

## 7. PROMOTERS / SUBSTANTIAL SHAREHOLDERS / DIRECTORS / KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

### 7.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

#### 7.1.1 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

#### 7.1.2 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	-	-

**7. PROMOTERS / SUBSTANTIAL SHAREHOLDERS / DIRECTORS / KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (cont'd)**

	Place of incorporation / Nationality	<-----Direct----->		<-----Indirect----->	
		No. of Shares	%	No. of Shares	%
Padmanaban a/l Balagurusamy	Malaysian	3,575,768 <sup>(7)</sup>	1.72	24,161,000 <sup>(4)</sup>	11.62
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 TTSB  
(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 TTSB  
(7) Assuming full subscription of their respective entitlements pursuant to the Pink Form Allocation

The profiles of the individual Promoters are set out in section 7.8 of this Prospectus. The background information on corporate promoters / substantial shareholders are as follows:

**7.1.3 MTSB**
**Background and principal activities**

MTSB was incorporated in Malaysia under the Act on 18 June 2003 and is principally an investment holding company.

MTSB has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, all of which have been issued and credited as fully paid-up.

**Substantial shareholders**

Based on the Register of Members of MTSB as at 31 May 2004, the substantial shareholders of MTSB, all of whom are Malaysians, and their respective direct and indirect shareholdings in MTSB are as follows:

Substantial shareholder	<----- Direct ----->		<-----Indirect ----->	
	No. of shares	%	No. of shares	%
Tengku Daud Shaifuddin Bin Tengku Zainudin	70,000	70	-	-
Nagendran a/l C. Nadarajah	30,000	30	-	-

## 7. PROMOTERS / SUBSTANTIAL SHAREHOLDERS / DIRECTORS / KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (cont'd)

### Board of directors

The directors of MTSB, all of whom are Malaysians, and their respective direct and indirect shareholdings in MTSB, based on the Register of Members of MTSB as at 31 May 2004 are as follows:

Director	<----- Direct ----->		<----- Indirect ----->	
	No. of shares	%	No. of shares	%
Tengku Daud Shaifuddin Bin Tengku Zainudin	70,000	70	-	-
Nagendran a/l C. Nadarajah	30,000	30	-	-

### 7.1.4 TTSB

#### Background and principal activities

TTSB was incorporated in Malaysia under the Act on 24 July 2003 and is principally an investment holding company.

TTSB has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, all of which have been issued and credited as fully paid-up.

#### Substantial shareholders

Based on the Register of Members of TTSB as at 31 May 2004, the substantial shareholders of TTSB, all of whom are Malaysians, and their respective direct and indirect shareholdings in TTSB are as follows:

Substantial shareholder	<----- Direct ----->		<----- Indirect ----->	
	No. of shares	%	No. of shares	%
Juhari bin Husin	70,000	70	-	-
Zamri Bin Zakaria	30,000	30	-	-

#### Board of directors

The directors of TTSB, all of whom are Malaysians, and their respective direct and indirect shareholdings in TTSB, based on the Register of Members of TTSB as at 31 May 2004 are as follows:

Director	<----- Direct ----->		<----- Indirect ----->	
	No. of shares	%	No. of shares	%
Juhari bin Husin	70,000	70	-	-
Zamri Bin Zakaria	30,000	30	-	-

**7. PROMOTERS / SUBSTANTIAL SHAREHOLDERS / DIRECTORS / KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (cont'd)**

**7.1.5 STSB**

**Background and principal activities**

STSB was incorporated in Malaysia under the Act on 13 August 2003 and is principally an investment holding company.

STSB has an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, all of which have been issued and credited as fully paid-up.

**Substantial shareholders**

Based on the Register of Members of STSB as at 31 May 2004, the substantial shareholders of STSB, all of whom are Malaysians, and their respective direct and indirect shareholdings in STSB are as follows:

Substantial shareholder	←----- Direct ----->		< ----- Indirect ----- >	
	No. of shares	%	No. of shares	%
A. Ghani bin Md. Tahir	80,000	80	-	-
Padmanaban a/l Balagurusamy	20,000	20	-	-

**Board of directors**

The directors of STSB, all of whom are Malaysians, and their respective direct and indirect shareholdings in STSB, based on the Register of Members of STSB as at 31 May 2004 are as follows:

Director	←----- Direct ----->		< ----- Indirect ----- >	
	No. of shares	%	No. of shares	%
Devarajah a/l C. Navaratnam	-	-	-	-
Wan Mazila Binti Wan Abas	-	-	-	-
Padmanaban a/l Balagurusamy	20,000	20	-	-
A. Ghani Bin Md. Tahir	80,000	80	-	-

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## 7. PROMOTERS / SUBSTANTIAL SHAREHOLDERS / DIRECTORS / KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (cont'd)

### 7.1.6 Directorship and substantial shareholding in all other public corporations

Based on the declaration by the promoters and substantial shareholders of Perisai, save as disclosed below, none of the promoters or substantial shareholders of Perisai have any directorship and / or substantial shareholding in any other public corporation for the past two years preceding 31 May 2004:

Director	Name of public company	Date of appointment / (resignation)	<--- Direct --->		<---Indirect --->	
			No. of shares	%	No. of shares	%
Tengku Daud Shaifuddin bin Tengku Zainudin	SAAG Consolidated (M) Bhd (formerly known as Britac Berhad) ("SAAG")	5 December 2003	-	-	-	-

### 7.1.7 Changes in promoters' and substantial shareholders' shareholdings in Perisai

Perisai was incorporated on 30 October 2003. The changes in the shareholdings of the promoters and substantial shareholders of Perisai in the Shares since its incorporation on 30 October 2003 are as follows:

Promoter / Substantial shareholder	Date of change	←----- Direct -----→		Indirect Cumulative no. of shares held after acquisition
		No. of shares held before acquisition	Cumulative no. of shares held after acquisition	
Makhtar bin Mohamed	30 October 2003	-	10	-
Yogesvaran a/l T Arianayagam	30 October 2003	-	10	-
Tengku Daud Shaifuddin bin Tengku Zainudin	31 May 2004	-	18,418,480*	44,366,998 <sup>(1)</sup>
Nagendran a/l C. Nadarajah	31 May 2004	-	14,733,200*	44,366,998 <sup>(2)</sup>
Juhari bin Husin	31 May 2004	-	3,683,300*	12,740,000 <sup>(3)</sup>
Devarajah a/l C. Navaratnam	31 May 2004	-	13,000,000*	-
Padmanaban a/l Balagurusamy	31 May 2004	-	2,666,668*	24,161,000 <sup>(4)</sup>
A. Ghani bin Md. Tahir	31 May 2004	-	333,333*	26,161,000 <sup>(5)</sup>
Zamri bin Zakaria	31 May 2004	-	-	12,740,000 <sup>(6)</sup>
MTSB	31 May 2004	-	44,366,998*	-
STSB	31 May 2004	-	24,161,000*	-
TTSB	31 May 2004	-	12,740,000*	-

\* Held pursuant to the Acquisitions

## 7. PROMOTERS / SUBSTANTIAL SHAREHOLDERS / DIRECTORS / KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (cont'd)

### 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 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 TTSB

### 7.2 DIRECTORS

The Directors of Perisai, all of whom are Malaysians, and their respective shareholdings in Perisai after the Public Issue are as follows:

Director	Designation	Nationality	Direct		Indirect	
			No. of Shares	%	No. of Shares	%
Makhtar bin Mohamed	Chairman/ Executive Director	Malaysian	3,000,010 <sup>(4)</sup>	1.44	-	-
Tengku Daud Shaifuddin bin Tengku Zainudin	Executive Director (Head of R&D)	Malaysian	20,993,780 <sup>(4)</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>(4)</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>(4)</sup>	2.64	12,740,000 <sup>(3)</sup>	6.13
Dato' Dr. Mohd. Ariffin Hj. Aton	Independent Non-Executive Director	Malaysian	-	-	-	-
Abdul Hamid bin Mohamed Ghows	Independent Non-Executive Director	Malaysian	-	-	-	-
Yogesvaran a/l T Arianayagam	Non-Executive Director	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 TTSB
- (4) Assuming full subscription of their respective entitlements pursuant to the Pink Form Allocation

The profiles of the directors are set out in section 7.8 of this Prospectus.

## 7. PROMOTERS / SUBSTANTIAL SHAREHOLDERS / DIRECTORS / KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (cont'd)

### 7.2.1 Directors' directorships and substantial shareholdings in other public corporations for the past two years

Based on the declaration by the Directors of Perisai, save as disclosed below, none of the Directors of Perisai have any directorship and / or substantial shareholding in any other public corporation for the past two years preceding 31 May 2004:

Director	Name of public company	Date of appointment / (resignation)	<-- Direct -->		<-Indirect ->	
			No. of Shares	%	No. of Shares	%
Tengku Daud Shaifuddin bin Tengku Zainudin	SAAG	5 December 2003	-	-	-	-
Makhtar bin Mohamed	SMPC Corporation Berhad ("SMPC")	26 April 2000 (30 April 2004)	173,350	^	-	-
			350 (Warrants)			
Dato' Dr. Mohd. Ariffin Hj. Aton	SIRIM Berhad	1 September 1996	-	-	-	-
Abdul Hamid bin Mohamed Ghows	Malaysian Merchant Marine Berhad	30 March 1996	1,600,000	1.6	-	-
	Lay Hong Berhad	19 October 2001	-	-	-	-
Yogesvaran a/l T Arianayagam	Multi-Purpose Insurans Berhad	4 July 2003	-	-	-	-

Note:

^ Negligible

### 7.2.2 Directors' remuneration and benefits

No remuneration was paid to the Directors of the Company for services rendered to the Company in all capacities for the financial year ended 31 December 2003.

For the financial year ending 31 December 2004, RM501,000 has been proposed to be paid to the Directors of the Company as follows:

Remuneration band	No of Directors
Below RM25,000	2
RM25,001 to RM50,000	1
RM50,001 to RM110,000	3
RM110,001 to RM150,000	1

## 7. PROMOTERS / SUBSTANTIAL SHAREHOLDERS / DIRECTORS / KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(cont'd)*

### 7.2.3 Service agreements

As at 31 May 2004, there is no existing or proposed service contracts between the Directors of Perisai and the Company or any of the Company's subsidiary companies, excluding contracts expiring or terminable by the employing company without payment or compensation (other than statutory compensation).

### 7.3 AUDIT COMMITTEE

The composition of the Audit Committee is as follows:

Name	Designation	Directorship
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)

The main functions of the Audit Committee include the review of audit plans and audit reports with the Auditors, review of the Auditors' evaluation of internal accounting controls and management information systems, review of the scope of internal audit procedures, review of balance sheets and income statements and nomination of Auditors.

### 7.4 KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

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

Name	Designation	<----- Direct ----->		<-----Indirect ----->	
		No. of Shares	%	No. of Shares	%
Makhtar bin Mohamed	Executive Chairman	3,000,010 <sup>(7)</sup>	1.44	-	-
Tengku Daud Shafuddin bin Tengku Zainudin	Executive Director (Head of R&D)	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)	17,096,300 <sup>(7)</sup>	8.22	44,366,998 <sup>(2)</sup>	21.33
Devarajah a/l C. Navaratnam	Group Corporate Planner	13,909,100 <sup>(7)</sup>	6.69	-	-
Juhari bin Husin	Executive Director (Group Technical and Operations)	5,501,500 <sup>(7)</sup>	2.64	12,740,000 <sup>(3)</sup>	6.13
Yeo Peck Chin	Group Financial Controller	303,000 <sup>(7)</sup>	0.15	-	-



## 7. PROMOTERS / SUBSTANTIAL SHAREHOLDERS / DIRECTORS / KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (cont'd)

Name	Designation	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
Zamri bin Zakaria	Operation Manager	909,100 <sup>(7)</sup>	0.44	12,740,000 <sup>(4)</sup>	6.13
A. Ghani bin Md. Tahir	General Manager (Group Marketing)	1,242,433 <sup>(7)</sup>	0.60	26,161,000 <sup>(5)</sup>	12.58
Mohd. Sanim bin Ismail	Commercial Manager	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
- (5) 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

The profiles of the key management and key technical personnel are set out in section 7.8 of this Prospectus.

### 7.4.1 Service agreements

As at 31 May 2004, there is no existing or proposed service contracts between the key management and key technical personnel of Perisai and the Company or any of the Company's subsidiary companies, excluding contracts expiring or terminable by the employing company without payment or compensation (other than statutory compensation).

## 7.5 INTEREST IN OTHER BUSINESSES AND COMPANIES

Save as disclosed below, none of the executive Directors of Perisai, key management and key technical personnel are involved in the activities or operations of any other business or company:

Makhtar bin Mohamed is a director of several private limited companies. However, he will be allocating majority of his time and efforts in the Perisai Group.

Tengku Daud Shaifuddin bin Tengku Zainudin is an independent non-executive director of SAAG, a director of two of SAAG's subsidiary companies and also of a private limited company. However, he will be allocating majority of his time and efforts in the Perisai Group.

## 7.6 FAMILY RELATIONSHIPS

Save as disclosed below, none of the promoters, substantial shareholders, directors and key management and key technical personnel of the Perisai Group are related to each other:

- (i) Vigneswaran a/l C. Nadarajah, one of the vendors for the Acquisition of OTSB and also a director of OTSB, is the brother of Nagendran a/l C. Nadarajah;
- (ii) Renata Anita De Raj, one of the directors of OTSB and ISSB, is the spouse of Nagendran a/l C. Nadarajah;

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**7. PROMOTERS / SUBSTANTIAL SHAREHOLDERS / DIRECTORS / KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL** *(cont'd)*


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- (iii) Devarajah a/l C. Navaratnam, one of the promoters and substantial shareholders of Perisai, is the brother-in-law of Nagendran a/l C. Nadarajah; and
- (iv) Padmanaban a/l Balagurusamy, one of the substantial shareholders of Perisai, is the brother-in-law of Nagendran a/l C. Nadarajah.

**7.7 DECLARATION BY DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL**

None of the directors, key management and key technical personnel is or was involved in the following events (whether in or outside Malaysia):

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

**7.8 PROFILES OF INDIVIDUAL PROMOTERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL**

The individual promoters, directors, key management and key technical personnel are set out below:

<b>Name</b>	<b>Designation</b>	<b>Nationality</b>
Makhtar bin Mohamed	Director	Malaysian
Tengku Daud Shaifuddin bin Tengku Zainudin	Promoter and director	Malaysian
Nagendran a/l C. Nadarajah	Promoter and director	Malaysian
Juhari bin Husin	Promoter and director	Malaysian
Dato' Dr. Mohd. Ariffin Hj. Aton	Director	Malaysian
Abdul Hamid bin Mohamed Ghows	Director	Malaysian
Yogesvaran a/l T Arianayagam	Director	Malaysian
Devarajah a/l C. Navaratnam	Promoter	Malaysian
Yeo Peck Chin	Key Management	Malaysian
Zamri bin Zakaria	Key technical personnel	Malaysian
Mohd. Sanim bin Ismail	Key technical personnel	Malaysian
A. Ghani. Bin Md. Tahir	Key management	Malaysian

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**7. PROMOTERS / SUBSTANTIAL SHAREHOLDERS / DIRECTORS / KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (cont'd)**


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The profiles of the said promoters, directors, key management and key technical personnel are set out below:

(i) **Makhtar bin Mohamed**

Makhtar bin Mohamed, aged 50, was appointed to the board of Perisai on 30 October 2003. He is a Chartered Accountant registered with the Malaysian Institute of Accountants. He graduated from University of Malaya in 1977 with a degree in economics majoring in accounting and completed the post graduate diploma in accounting from the University of Malaya. He joined Bank Bumiputra (M) Berhad as an officer in March 1977 and in July 1979 joined South Kelantan Land Development Authority (KESEDAR) as an accountant. In August 1980 he became the finance manager of Kelantan State Land Development and Rehabilitation Corporation (TAKDIR) and in May 1983 he joined University Sains Malaysia as Deputy Treasurer. In March 1999 he joined FELCRA as a general manager – Business Development. On 1 August 1999 he was appointed as the financial consultant to SMPC Group and on the board of SMPC on 26 April 2000. He subsequently resigned from the board of SMPC on 30 April 2004.

(ii) **Tengku Daud Shaifuddin bin Tengku Zainudin**

Tengku Daud, aged 45, was appointed to the board of Perisai on 1 June 2004. He has more than fifteen years of experience in the oil and gas industry with Carigali and PETRONAS Mitco (Japan) Sdn. Bhd. He joined Carigali after graduating from the University of Exeter, England with a Bachelor of Science (Honours) in Physics with Geophysics.

Tengku Daud has international working experience in Vietnam, Turkmenistan, France, Taiwan and Syria. He was involved in the seismic operations and data processing for Carigali in Block PM12, PM6, PM5, Baram Delta, Tembungo, Block 1 and 2 in Vietnam, Tishreen Permit and East Ash Sham Block in Syria. He was involved in the PSC negotiations for Block 1 and business development in Turkmenistan and spent about two years there securing the contract.

Tengku Daud is a Past-President of the Malaysian Society of Exploration Geophysicists and an active member of the International Society of Exploration Geophysicists. With his in-depth experience in offshore oil exploration, Tengku Daud has a good understanding of the corrosion problems encountered by offshore oil and gas structures as well as the practical limitations of various corrosion products and solutions, which enables him to effectively experiment with and evaluate the effectiveness of various corrosion control solutions. Thus, in addition to being the Executive Director of the Perisai Group, Tengku Daud has also been heading and will continue to be the head of the Group's R&D team. He directs the R&D activities of the Group towards the development of "home grown" corrosion control products and solutions that are innovative, effective and price competitive.

Tengku Daud currently sits on the board of SAAG, as well as a number of other private limited companies.

(iii) **Nagendran a/l C. Nadarajah**

Nagendran, aged 50, was appointed to the board of Perisai on 1 June 2004. He is responsible for the Group's financial management. In addition, he is also responsible for sales and marketing efforts with a specific task in developing the overseas market for the Group's products and solutions.

Nagendran is a fellow member of the Chartered Association of Certified Accountants and has a Master in Business Administration, majoring in Finance from the City University, London.

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**7. PROMOTERS / SUBSTANTIAL SHAREHOLDERS / DIRECTORS / KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (cont'd)**


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He has worked for over 20 years under various capacities in the oil and gas industry, commerce and educational establishments, mostly in the UK and Africa.

Nagendran has been part of the Corrosion Control Solution Committee of the R&D team and was involved in the development of the CorroCap™ and Composite Sleeve Repair. However, as the organisation expands and takes in new R&D members, Nagendran will focus on his functions relating to finance and international marketing.

(iv) **Juhari bin Husin**

Juhari, aged 48, was appointed to the board of Perisai on 1 June 2004. He has twenty years of experience in areas related to design, evaluations, technical audits, engineering construction and condition assessments of major mechanical equipment, process plants and pipelines in the oil and gas, petrochemical, power and marine industries. He has an extensive hands-on experience at various levels from field supervision through project management and ten years in managerial capacity. He is instrumental in the development and applications of rope access technology in Malaysia.

He has a Bachelor and Master of Science majoring in Mechanical Engineering from the Universities of Surrey (England) and Strathclyde (Scotland) respectively. He is a professional Engineer registered with the Board of Engineers Malaysia, a Fellow of the Institution of Engineers Malaysia and a registered Gas Engineer with the Energy Commission of Malaysia.

Due to his exposure relating to a wide range of engineering activities in the oil and gas, petrochemical and power industries, he provides valuable input to the R&D team in respect of exploration of new and revolutionary methods of corrosion control and prevention techniques. Juhari, together with Zamri bin Zakaria, is responsible for the in-house testing and evaluation of the effectiveness of prototypes of new products and solutions being developed by the Group.

(v) **Dato' Dr. Mohd. Ariffin Hj. Aton**

Dato' Dr. Mohd. Ariffin Hj. Aton, aged 59, was appointed on the board of Perisai on 1 June 2004. He holds a Doctorate in Chemical Engineering from the University of Leeds. Dato' Dr. Mohd. Ariffin started his professional career as a process engineer with Esso Refinery in Port Dickson in 1970. In November 1975, he joined the academia, as a Lecturer in Chemical Technology, Chemistry Department in Universiti Kebangsaan Malaysia ("UKM"). After numerous promotions he left UKM in 1989 as the Dean (Founder) of Engineering Faculty to join PRSS as the Deputy Director Downstream. Upon the corporatisation of PRSS in 1994 he was appointed as the Managing Director/Chief Executive. He was subsequently appointed as the President and Chief Executive of SIRIM Berhad ("SIRIM") in September 1996. He also serves as the Chairman of a number of SIRIM subsidiaries, namely SIRIM QAS International Sdn Bhd, SIRIM Projass Engineering Sdn Bhd and SIRIM Sime Technologies Sdn Bhd, and also as an Executive Director for SIRIM Training Services Sdn Bhd.

Dato' Dr. Mohd. Ariffin is the President of the Malaysian Association of Research Scientists (MARS) and he sits in various national committees such as National Council For Scientific Research & Development, Selangor Information Technology Council, Malaysian Scientific & Technology Information Council, Government IT & Internet Committee, Malaysian Nuclear Technology Advisory Board, the Asian Pacific Centre for Transfer of Technology (APCTT) and Malaysian Standards & Accreditation Council. He is an Advisory Council Member for Centre for Intellectual Promotion and Technology Advancement (CIPTA) and also a Member for Industrial Advisory Board for University of Nottingham Malaysia Campus.

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**7. PROMOTERS / SUBSTANTIAL SHAREHOLDERS / DIRECTORS / KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (cont'd)**


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**(vi) Abdul Hamid bin Mohamed Ghows**

Abdul Hamid bin Mohamed Ghows, aged 53, was appointed on the board of Perisai on 1 June 2004. He is a fellow of the Institute of Chartered Accountants in England & Wales (ICAEW), Chartered Institute of Management Accountants, UK (CIMA), Association of Chartered Certified Accountants, UK (ACCA) and Chartered Accountant Malaysia. Abdul Hamid began his career in 1969 with Champness, Cowper & Co. an accounting firm in the UK. Subsequently he left for Singapore to join Price Waterhouse Singapore in 1974, Kenmore Asia Pte Ltd as General Manager in 1975 and as a Chief Accountant at Drexel Oilfield Services Pte Ltd in 1981. In 1984 he returned to Malaysia to join Rothmans Malaysia as a Financial Accounting Manager. He subsequently left Rothmans Malaysia in 2000 to his current position as the Chief Risk Officer of RHB Bank Berhad. Abdul Hamid also serves as a non-executive director of Malaysian Merchant Marine Berhad and Lay Hong Berhad.

**(vii) Yogesvaran a/l T Arianayagam**

Yogesvaran, aged 52, was appointed to the board of Perisai on 30 October 2003. He is a Fellow of Chartered Institute of Management Accountants, UK (FCMA), a Chartered Accountant with the Malaysian Institute of Accountants and an associate member of the British Institute of Management. He joined British Steel Corporation, England in 1974 as a management accountant. Subsequently he returned to Malaysia in 1976 to join Aseambankers Malaysia Berhad till 1984. In May 1984 he joined Sampoorina Holdings Berhad. In November 1989 he joined Murnivest Sdn Bhd as managing director and in January 2003 AsianPac Management Sdn Bhd as managing director.

Yogesvaran currently sits on the board of Multi-Purpose Insurans Berhad, as well as a number of other private limited companies.

**(viii) Devarajah a/l C. Navaratnam**

Mr Devarajah, aged 51, is a Chartered Accountant registered with Malaysian Institute of Accountants. He has worked the past 29 years since 1973. He was attached with an established local audit firm T. Chellappah & Co from 1973 to 1975. Subsequently, he left to be an accountant in Rafina Oil Products Sdn Bhd in May 1980 and Drexel Oilfield Services (M) Sdn Bhd in October 1983. In September 1984 he joined Sampoorina Holdings Sdn Bhd as a senior finance manager. His last appointment for period of 10 years from 1989 to 1999 was with Rothman of Pall Mall (M) Berhad as its Financial Accountant. Since then he has been providing financial advisory services to a number of small and medium sized companies in Malaysia and Singapore. He joined the Perisai Group in 2000 as a corporate and financial adviser to CSSB and RMSB.

**(ix) Yeo Peck Chin**

Yeo Peck Chin, aged 39, is a fellow member of the Association of Chartered Certified Accountants (FCCA) and a member of Malaysian Institute of Accountants (MIA). He was attached with an established local audit firm Azman, Wong, Salleh & Co in 1992 and subsequently joined Hong Leong Property Management Co Sdn Bhd ("HLPM"), a property management arm of Hong Leong Properties Bhd in 1994 as an Assistant Accountant. He left HLPM in 1997 as a Finance Manager and joined Corroless (M) Sdn Bhd, a company which is involved in the concrete repairs and anti-corrosion industry. In 2003 he left Corroless (M) Sdn Bhd as the Assistant General Manager (Finance) to join the Perisai Group.

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**7. PROMOTERS / SUBSTANTIAL SHAREHOLDERS / DIRECTORS / KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (cont'd)**

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**(x) Zamri bin Zakaria**

Zamri, aged 39, possesses more than 10 years of experience relating to the management and operations of inspection relating to corrosion impact and control as well as supervising the maintenance of platforms and structures in the oil and gas industry. Zamri, together with Juhari, is responsible for the Group's in-house testing and evaluation of new corrosion control products and solutions being developed by the R&D team and acts as the R&D team's liaison with DnV in respect of the certification of its newly developed products and solutions.

**(xi) Mohd. Sanim bin Ismail**

Mohd. Sanim, aged 29, graduated from the University of Huddersfield, UK in 1998 with a Bachelor of Engineering (Honours) majoring in Engineering Systems Control. He started his career with BCM Electronics Corp. Sdn. Bhd. as a Material Quality Engineer and progressed to the position of Senior Engineer for Quality Control prior to joining CSSB in October 2001. In addition to supervising on site implementations of CSSB's products and solutions, Mohd. Sanim also works closely with clients to provide technical services in order to identify cost effective solutions for corrosion prevention and conducts testing on corrosion control materials and also methods to improve efficiency of corrosion protection systems thus making him an important contributor to the Group's R&D team.

**(xii) A. Ghani. Bin Md. Tahir**

A. Ghani, aged 48, is a general manager in Perisai and also the marketing and logistics manager in CSSB. He has 20 years of work experience in the semiconductor industry with Motorola Malaysia Sdn Bhd, of which 10 years was as a section head in the production department and actively involved in the management decisions. He was promoted to a Senior Material Specialist and taking charge of both the Warehousing and International Logistics Department which involved thousands of piece-parts totaling USD 15 million and the import and export activities respectively in the following 10 years. He joined CSSB and assumed his current position in 2002.

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## 8. SUMMARY OF FIVE YEAR BUSINESS PLAN

The Perisai Group has a market share of approximately 9% for corrosion control products in 2002, with the rest of the market accounted by the various paints and coatings companies, which are not direct competitors to the Group's range of products. Over the next 5 years, the Group's business goal is to establish itself as the market leader in the offshore oil and gas sector of the Asian region, diversify into other related services to the oil and gas industry as well as introduce the Group's corrosion control products and solutions to the onshore oil and gas, marine and power industries. To achieve this, the Group will be embarking on the following broad strategies over the next 5 years:

- (i) consolidation of position in the Malaysian offshore oil and gas industry;
- (ii) product development;
- (iii) industry diversification;
- (iv) geographic market expansion; and
- (v) human resource development.

### 8.1 Consolidation of position in the Malaysian offshore oil and gas industry

The Group has approximately 9% market share of the Malaysian offshore oil and gas platforms market in respect of atmospheric corrosion control products in 2002. The Group is confident of increasing its market share to 20% within the next five years, which the Group believes is achievable given the forecasted / projected compounded annual growth rate of 8.9% in this market over the next five years as reported in Frost & Sullivan Report dated April 2004.

CSSB was awarded with the PETRONAS Vendor Status in May 2000 under the VDP to manufacture, supply and install protective systems for corrosion prevention on all fasteners, new pipe flange surfaces and pipe supports including surface preparation, supply and installation on corroded fasteners and flanges surface for a period of five years. The program was extended in February 2002 to include the inspection and maintenance of risers / riser clamps. Although awarded under the VDP scope earlier, full implementation of the Vendor Status came much later upon the conclusion of the Master Service Agreement and the award of the individual contracts from PETRONAS' PSC contractors, namely, *inter alia*, Carigali, ExxonMobil, Shell and Nippon Oil for the provision of corrosion control services in May / June 2003. The Master Service Agreement provides the basis of the said contracts between PETRONAS' PSC contractors and CSSB. Each contract is for a duration of 3 plus 2 years from the date of the respective contracts.

Thus, the penetration of its innovative range of corrosion control products and solutions, namely CorroCap™, FlangeShield™ and Riser Clamp Shield™ in Malaysian offshore oil and gas operations has been relatively low. To date, CSSB's corrosion control and prevention systems have been implemented in nine new platforms with a 100% coverage at a total value of RM15 million. The above systems are quickly gaining market recognition and acceptance as innovative, cost effective, environmental friendly and long term corrosion control and prevention solutions for bolts and nuts, flanges and riser clamps in offshore platforms. With the signing of the above agreements with PETRONAS' PSC contractors, CSSB will aggressively market its corrosion control products and solutions in Malaysia and expects further penetration in offshore platforms for 2004 onwards in respect of the above systems.

The use of Fibaroll and the development of Composite Sleeve Repair Technology as a cost efficient and effective long-term riser / pipe repair and rehabilitation solution was only recently developed in 2002 and is presently undergoing product refinement. As such, market penetration has been minimal. As at the end of 2003, only eleven risers were repaired at a total value of RM4.1 million. The Group's management sees the usage of Fibaroll together with the Composite Sleeve Repair Technology as a technological breakthrough in the repair / rehabilitation of corroded risers and pipes. Thus, the Group will be marketing aggressively for the adoption of this system in Malaysia from 2004 onwards.

## 8. SUMMARY OF FIVE YEAR BUSINESS PLAN

### 8.2 Product Development

In addition to the above, the Group expects its share of the market to strengthen with its continued development of innovative products and solutions relating to metal preservation and protection against corrosion. As in the past, products and solutions to be developed by the Group will have the following common characteristics:

- (i) innovative solutions compared to the existing methods employed;
- (ii) environmentally friendly;
- (iii) more cost effective and efficient, i.e. compared to existing solutions employed, the new solution / system to be developed by the Group will be more effective in controlling or preventing corrosion over a longer period and at a lower cost; and
- (iv) minimises interruption to the plant operation process such as operational shutdown. Most of the solution developed by the Group do not require operational shutdown for implementation or application. This results in significant savings for the clients as there is no lost production time and the expensive setting up of production again.

In order to achieve the above qualities, the Group will be strengthening its product R&D team and also formalising its product R&D process in a more structured manner. In addition, the Group will continue to strengthen its tie-up with PRSS, its partner in providing the testing facilities at its laboratories for the Group's products. The Group will also continue its tie up with DnV, which performs the verification and certification of the effectiveness of the products and solutions developed by the Group.

Some of the R&D projects in the pipeline include the following:

#### (i) Enhancement of Fibaroll

The Group believes Fibaroll, given further R&D, has vast potential in enhancing the qualities of the Perisai Group's corrosion control products and solutions. Extensive R&D is expected to be carried out to develop new products and solutions. Some of the R&D projects involving Fibaroll are as follows:

- (a) The Group intends to replace the original Fibaroll composites which it currently uses with the improved composites for the repair and refurbishment of risers and pipes, which are able to operate under high internal pressure conditions. The improved structural strength of the Fibaroll will provide higher levels of safety for the risers and pipes.
- (b) The expansion of micro fouling is undesirable on many surfaces, such as industrial process equipment, drinking water distribution systems, and ship hulls. This results in energy loss and reduced performance due to the necessity of regular cleaning. Approximately 70% of the world fleet are protected against fouling organisms by modern tributyltin-based self-polishing copolymer systems. However the usage of this system has caused severe tributyltin contamination in coastal waters and mariculture activity. The Company intends to develop a system using Fibaroll (Fibaroll-Anti Fouling System) that is able to prevent fouling as well as corrosion.
- (c) Corrosion of storage tanks is also a common problem. The type of corrosion occurring depends upon the cargo and environment. For non-aggressive storage the most common areas of damage are corrosion of floors (both inside and out) on above ground storage and the externals, plus internal base of underground or buried tanks. The Group intends to develop a new generation of "smart" products and solutions involving Fibaroll that are able to predict failure mode inside storage tanks and transmit the appropriate signals to the owner / operator to provide an early warning of potential instability, thus allowing remedial action to be taken before damage occur.



## 8. SUMMARY OF FIVE YEAR BUSINESS PLAN

### (ii) Single Coat Weather Independent Coating (Aquashield)

The use of a single coat, weather independent, environmentally friendly coating offers significant cost advantages to an operator. In addition to its unique application under water, it offers on site maintenance, reduced turnaround times and shorter shut down periods and dry-docking. This can result in tremendous savings for platform operators, ship owners and marine departments. At present, single coat, weather independent and environmentally friendly coating products are developed by western countries and tend to be expensive.

The Group is in the process of developing its own proprietary blend of single coat, weather independent and environmentally friendly coating that is not only more price competitive compared to existing products, but also incorporates anti-fouling properties which present products do not offer.

### (iii) Enhancement of Composite Sleeve Repair System

The existing Composite Sleeve Repair System despite being cost effective and tested to be effective, does not offer feedback or predict failure or changes within the repair. The Group is in the process of developing the system to enable it predict failure modes in the repair and to incorporate findings within micro-chips and sensors and to relay the information to the owner / operator. This would enable remedial action to be taken before repair failure occurs thus minimising losses due to shut down time and also minimising environmental pollution.

### (iv) Splash Zone and Fire Protection System

The most severe corrosion occurs in the splash zone where corrosion rates are generally more than twice compared to those in the immersed portion. Structures in the splash zones, such as jacket legs, conductors, risers, jetty piles and wharf piling, pass through the whole range of marine environments from the mud line through total immersion, tidal zone, splash zone and marine atmosphere.

The Group plans to modify the composite sleeve repairs system to cover splash zone protection. It will include, *inter alia*, substituting load bearing epoxy resins with specially formulated high compressive strength concrete coatings for leak containment and structural strength.

## 8.3 Industry diversification

The corrosion control products developed by the Group are also suitable for other industries such as marine shipping and other onshore structures located near coastal areas such as petroleum refinery and petrochemical plants as these are huge metal structures mainly comprising carbon steel and are thus subject to corrosion. The power industry is also another potential market. Although not as severe as offshore oil and gas operations, corrosion still remains a significant problem in the above structures.

The Group intends to market for the use of CorroCap™, FlangeShield™ and Riser Clamp Shield™ as well as Fibaroll and Composite Sleeve Repair Technology by the petroleum refineries, petrochemical plants, marine shipping and the power industry.

As the Group's products have been proven as long term cost effective solutions against the demanding and harsh corrosion accelerating environment of the sea in offshore oil and gas platforms (and certified by reputable international organisations), the Group's management therefore believes that its products will be accepted in the abovementioned industries. Furthermore, the PETRONAS's PSC Contractors also have onshore operations, owning a number of refineries and petrochemical plants related to its offshore operations.

In addition to the above, the Group will also expand into services related to the oil and gas industry via its proposed subsidiary, RMSB. These services mainly relate to inspection, cleaning, repair and restoration of heat exchangers, boilers and condensers.

## 8. SUMMARY OF FIVE YEAR BUSINESS PLAN

### 8.4 Geographic market expansion

The Directors of Perisai believe that the corrosion control products and solutions it developed are of international standard and thus can be marketed successfully in the international arena. It is thus the Group's intention to increase its export revenue base in the longer term by penetrating the overseas market for its existing corrosion control products and solutions.

The Group intends to penetrate the overseas market by appointing reputable agents within those countries who will act as representatives for the Group. The agents will be supported by a team of dedicated staff from Malaysia as and when required. To date, the Group has appointed agents in UAE, Thailand, Brunei and Oman. The Group has also applied for patent for its major products and solutions in its target countries such as Malaysia, Indonesia, USA, UK, Mexico, Thailand, India and Norway. Nevertheless, the Group believes its export market growth will principally come from Indonesia, Brunei, Thailand, Vietnam and the Middle Eastern countries.

For 2004, the new markets which the Group intends to penetrate further are Brunei and Indonesia. The focus on this marketing drive is on information dissemination and product promotion in order to promote the awareness amongst offshore operators of the Group's corrosion control products and solutions that are just as effective (as certified by international bodies), environmentally friendly and several times more cost competitive than alternative solutions developed by the more developed nations.

The ability of the Group's products and solutions to compete in the international market is proven by the recent award of a underwater pipe rehabilitation project worth RM2.6 million by Brunei Shell using the Group's permanent Composite Sleeve Repair Technology, a RM0.7 million contract to supply and install CorroCap™ and FlangeShield™ for complete protection of all the nuts, bolts and flanges at an offshore platform operated by Carigali-Triton Operating Company Sdn. Bhd. located at Malaysia-Thailand waters as well as a RM0.285 million project in connection with the supply of several Marine Growth Pile Protectors to an offshore platform operated by Pertamina / Total Fina Elf in Indonesia. It is worthwhile to note that the Group had to compete against other international players in the open market to win the above contracts as the Group was not protected by the VDP umbrella in the open market. The Group is also currently tendering for some pipe rehabilitation projects in Indonesia with its permanent Composite Sleeve Repair Technology.

### 8.5 Human resource development

The Group takes cognisance that in the modern economy, human capital endowed with sufficient appropriate knowledge and skills are highly critical to ensure its ability to meet customer demands and maintain its competitive edge. Hence the Group places great emphasis on developing "knowledge workers" to ensure that the services and solutions provided by the Group to its customers are of impeccable quality and standard. The Group has and will always strive to recruit and retain highly competent staff in the pursuit of its corporate objectives. The proposed human resource development plan for the next five years is as follows:

- (i) Expanding the Group's workforce in line with Group's proposed expansion, particularly the R&D team;
- (ii) Ensuring that a high level of competency amongst staff in their respective job functions are continuously maintained and improved upon by investing in continuous staff training and development activities / programmes; and
- (iii) Proposed implementation of an employees' share option scheme for the benefit of the Group's eligible employees and directors in recognition of their contribution to the Group's success and performance and to align the employees' objectives with that of the Group.

## 9. APPROVALS AND CONDITIONS

### 9.1 APPROVALS FROM THE RELEVANT AUTHORITIES

The following approvals from relevant authorities were obtained in conjunction with the Public Issue:

- (i) the MITI, for the Flotation Scheme, approval of which was obtained on 18 February 2004;
- (ii) the SC (which includes approval sought under the FIC's guidelines), for the Flotation Scheme, approval of which was obtained on 16 April 2004; and
- (iv) Bursa Malaysia, for the Flotation Scheme, approval of which was obtained on 20 April 2004.

### 9.2 CONDITIONS TO THE APPROVALS AND COMPLIANCE THEREOF

The approvals from the aforesaid authorities were subjected to, *inter alia*, the following conditions:

Authority	Conditions imposed	Status of compliance
MITI	1. Perisai is required to increase its Bumiputra equity participation to at least 30% of its share capital within 5 years after admission, or within 1 year after meeting the requirements for listing on the Second Board of Bursa Malaysia, whichever is earlier;	To be complied.
	2. To obtain SC's approval for the Proposed Flotation and compliance with the Policies and Guidelines on Issue/Offer of Securities issued by the SC; and	Complied. Approval obtained on 16 April 2004.
	3. To obtain MESDAQ's approval	Complied. Approval obtained on 20 April 2004.
Bursa Malaysia	1. Perisai to make a detailed disclosure in its Prospectus of the following:-	
	<ul style="list-style-type: none"> <li>• The basis of valuations of CSSB, FSSB, OTSB, RMSB and WWSB which are based on a premium over audited NTA and price earnings multiple, together with the comparison made with other listed companies with similar business activities on reasonableness of the valuation;</li> </ul>	Complied. Please refer to Section 3.3 of this Prospectus.
	<ul style="list-style-type: none"> <li>• RIL will assign the rights of CorroCap and any other relevant products in all other parts of the world which includes all the patent granted and to be granted in Indonesia, Australia, UK, USA, Thailand and India to the Perisai Group prior to the listing of Perisai;</li> </ul>	Complied. Please refer to Section 5.3.10 Note (i) of this Prospectus.
	<ul style="list-style-type: none"> <li>• Mitigating steps/actions to be taken by the Perisai Group in the event PRSS claims full ownership for all the Intellectual Properties rights jointly owned by PRSS and the Perisai Group;</li> </ul>	Complied. Please refer to Section 4.9 of this Prospectus.
	<ul style="list-style-type: none"> <li>• Impact to the Group's business in the event that PRSS claims full ownership for all the Intellectual Properties rights; and</li> </ul>	Complied. Please refer to Section 4.9 of this Prospectus.

## 9. APPROVALS AND CONDITIONS (Cont'd)

Authority	Conditions imposed	Status of compliance
	<ul style="list-style-type: none"> <li>That the Group is not relying on PRSS for its product development and will only use PRSS' testing equipment to test its products.</li> </ul>	Complied. Please refer to Section 5.3.13 of this Prospectus.
	<p>2. Perisai to strictly adhere to rule 6.66 of the Listing Requirements of Bursa Malaysia for the MESDAQ Market on related party transactions and to adequately disclose in its Prospectus the following:</p> <ul style="list-style-type: none"> <li>Whether all existing related party transactions between the Perisai Group, RIL and ESB ("Related Companies") are on an arms length basis and on terms not more favourable to the related parties than those generally available to the public;</li> <li>Principal activities of the Related Companies;</li> <li>Nature of business transactions between the Perisai Group and the Related Companies</li> </ul>	<p>Complied. Please refer to Section 10.4 of this Prospectus.</p> <p>Complied. Please refer to the note in Section 10.4 of this Prospectus.</p> <p>Complied. Please refer to Section 10.4 of this Prospectus.</p>
	<p>3. Perisai to inform the Exchange on the appointment of independent directors and to provide confirmation that they qualify as independent directors as defined in the MMLR; and</p>	Complied. Letter furnished to Bursa Malaysia on 9 June 2004.
	<p>4. Perisai to include a negative statement in its Prospectus on the exclusion of profit forecast and projections from the Prospectus and the reasons thereof.</p>	Complied. Please refer to Section 12.3 of this Prospectus.
SC	<p>1. Perisai is required to disclose the status of utilisation of the proceeds raised from the Public Issue in its quarterly reports and annual report until the proceeds have been fully utilised;</p>	To be complied with
	<p>2. RHB Sakura/Perisai are required to inform SC of the completion of the Flotation Scheme; and</p>	To be complied with
	<p>3. RHB Sakura/Perisai are required to inform SC of the status of the condition imposed by MITI on CSSB with regards to the disposal of CSSB shares.</p>	Complied

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


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**9.3 MORATORIUM**

Pursuant to the MMLR, Shares held by the promoters of Perisai amounting to 45% of the nominal issued and paid-up share capital of the Company at the date of admission of Perisai to the Official List of the MESDAQ Market are to be placed under moratorium. The promoters whose shares are subject to moratorium are as follows:

<b>Promoter</b>	<b>No. of Shares to be held under moratorium</b>	<b>% of share capital</b>
MTSB	44,205,488	21.25
TTSB	12,693,622	6.10
Tengku Daud Shaifuddin bin Tengku Zainudin	18,351,431	8.82
Nagendran a/l C. Nadarajah	14,679,567	7.06
Juhari bin Husin	3,669,892	1.77
Devarajah a/l C. Navaratnam	-	-
<b>TOTAL</b>	<b>93,600,000</b>	<b>45.00</b>

The moratorium has been fully accepted by the promoters. They will not be allowed to sell, transfer or otherwise dispose of any part of their interest in the Shares under the moratorium within one year from the date of admission of Perisai on the Official List of MESDAQ Market, and thereafter, they are permitted to sell, transfer or otherwise dispose of up to a maximum of one-third per annum of their respective shareholding under moratorium on a straight line basis.

This restriction, is specifically endorsed on the share certificates of Perisai representing the shareholdings of the promoters which are under moratorium to ensure that the Company's registrar shall not register any transfer which is not in compliance with the moratorium restrictions.

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## 10. CONFLICT OF INTEREST & RELATED PARTY TRANSACTION

10.1 Set out as follows are the declaration by the advisers:-

- (i) RHB Sakura hereby confirms that there is no existing or potential conflict of interest in its capacity as the Adviser, Underwriter, Placement Agent and Sponsor for the Public Issue.
- (ii) Kumpulan Naga hereby confirms that there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants for the Public Issue.
- (iii) Paul Cheah & Associates hereby confirms that there is no existing or potential conflict of interest in its capacity as the Solicitors for the Public Issue.
- (iv) Frost & Sullivan hereby confirms that there is no existing or potential conflict of interest in its capacity as the Independent Market Research Consultant.

10.2 Save as disclosed below, none of the directors or substantial shareholders of Perisai have any interest, direct or indirect, in any other business carrying on a similar trade as Perisai or any of its subsidiary companies:

Tengku Daud Shaifuddin bin Tengku Zainudin, a promoter, director and substantial shareholder of the Company, is a director of SAAG. SAAG is an investment holding company, with subsidiaries principally involved in the supply of engineering equipment and spare parts to the oil and gas industry. The Board of Directors of Perisai are of the view that the business activities of SAAG and its subsidiaries do not compete with the business activities of the Perisai Group.

10.3 Save for the Acquisitions referred to in section 3.3 (i) of this Prospectus, none of the directors or substantial shareholders of Perisai have any interest, direct or indirect, in the promotion of or in any assets acquired by or proposed to be acquired by or assets disposed of by or proposed to be disposed of by or leased to or proposed to be leased to the Company or its subsidiary companies within the two years preceding 31 May 2004.

10.4 Save as disclosed below, none of the directors or substantial shareholders of Perisai have any interest in any contract or arrangement, which is significant in relation to the business of the Company or its subsidiary companies taken as a whole subsisting as at 31 May 2004:

### **Licensing Agreement dated 8 December 2003 between RIL and CSSB**

RIL has granted CSSB an exclusive licence to use and supply CorroCap™ and FlangeShield™ (“Products”) in South East Asia (excluding Malaysia) and/or a worldwide (excluding South East Asia) first right of refusal licence to use and supply the Products. The duration of the licence is 10 years commencing from 8 December 2003 with an option to renew for a further 5 years. Where the work is secured by CSSB, CSSB shall pay RIL for the use and supply of the Products, a fee of 10% of the revenue from the sale of the Products. Where the work is secured by RIL, CSSB shall pay RIL for the use and supply of the Products, a fee of 15% of the revenue from the sale of the Products. Neither party may assign its rights under the Licensing Agreement without prior written consent from the other party.

Nagendran a/i C Nadarajah is a director of Perisai, CSSB as well as RIL. He is also a substantial shareholder of Perisai and RIL and deemed interested in CSSB by virtue of his substantial shareholdings in Perisai.

The transaction was conducted on an arms length basis and on terms not more favourable to the related party than those available to the public.

**10. CONFLICT OF INTEREST & RELATED PARTY TRANSACTION (Cont'd)****Licensing Agreement dated 30 April 2003 between PRSS, OTSB and CSSB**

Licence Agreement for CSSB to design, manufacture, supply & install the Composite Sleeve Repair Technology ("Technology"). PRSS together with OTSB are joint owners of the Technology. PRSS and OTSB have granted CSSB a worldwide, first right of refusal licence to design, manufacture, supply and install the Technology. The duration of the licence is 20 years commencing from 30 April 2003 with an option to renew for a further ten years. Where the work is secured by PRSS and CSSB, CSSB shall pay PRSS and OTSB a fee for the use of the Technology. For work obtained through PRSS only, CSSB will pay PRSS an additional fee for the use of the Technology.

Tengku Daud Shaifuddin Bin Tengku Zainudin is a director of Perisai, OTSB as well as CSSB. He is also a substantial shareholder of Perisai and CSSB and deemed interested in OTSB by virtue of his substantial shareholdings in Perisai. Renata Anita De Raj is a director of OTSB and is a person connected to Nagendran a/l C Nadarajah (pursuant to Section 122A of the Act) who is a director of Perisai and CSSB as well as a substantial shareholder of Perisai and deemed interested in CSSB and OTSB by virtue of his substantial shareholdings in Perisai.

The transaction was conducted on an arms length basis and on terms not more favourable to the related party than those available to the public.

**Sub-Contract Agreement dated 1 April 2003 between CSSB and RMSB**

Sub Contract Agreement dated 1 April 2003 between CSSB and RMSB for the provision of heat exchanger inspection and specialist services for Carigali's operation in Peninsular Malaysia, Sarawak and Sabah. CSSB shall pay to RMSB when payment is received from Carigali in accordance to the Main Contracts. The Main Contracts are between CSSB and Carigali dated 7 and 11 March 2003 for the provision of similar services i.e provision of heat exchanger inspection and specialist services for Peninsular Malaysia, Sarawak and Sabah for a duration of 3 years with a right to extend the contract for a further 2 years. In any event, CSSB shall be entitled to deduct a certain percentage of the total invoice rendered by CSSB to Carigali for the services or products provided and pay the balance to RMSB. The actual percentage is to be agreed by CSSB and RMSB for each job. The duration is for 3 years with an option for extension for another 2 years.

Tengku Daud Shaifuddin Bin Tengku Zainudin is a director of Perisai, RMSB and CSSB. He is also a substantial shareholder of Perisai and CSSB and deemed interested in RMSB by virtue of his substantial shareholdings in Perisai. Juhari Bin Husin is a director of Perisai and RMSB as well as CSSB. He is also a substantial shareholder of Perisai (by virtue of his substantial shareholdings in TTSB, which is a substantial shareholder of Perisai) and deemed interested in CSSB and RMSB by virtue of his substantial shareholdings in Perisai.

The transaction was conducted on an arms length basis and on terms not more favourable to the related party than those available to the public.

**Distribution Agreement dated 16 January 2003 between WWSB and CSSB**

Distribution Agreement appointing CSSB as a sole and exclusive distributor of Biosolve<sup>®</sup> products for the oil and gas industry in West Malaysia. WWSB is in the business of supplying the Biosolve<sup>®</sup> products and related services which relates to the hydrocarbon mitigation technology. CSSB is required to purchase a minimum stipulated stock of Biosolve<sup>®</sup> products annually to avail itself of a special distributor price from WWSB. The duration of the contract is for 2 years commencing 16 January 2003, with an extension for a further 2 years upon agreement by both parties.

Devarajah a/l C Navaratnam is a director for WWSB and deemed interested in WWSB by virtue of his substantial shareholdings in Perisai and is a person connected to Nagendran a/l C Nadarajah (pursuant to Section 122A of the Act) who is a director of Perisai and CSSB as well as a substantial shareholder of Perisai and deemed interested in CSSB and WWSB by virtue of his substantial shareholdings in Perisai.

**10. CONFLICT OF INTEREST & RELATED PARTY TRANSACTION (Cont'd)**

The transaction was conducted on an arms length basis and on terms not more favourable to the related party than those available to the public.

**Sub-Contract Agreement dated 1 July 2002 between CSSB and RMSB**

Sub Contract Agreement dated 1 July 2002 between CSSB and RMSB for the provision of Inspectors/ Non-Destructive Testing technicians to PETRONAS Methanol Labuan ("PML"). CSSB shall pay to RMSB when payment is received from Carigali in accordance to the Main Contract. The Main Contract is between CSSB and PML on 15 June 2002 for the Provision of Inspectors/ Non-Destructive Testing technicians to PML for a duration of 2 years with a right to extend further on mutual agreement. In any event, CSSB shall be entitled to deduct a certain percentage of the total invoice rendered by CSSB to PML for the services or products provided and pay the balance to RMSB. The actual percentage is to be agreed by CSSB and RMSB for each job. The contract is for a duration of 2 years with an option for extension.

Tengku Daud Shaifuddin Bin Tengku Zainudin is a director of Perisai, RMSB and CSSB. He is also a substantial shareholder of Perisai and CSSB and deemed interested in RMSB by virtue of his substantial shareholdings in Perisai. Juhari Bin Husin is a director Perisai and RMSB as well as CSSB. He is also a substantial shareholder of Perisai (by virtue of his substantial shareholdings in TTSB, which is a substantial shareholder of Perisai) and deemed interested in CSSB and RMSB by virtue of his substantial shareholdings in Perisai.

The transaction was conducted on an arms length basis and on terms not more favourable to the related party than those available to the public.

**Share Sale Agreement dated 21 August 1999 between Renata Anita De Raj, Nagendran a/l C. Nadarajah, CSSB and RIL**

The Agreement is in respect of the sale by Renata Anita De Raj of 789,474 cumulative redeemable 5% preference shares of USD1 each in RIL (hereinafter referred to as "Preference Shares") to CSSB for a consideration of USD789,474.00. The redemption date for the Preference Shares is 1 July 2008 ("Redemption Date"). CSSB is entitled to convert all the Preference Shares to ordinary shares of USD1 each in RIL if RIL fails to redeem the Preference Shares by the Redemption Date. CSSB also has an option to convert all the Preference Shares into fully paid up Ordinary Shares prior to 6 months before the Redemption Date.

Nagendran a/l C Nadarajah is a director of Perisai, CSSB as well as RIL. He is also a substantial shareholder of Perisai and RIL and deemed interested in CSSB by virtue of his substantial shareholdings in Perisai. Renata Anita De Raj is a substantial shareholder and director in RIL and is a person connected to Nagendran a/l C Nadarajah (pursuant to Section 122A of the Act).

The transaction was conducted on an arms length basis and on terms not more favourable to the related party than those available to the public.

**Distributor Contract dated 1 May 1998 between ESB and CSSB**

Contract for the distribution and manufacture of Impactors and Protectors for Marine Growth Control ("Products"). The Products are as follows:-

- a) Impactors - an apparatus for the combating of marine growth on submerged structures; and
- b) Protectors - an apparatus which consists of a single collar or a series of collars identical to the Impactor that are held connected by linkages that form an effective cleaning collar for the purposes of maintaining the submerged structure free of calcareous marine organism.

ESB has the exclusive rights to market and manufacture the Products worldwide. ESB has appointed CSSB as the exclusive sole distributor and manufacturer of the Products. CSSB shall pay a commission of 10% to ESB on the total contract value of the Products transacted by CSSB.



**10. CONFLICT OF INTEREST & RELATED PARTY TRANSACTION (Cont'd)**

Nagendran a/l C Nadarajah is a director of Perisai and CSSB. He is also a substantial shareholder of Perisai and deemed interested in CSSB by virtue of his substantial shareholdings in Perisai. He is also a director in ESB.

The transaction was conducted on an arms length basis and on terms not more favourable to the related party than those available to the public.

**Project Agreement dated 12 July 1996 between CSSB, RIL and PRSS for the Project Development of Corrosion Control Products**

Project Agreement between CSSB, RIL and PRSS for the development of corrosion control products. RIL and PRSS have made joint applications for overseas patents relating to the product CorroCaps<sup>TM</sup> for bolts with nuts and washers under the name of Protective Caps for Bolts with Nuts ("Product"). RIL and PRSS has agreed to grant RIL a perpetual and exclusive licence to use or supply the Product anywhere outside Malaysia. RIL and PRSS has also agreed to grant CSSB a perpetual and exclusive licence to make, manufacture, use or supply the Product in Malaysia. In accordance with the terms set out in the Project Agreement, CSSB shall pay both RIL and PRSS royalties.

Nagendran a/l C Nadarajah is a director of Perisai, CSSB as well as RIL. He is also a substantial shareholder of Perisai and RIL and deemed interested in CSSB by virtue of his substantial shareholdings in Perisai.

The transaction was conducted on an arms length basis and on terms not more favourable to the related party than those available to the public.

**Principal Agreement dated 15 February 1996 between ISSB, ESB and PRSS for the development of marine growth products**

ISSB and PRSS are joint owners to the following marine growth products:-

- (a) an apparatus for combating marine growth ("Impactor/Protector Mark 1");
- (b) protector with single collar ("The Protector Mark 1"); and
- (c) a single collar adapted with propeller blades and fins ("The Protector Mark2").

(collectively referred to as "the Products").

Under the Principal Agreement, the parties are to co-operate, develop, protect and exploit the Products commercially. ESB has the rights to manufacture and market the rights of the Products and has to pay royalties to both PRSS and ISSB.

Nagendran a/l C Nadarajah is a director of Perisai as well as a substantial shareholder of Perisai and deemed interested in ISSB by virtue of his substantial shareholdings in Perisai. He is also a director of ESB. Renata Anita De Raj is a director of ISSB and is a person connected to Nagendran a/l C Nadarajah (pursuant to Section 122A of the Act).

The transaction was conducted on an arms length basis and on terms not more favourable to the related party than those available to the public.

*Note:*

*The abovementioned related companies of Perisai, namely RIL and ESB are both patent holders.*

- 10.5** As at 31 May 2004, being the latest practicable date prior to the printing of this Prospectus, there are no outstanding inter-company loans between any of the companies within the Perisai Group.