- Spectrum Trend Sdn Bhd (Company No. 624902-H)
TTSB	- Tinggi Tiasa Sdn Bhd (Company No. 622752-K)
UAE	- United Arab Emirates
UK	- United Kingdom
USA	- United States of America
USD	- United States Dollar
VDP	- Vendor Development Program
WWSB	- Whizz Water Sdn Bhd (Company No. 597277-M), a 37.5% owned associated company of Perisai

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**1. CORPORATE DIRECTORY****BOARD OF DIRECTORS**

<b>Director</b>	<b>Designation</b>	<b>Nationality</b>	<b>Address</b>	<b>Occupation</b>
Makhtar bin Mohamed	Executive Chairman	Malaysian	Lot 2477, Mukim Kenali Kubang Kerian 16150 Kota Bharu Kelantan	Company Director
Tengku Daud Shaifuddin bin Tengku Zainudin	Executive Director (Head of R&D)	Malaysian	5, Lorong 4/5B 43000 Seri Kembangan Selangor	Company Director
Nagendran a/l C. Nadarajah	Executive Director (Group Finance/ Business Development)	Malaysian	132, Jalan Bukit 43000 Kajang Selangor	Company Director
Juhari bin Husin	Executive Director (Group Technical and Operations)	Malaysian	Lot 2053, S/L 2042 Jalan Piasau Lorong 8, Jalan Pujut Lotong 98000 Miri Sarawak	Company Director
Dato' Dr. Mohd. Ariffin Hj. Aton	Independent Non-Executive Director	Malaysian	No.65, Jalan SS4A/3 Kclana Jaya 47301 Pctaling Jaya Selangor	Company Director
Abdul Hamid bin Mohamed Ghows	Independent Non-Executive Director	Malaysian	14, Jalan SS19/4B 47500 Subang Jaya Selangor	Company Director
Yogesvaran a/l T Arianayagam	Non-Independent Non-Executive Director	Malaysian	46 Jalan Pudina Bukit Bandaraya 59000 Kuala Lumpur	Company Director

**AUDIT COMMITTEE**

<b>Member of Audit Committee</b>	<b>Designation</b>	<b>Directorship</b>
Abdul Hamid bin Mohamed Ghows	Chairman	Independent Non-Executive Director
Dato' Dr. Mohd. Ariffin Hj. Aton	Member	Independent Non-Executive Director
Nagendran a/l C. Nadarajah	Member	Executive Director (Group Finance/ Business Development)



**1. CORPORATE DIRECTORY (Cont'd)**

<b>COMPANY SECRETARY</b>	:	Laletha a/p Subramaniam (LS 0008202) Suite 2, 1st Floor, Wisma Leopad No. 5 Jalan Sambanthan 50470 Kuala Lumpur
<b>REGISTERED OFFICE</b>	:	Suite 2, 1st Floor, Wisma Leopad No. 5 Jalan Sambanthan 50470 Kuala Lumpur Tel: 603-2274 6360
<b>MANAGEMENT OFFICE</b>	:	Lot No. 9, Jalan P10 / 15 Kawasan Perindustrian MIEL Fasa 4 43680 Bandar Baru Bangi Selangor Darul Ehsan Tel: 603-8926 1261 Fax: 603-8926 1263 E-Mail: admin@perisai.biz
<b>AUDITORS AND REPORTING ACCOUNTANTS</b>	:	<b>Kumpulan Naga (AF-0024)</b> Suite 1, 1st Floor, Wisma Leopad No. 5 Jalan Sambanthan 50470 Kuala Lumpur Tel: 603-2274 6577
<b>SOLICITORS FOR THE PUBLIC ISSUE</b>	:	<b>Paul Cheah &amp; Associates</b> Unit A-11-8, 11 <sup>th</sup> Floor Megan Phileo Promenade No. 189, Jalan Tun Razak Off Persiaran Hampshire 50400 Kuala Lumpur Tel: 603-2166 4833
<b>PRINCIPAL BANKERS</b>	:	<b>Malayan Banking Berhad (3813-K)</b> 28-30, Jalan Tukang 43000 Kajang Selangor Darul Ehsan Tel: 603-8736 1387  <b>HSBC Bank Malaysia Berhad (127776-V)</b> 2, Leboh Ampang 50100 Kuala Lumpur Tel: 603-20700744
<b>ISSUING HOUSE</b>	:	<b>MIDF Consultancy and Corporate Services Sdn Bhd (11324-H)</b> Bangunan MIDF, 195A Jalan Tun Razak 50450 Kuala Lumpur Tel: 03-2161 3355
<b>REGISTRAR</b>	:	<b>Mega Corporate Services Sdn Bhd (187984-H)</b> Level 11-2, Faber Imperial Court Jalan Sultan Ismail P.O. Box 12337 50774 Kuala Lumpur Tel: 603-26924271

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**1. CORPORATE DIRECTORY (Cont'd)**

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<b>INDEPENDENT MARKET RESEARCH CONSULTANT</b>	:	<b>Frost &amp; Sullivan (522293W)</b> Suite E-08-15 Block E Plaza Mont' Kiara 2, Jalan Kiara Mont' Kiara 50480 Kuala Lumpur Tel: 603-6204 5800
<b>ADVISER, UNDERWRITER, PLACEMENT AGENT &amp; SPONSOR</b>	:	<b>RHB Sakura Merchant Bankers Berhad (19663-P)</b> Level 8, Tower Three RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel: 603-9287 3888
<b>LISTING SOUGHT</b>	:	The MESDAQ Market of Bursa Malaysia

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## 2. INFORMATION SUMMARY

THE FOLLOWING IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE PERISAI GROUP AND SHOULD BE READ IN CONJUNCTION WITH THE DETAILED INFORMATION AND FINANCIAL STATEMENTS APPEARING ELSEWHERE IN THIS PROSPECTUS. PROSPECTIVE INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS BEFORE DECIDING TO INVEST IN PERISAI SHARES.

### 2.1 HISTORY AND PRINCIPAL ACTIVITIES

The summary on history and principal activities is extracted from and should be read in conjunction with the detailed information set out in sections 5.1, 5.3.2 and 5.4 of this Prospectus.

Perisai was incorporated in Malaysia under the Act on 30 October 2003 as a public limited company under its present name. Perisai is an investment holding company. Its subsidiary companies and associated company are involved in the manufacturing, supplying, commissioning and installation of corrosion control products as well as the inspection and maintenance of pipes, pipelines, risers and heat exchangers primarily for the oil and gas industry. As at the date of this Prospectus, the subsidiary companies and associated company of Perisai, all of which were incorporated in Malaysia, and their respective principal activities are as follows:

Company	Effective equity interest held (%)	Principal activities
CSSB	60	Manufacturing, supplying, commissioning and installation of corrosion control products and related services primarily for the oil and gas industry
FSSB	100	Trading, design and application of specialist composite materials primarily for the oil and gas industry
RMSB	100	Provision of services relating to advanced engineering inspection techniques, heat exchanger tubes restoration technology and plants engineering maintenance primarily for the oil and gas industry
OTSB	100	Design and engineering and patent holder
ISSB <sup>(1)</sup>	100	Design and consultancy service and patent holder
WWSB	37.5	Provision of environmentally friendly hydrocarbon mitigation services primarily for the oil and gas industry

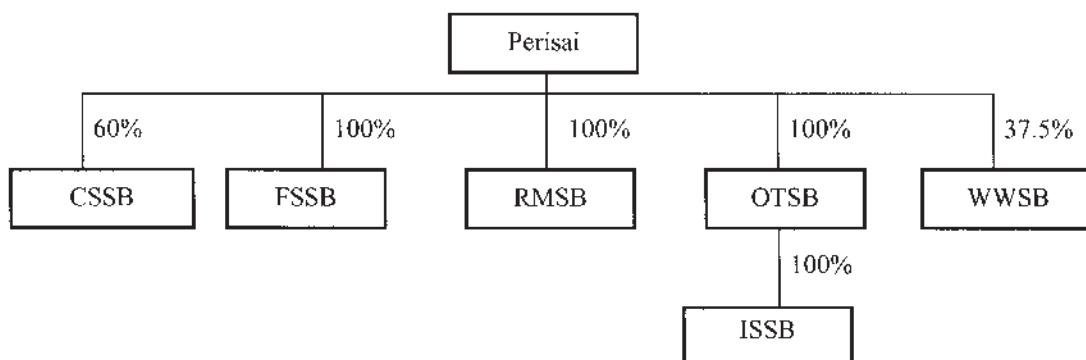
Note:

(1) Wholly-owned subsidiary of OTSB

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## 2. INFORMATION SUMMARY (Cont'd)

### Perisai Group Structure



The principal corrosion control products and solutions offered by the Perisai Group are set out below:

Types of protection	Products / Solutions	Companies offering products and solutions
Cavity protection	• Corro-Cillin™	CSSB
	• CS 85MP™ & CS 105MP™	CSSB
Nuts and bolts preservation	• CorroCap™	CSSB
Flange piping preservation	• FlangeShield™	CSSB
Riser clamp preservation	• Riser Clamp Shield™	CSSB
Rehabilitation of corroded risers and pipes		
- mildly corroded risers and pipes	• Fibaroll*	CSSB / FSSB
- severely corroded risers and pipes	• Composite Sleeve Repair	CSSB / OTSB
Marine growth removal and prevention systems	• Marine Growth Impactor & Marine Growth Pile Protector	CSSB / OTSB
Heat exchanger protection	• CTI Shield™*	RMSB
Volatile organic compound suppressant and encapsulation of hydrocarbon fluid	• BioSolve®*	WWSB

Note:

\* Products developed by third party

## 2. INFORMATION SUMMARY (Cont'd)

### 2.2 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

The summary on promoters, substantial shareholders, directors and key management and key technical personnel is extracted from and should be read in conjunction with the detailed information set out in section 7 of this Prospectus.

#### 2.2.1 Promoters

The promoters and their respective direct and indirect shareholdings in Perisai after the Public Issue are as follows:

	Place of incorporation / Nationality	<-----Direct----->		<-----Indirect----->	
		No. of Shares	%	No. of Shares	%
MTSB	Malaysia	44,366,998	21.33	-	-
TTSB	Malaysia	12,740,000	6.13	-	-
Tengku Daud Shaifuddin bin Tengku Zainudin	Malaysian	20,993,780 <sup>(4)</sup>	10.09	44,366,998 <sup>(1)</sup>	21.33
Nagendran a/l C. Nadarajah	Malaysian	17,096,300 <sup>(4)</sup>	8.22	44,366,998 <sup>(2)</sup>	21.33
Juhari bin Husin	Malaysian	5,501,500 <sup>(4)</sup>	2.64	12,740,000 <sup>(3)</sup>	6.13
Devarajah a/l C. Navaratnam	Malaysian	13,909,100 <sup>(4)</sup>	6.69	-	-

Notes:

(1) Deemed interested by virtue of his 70% shareholding in MTSB

(2) Deemed interested by virtue of his 30% shareholding in MTSB

(3) Deemed interested by virtue of his 70% shareholding in TTSB

(4) Assuming full subscription of their respective entitlements pursuant to the Pink Form Allocation

#### 2.2.2 Substantial shareholders

The substantial shareholders and their respective direct and indirect shareholdings in Perisai after the Public Issue are as follows:

	Place of incorporation / Nationality	<-----Direct----->		<-----Indirect----->	
		No. of Shares	%	No. of Shares	%
MTSB	Malaysia	44,366,998	21.33	-	-
STSB	Malaysia	24,161,000	11.62	-	-
TTSB	Malaysia	12,740,000	6.13	-	-
Tengku Daud Shaifuddin bin Tengku Zainudin	Malaysian	20,993,780 <sup>(7)</sup>	10.09	44,366,998 <sup>(1)</sup>	21.33
Nagendran a/l C. Nadarajah	Malaysian	17,096,300 <sup>(7)</sup>	8.22	44,366,998 <sup>(2)</sup>	21.33
Juhari bin Husin	Malaysian	5,501,500 <sup>(7)</sup>	2.64	12,740,000 <sup>(3)</sup>	6.13
Devarajah a/l C. Navaratnam	Malaysian	13,909,100 <sup>(7)</sup>	6.69	-	-
Padmanaban a/l Balagurusamy	Malaysian	3,575,768 <sup>(7)</sup>	1.72	24,161,000 <sup>(4)</sup>	11.62

**2. INFORMATION SUMMARY (Cont'd)**

	Place of incorporation / Nationality	<-----Direct----->		<-----Indirect----->	
		No. of Shares	%	No. of Shares	%
A. Ghani bin Md. Tahir	Malaysian	1,242,433 <sup>(7)</sup>	0.60	26,161,000 <sup>(5)</sup>	12.58
Zamri bin Zakaria	Malaysian	909,100 <sup>(7)</sup>	0.44	12,740,000 <sup>(6)</sup>	6.13

*Notes:*

- (1) Deemed interested by virtue of his 70% shareholding in MTSB  
(2) Deemed interested by virtue of his 30% shareholding in MTSB  
(3) Deemed interested by virtue of his 70% shareholding in TTSSB  
(4) Deemed interested by virtue of his 20% shareholding in STSB  
(5) Deemed interested by virtue of his 80% shareholding in STSB and 60% shareholding in DSSB, which holds 2 million Perisai Shares representing 0.96% equity interest in Perisai after the Public Issue  
(6) Deemed interested by virtue of his 30% shareholding in TTSSB  
(7) Assuming full subscription of their respective entitlements pursuant to the Pink Form Allocation

**2.2.3 Directors**

The directors and their respective direct and indirect shareholdings in Perisai after the Public Issue are as follows:

	Nationality	<-----Direct----->		<-----Indirect----->	
		No. of Shares	%	No. of Shares	%
Makhtar bin Mohamed	Malaysian	3,000,010 <sup>(4)</sup>	1.44	-	-
Tengku Daud Shaifuddin bin Tengku Zainudin	Malaysian	20,993,780 <sup>(4)</sup>	10.09	44,366,998 <sup>(1)</sup>	21.33
Nagendran a/l C. Nadarajah	Malaysian	17,096,300 <sup>(4)</sup>	8.22	44,366,998 <sup>(2)</sup>	21.33
Juhari bin Husin	Malaysian	5,501,500 <sup>(4)</sup>	2.64	12,740,000 <sup>(3)</sup>	6.13
Dato' Dr. Mohd. Ariffin Hj. Aton	Malaysian	-	-	-	-
Abdul Hamid bin Mohamed Ghows	Malaysian	-	-	-	-
Yogesvaran a/l T Arianayagam	Malaysian	1,686,092 <sup>(4)</sup>	0.81	-	-

*Notes:*

- (1) Deemed interested by virtue of his 70% shareholding in MTSB  
(2) Deemed interested by virtue of his 30% shareholding in MTSB  
(3) Deemed interested by virtue of his 70% shareholding in TTSSB  
(4) Assuming full subscription of their respective entitlements pursuant to the Pink Form Allocation

## 2. INFORMATION SUMMARY (Cont'd)

### 2.2.4 Key management and key technical personnel

The key management and key technical personnel of Perisai Group and their respective direct and indirect shareholdings in Perisai after the Public Issue are as follows:

	Designation	Nationality	Direct		Indirect	
			No. of Shares	%	No. of Shares	%
Makhtar bin Mohamed	Executive Chairman	Malaysian	3,000,010 <sup>(7)</sup>	1.44	-	-
Tengku Daud Shaifuddin bin Tengku Zainudin	Executive Director (Head of R&D)	Malaysian	20,993,780 <sup>(7)</sup>	10.09	44,366,998 <sup>(1)</sup>	21.33
Nagendran a/l C. Nadarajah	Executive Director (Group Finance / Business Development)	Malaysian	17,096,300 <sup>(7)</sup>	8.22	44,366,998 <sup>(2)</sup>	21.33
Juhari bin Husin	Executive Director (Group Technical and Operations)	Malaysian	5,501,500 <sup>(7)</sup>	2.64	12,740,000 <sup>(3)</sup>	6.13
Devarajah a/l C. Navaratnam	Group Corporate Planner	Malaysian	13,909,100 <sup>(7)</sup>	6.69	-	-
Yeo Peck Chin	Group Financial Controller	Malaysian	303,000 <sup>(7)</sup>	0.15	-	-
Zamri bin Zakaria	Operation Manager	Malaysian	909,100 <sup>(7)</sup>	0.44	12,740,000 <sup>(4)</sup>	6.13
A. Ghani bin Md. Tahir	General Manager (Group Marketing)	Malaysian	1,242,433 <sup>(7)</sup>	0.60	26,161,000 <sup>(5)</sup>	12.58
Mohd. Sanim bin Ismail	Commercial Manager	Malaysian	455,000 <sup>(7)</sup>	0.22	2,000,000 <sup>(6)</sup>	0.96

*Notes:*

- (1) Deemed interested by virtue of his 70% shareholding in MTSB
- (2) Deemed interested by virtue of his 30% shareholding in MTSB
- (3) Deemed interested by virtue of his 70% shareholding in TTSB
- (4) Deemed interested by virtue of his 30% shareholding in TTSB
- (5) Deemed interested by virtue of his 80% shareholding in STSB and 60% shareholding in DSSB, which holds 2 million Perisai Shares representing 0.96% equity interest in Perisai after the Public Issue.
- (6) Deemed interested by virtue of his 40% shareholding in DSSB
- (7) Assuming full subscription of their respective entitlements pursuant to the Pink Form Allocation

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## 2. INFORMATION SUMMARY *(Cont'd)*

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### 2.3 LICENCES, INTELLECTUAL PROPERTY RIGHTS AND TRADEMARKS

The summary on operating licences, intellectual property rights and trademarks held by the Group is extracted from and should be read in conjunction with the detailed information set out in sections 11.1 and 5.3.10 of this Prospectus respectively.

#### **Operating licences**

The major operating licences held by the Perisai Group under its operating subsidiary companies are as follows:

- (i) Both CSSB and RMSB are licenced contractors of PETRONAS, whereby CSSB is licenced to manufacture, supply and install protective systems for corrosion prevention (including inspection, surface preparation and maintenance) on all nuts and bolts, pipe flanges, riser or riser clamps and pipe supports to oil and gas exploration and production companies in Malaysia and the provision of underwater engineering construction and maintenance services while RMSB is licenced to supply various equipment and provide services to oil and gas exploration and production companies in Malaysia;
- (ii) CSSB and RMSB are licenced contractors of MoF, whereby CSSB is licenced to supply various products and services for corrosion prevention for chemical industry and supply parts and services related to chemicals and corrosion control and RMSB for the provision of equipment or services relating to the power generating plant, heat exchanger and / or spare parts, cleaning of buildings, machinery and workshop equipment, machinery and special equipment and diving services; and
- (iii) CSSB also holds a manufacturing licence issued by MITI for the manufacture of protective caps for the oil and gas industry.

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## 2. INFORMATION SUMMARY (Cont'd)

### Intellectual property rights

The Perisai Group currently jointly holds, with PRSS, various registered intellectual property rights under its operating subsidiary companies. A summary of the registered intellectual property rights held by the Perisai Group and PRSS are as follows:

Company / Product / Solution	Description of patent	Countries where patent is granted	Countries where patent is still pending
<b>CSSB</b> CorroCap™ <sup>(1)</sup>	Protective caps for bolts with nuts against corrosion	-	Malaysia
<b>ISSB</b> Marine Growth Impactor <sup>(2)</sup>	Apparatus for the combating of underwater growth on submerged structures	UK USA Norway Mexico	Malaysia Indonesia
Marine Growth Pile Protector <sup>(2)</sup>	Apparatus for eliminating and preventing marine growth on offshore structures	Indonesia UK USA Mexico	-
<b>OTSB</b> CorroCap™ <sup>(1)</sup>	Protective caps for bolts with nuts against corrosion	Indonesia Australia UK USA	Thailand India
Composite Sleeve Repair <sup>(3)</sup>	Method and means of repairing a pipe	-	Malaysia USA UK UAE Thailand Indonesia

#### Notes:

- (1) *The CorroCap™ is a product of the joint collaboration between CSSB, RIL and PRSS for the development, testing and commercial exploitation of anti-corrosion products. PRSS and CSSB are joint patent holders relating to the products in the Malaysian region. However PRSS and OTSB are joint patent holders relating to the products for the region outside Malaysia, pursuant to an agreement between CSSB, RIL, PRSS and OTSB and a deed of assignment between RIL and OTSB, both dated 2 March 2004, whereby OTSB was assigned the rights of CorroCap™. Pursuant to a Licensing Agreement between RIL and CSSB dated 8 December 2003 and the Project Agreement dated 12 July 1996 entered into between PRSS, CSSB and RIL for the project development of corrosion control products, CSSB has an exclusive licence to exploit CorroCap™ throughout the whole world. For further information on the Licensing Agreement, please refer to section 17.7 (i) of this Prospectus.*
- (2) *The Marine Growth Impactor and Marine Growth Pile Protector are products of the joint collaboration between ISSB, PRSS and ESB for the combating of underwater growth on submerged structures and preventing marine growth on offshore structures. PRSS and ISSB are joint owners of the products. Pursuant to the Principal Agreement dated 15 February 1996 entered into between PRSS, ISSB and ESB, ISSB and PRSS are entitled to receive royalties from ESB as ESB has exclusive sole distribution and manufacturing rights to the products. Pursuant to the Distributor Contracts between CSSB and ESB dated 1 May 1998, CSSB has acquired the exclusive sole distribution and manufacturing rights to the products from ESB. For further information on the Distributor Contracts please refer to section 17.7 (x) of this Prospectus.*
- (3) *The Composite Sleeve Repair is a product of the joint collaboration between OTSB and PRSS. PRSS and OTSB have made a joint application to patent this product. Pursuant to a Licensing Agreement dated 30 April 2003 entered into between PRSS, OTSB and CSSB, OTSB and PRSS are entitled to receive royalties from CSSB, which is given a worldwide licence to design, manufacture, supply and install the product for 20 years commencing from 30 April 2003 with an option to renew for a further ten years.*

## 2. INFORMATION SUMMARY (Cont'd)

### Trademark

CSSB has registered "Corro-Shield" as trademark in order to prevent any unlawful usage of its brand name and to protect its copyrights. Apart from "Corro-Shield", CSSB has also filed trademark applications for "CorroCap", "FlangeShield", "Riser Clamp Shield", "Aqua-Shield", "Corro-Cillin", "Snowcoat", "CS 105MP" and "CS 85MP".

### 2.4 PROFORMA CONSOLIDATED PROFIT AND LOSS ACCOUNT

The following table sets out a summary of the proforma audited consolidated financial performance of Perisai for the past five financial years ended 31 December 2003 based on the assumption that the current Group structure has been in existence throughout the years under review. The proforma audited consolidated profit records of Perisai are prepared for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set out in section 14 of this Prospectus.

	<-----Financial year ended 31 December----->				
	1999 RM	2000 RM	2001 RM	2002 RM	2003 RM
Turnover	2,205,092	4,385,808	5,014,193	11,019,439	20,869,326
EBITDA before exceptional item	584,447	1,261,990	1,179,341	2,777,211	8,694,094
Depreciation and amortisation	(199,460)	(293,430)	(419,340)	(493,023)	(933,410)
Interest expense	(31,115)	(70,794)	(114,555)	(106,524)	(87,348)
Exceptional item <sup>(1)</sup>	-	-	-	-	2,449,001
Share of profit of associated company	-	-	-	-	353,456
PBT	353,872	897,766	645,446	2,177,664	10,475,793
Taxation <sup>(2)</sup>	-	(337,990)	(114,783)	(124,391)	(1,913,026)
PAT	353,872	559,776	530,663	2,053,273	8,562,767
Minority interests	(144,316)	(256,718)	(168,032)	(799,886)	(2,200,698)
PAT after minority interests	209,556	303,058	362,631	1,253,387	6,362,069
Number of Shares assumed in issue after the Acquisitions ('000)	156,000	156,000	156,000	156,000	156,000
Gross EPS (sen) <sup>(3)</sup>	0.23	0.58	0.41	1.40	6.72
Net EPS (sen) <sup>(4)</sup>	0.13	0.19	0.23	0.80	4.08

#### Notes:

- (1) The exceptional item for the financial year ended 31 December 2003 was due to the capital gain resulting from the disposal of 51% equity interest in RMSB by CSSB.
- (2) The effective tax rate for the financial year ended 31 December 2001 to 2003 is lower than the statutory tax rate due to utilisation of unabsorbed tax losses and unutilised capital allowances (2001), double taxation relief allowed for R&D expenditure (2002 and 2003) and capital gain of RM2.45 million which is not subjected to tax (2003).

**2. INFORMATION SUMMARY (Cont'd)**

- (3) Computed based on proforma audited consolidated PBT and minority interests over the number of shares assumed to be in issue after the Acquisitions
- (4) Computed based on proforma audited consolidated PAT and minority interests over the number of shares assumed to be in issue after the Acquisitions
- (5) Perisai did not declare any dividends during the financial years under review
- (6) The respective audited financial statements of the companies within the Perisai Group for the past 5 financial years have not been subject to any audit qualification

**2.5 PROFORMA CONSOLIDATED BALANCE SHEETS**

The proforma consolidated balance sheets set out below are provided for illustrative purposes only to show the effects of the Flotation Scheme assuming that the Flotation Scheme was completed on 31 December 2003. The proforma consolidated balance sheets below should be read in conjunction with the accompanying notes as included in the Proforma Consolidated Balance Sheets set out in section 13 of this Prospectus.

	Perisai Audited as at 31 December 2003 RM	Proforma I After the Acquisitions RM	Proforma II After Proforma I and the Public Issue and utilisation of proceeds from the Public Issue RM
<b>Property, plant and equipment</b>	-	4,107,428	4,107,428
<b>Intangible assets</b>	-	734,891	734,891
<b>Associated company</b>	-	1,500,000	1,500,000
<b>Goodwill</b>	-	4,710,536	4,710,536
<b>Development expenditure</b>	-	101,004	101,004
<b>Investment</b>	-	3,000,000	3,000,000
<b>CURRENT ASSETS</b>			
Inventories	-	2,177,285	2,177,285
Trade receivables	-	1,799,997	1,799,997
Other receivables	243,468	588,735	588,735
Deposits, bank and cash balances	2	6,631,060	22,591,060
	243,470	11,197,077	27,157,077
<b>CURRENT LIABILITIES</b>			
Trade and other payables	-	1,635,390	1,635,390
Other payables	246,968	1,596,528	1,596,528
Hire purchase creditors	-	168,303	168,303
Provision for taxation	-	1,821,022	1,821,022
	246,968	5,221,243	5,221,243
<b>NET CURRENT (LIABILITIES) / ASSETS</b>	(3,498)	5,975,834	21,935,834
	(3,498)	20,129,693	36,089,693

**2. INFORMATION SUMMARY (Cont'd)**

	<b>Perisai Audited as at 31 December 2003 RM</b>	<b>Proforma I After the Acquisitions RM</b>	<b>Proforma II After Proforma I and the Public Issue and utilisation of proceeds from the Public Issue RM</b>
<b>FINANCED BY:</b>			
Share capital	2	15,600,000	20,800,000
Share premium	-	-	10,760,000
Unappropriated profits	(3,500)	(3,500)	(3,500)
Shareholders' funds	(3,498)	15,596,500	31,556,500
Minority interest	-	3,641,138	3,641,138
Deferred taxation	-	112,489	112,489
Hire purchase creditors	-	779,566	779,566
	-	20,129,693	36,089,693
Net Tangible Assets per ordinary share (RM)	(175)	0.06	0.12 <sup>(1)</sup>

*Notes:*

- The computation of the Perisai Group's net tangible assets also includes goodwill arising from the acquisition of WWSB, an associated company, amounting to RM1,109,044.*

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## 2. INFORMATION SUMMARY *(Cont'd)*

### 2.6 RISK FACTORS

The following is a list of the main risk factors (which may not be exhaustive). A discussion on the said main risk factors are given in section 4 of this Prospectus. Applicants for the Issue Shares should carefully consider the following risk factors in addition to other information contained elsewhere in this Prospectus before applying for the Issue Shares:

- (i) Economic, political and regulatory risks;
- (ii) Operating risks;
- (iii) Market restraints;
- (iv) Future growth;
- (v) Reliance on PETRONAS Vendor Status;
- (vi) Competition;
- (vii) Health and safety risks;
- (viii) Environmental concerns;
- (ix) Intellectual property rights jointly held with PRSS;
- (x) Reliance on third party products and solutions
- (xi) Dependence on major customers;
- (xii) Foreign exchange risk;
- (xiii) Dependence on skilled workforce and key personnel;
- (xiv) R&D;
- (xv) Ownership and control;
- (xvi) Forward looking statements;
- (xvii) Failure or delay in the listing;
- (xviii) No prior market for the Shares; and
- (xix) Volatility in the prices of the Shares.

### 2.7 PRINCIPAL STATISTICS RELATING TO THE PUBLIC ISSUE

#### 2.7.1 Share capital

	<b>RM</b>
<b>Authorised</b>	
500,000,000 Shares of RM0.10 each	50,000,000
<b>Issued and fully paid-up</b>	
<i>Existing as at the date of this Prospectus</i>	
156,000,000 Shares of RM0.10 each	15,600,000
<i>To be issued pursuant to Public Issue</i>	
52,000,000 Issue Shares of RM0.10 each	5,200,000
<i>Enlarged issued and fully paid-up</i>	
208,000,000 Shares of RM0.10 each	20,800,000

2.7.2 Issue price per Issue Share RM0.33

## 2. INFORMATION SUMMARY (Cont'd)

### 2.7.3 Classes of Shares and ranking

There is only one class of shares in Perisai, namely ordinary shares of RM0.10 each, all of which rank *pari passu* with each other. The Issue Shares will rank *pari passu* in all respects with the other existing issued and paid-up share capital of Perisai including voting rights and rights to all dividends that may be declared subsequent to the date of allotment of the Issue Shares.

Subject to any special rights attaching to any Shares which may be issued by the Company in the future, the shareholders of Perisai 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 other distributions and in respect of the whole of any surplus in the event of liquidation of the Company.

At any general meeting of the Company, each shareholder shall be entitled to vote in person or by proxy or by attorney, and on a show of hands, every person present who is a shareholder or representative 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 representative shall have one vote for each Share held. A proxy may but need not be a member of the Company.

### 2.7.4 Proforma Consolidated NTA

The proforma consolidated NTA is extracted from and should be read in conjunction with the Proforma Consolidated Balance Sheets set out in section 13 of this Prospectus.

Proforma Consolidated NTA as at 31 December 2003 (RM'000) (After the Public Issue and deducting listing expenses of RM1.2 million)	24,901
Proforma Consolidated NTA per Share as at 31 December 2003 (RM) (Based on the enlarged issued and paid-up share capital of 208,000,000 Shares)	0.12

## 2.8 UTILISATION OF PROCEEDS FROM THE PUBLIC ISSUE

The total gross proceeds arising from the Public Issue of RM17,160,000 will accrue entirely to Perisai and shall be utilised in the following manner:

	RM
Defray listing expenses	1,200,000
Working capital	7,960,000
R&D expenditure	8,000,000
	17,160,000

Further details on the utilisation of proceeds from the Public Issue are set out in section 3.8 of this Prospectus.

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**2. INFORMATION SUMMARY (Cont'd)**


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**2.9 MATERIAL LITIGATION, MATERIAL CAPITAL COMMITMENTS, INDEBTEDNESS, CONTINGENT LIABILITIES AND WORKING CAPITAL**
**2.9.1 Material litigation**

As at 31 May 2004, being the latest practicable date prior to the printing of this Prospectus, neither Perisai nor any of its subsidiary companies is engaged in any litigation or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position of Perisai or any of its subsidiary companies and the directors do not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of Perisai or any of its subsidiary companies.

**2.9.2 Material capital commitments**

As at 31 May 2004, being the latest practicable date prior to the printing of this Prospectus, the Directors of Perisai are not aware of any material capital commitments incurred or known to be incurred by Perisai or any of its subsidiary companies, which, upon becoming enforceable, may have a material impact on the profit or net assets value of the Perisai Group, save as disclosed below:

	<b>RM'000</b>
<b>Approved and contracted for:</b>	-
<b>Approved but not contracted for:</b>	
2 pieces of land measuring 1 acre each located in Bangi*	2,000
<b>TOTAL</b>	<b><u>2,000</u></b>

Note:

\* A deposit of RM200,000 has been paid by CSSB for the 2 pieces of land but the relevant agreement for the acquisition has not been signed as at 31 May 2004. CSSB intends to fund the acquisition from internally generated funds and/or bank borrowings.

**2.9.3 Indebtedness**

As at 31 May 2004, being the latest practicable date prior to the printing of this Prospectus, the total borrowings outstanding from Perisai and its subsidiary companies are as follows:

<b>Type of borrowings</b>	<b>RM</b>
Long-term borrowings	
- Interest bearing	689,878
- Non interest bearing	-
Short-term borrowings	
- Interest bearing	169,508
- Non interest bearing	-
<b>TOTAL</b>	<b><u>859,386</u></b>

There was no default on payments of either interest and/or principal sums in respect of any borrowings throughout the past financial year ended 31 December 2003 and the subsequent financial period thereof immediately preceding the date of this Prospectus.

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**2. INFORMATION SUMMARY** *(Cont'd)*

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**2.9.4 Contingent liabilities**

As at 31 May 2004, being the latest practicable date prior to the printing of this Prospectus, the Directors of Perisai are not aware of any contingent liabilities incurred or known to be incurred by Perisai or any of its subsidiary companies.

**2.9.5 Working Capital**

The Directors of Perisai are of the opinion that, after taking into consideration the cashflow position, banking facilities available and net proceeds from the Public Issue, the Group will have adequate working capital for a period of 12 months from the date of this Prospectus.

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