
18. FURTHER INFORMATION

18.1 Share Capital

- (i) Save for the new ECB Shares to be issued in the event of the conversion of the ECB ICULS, ECB RCSLS A and ECB RCSLS B, no shares will be allotted or issued on the basis of this Prospectus later than 12 months after the date of issue of this Prospectus.
- (ii) There are no founder, management or deferred shares in ECB. There is only one (1) class of shares in ECB namely ordinary shares of RM1.00 each, all of which rank pari passu with one another.
- (iii) Save as disclosed in Sections 7.2, 7.6 and 9.3 of this Prospectus, no shares, debentures, warrants, options, convertible securities or uncalled capital of ECB and its subsidiaries have been issued or are proposed to be issued as fully or partly paid-up in cash or otherwise, within the two (2) years preceding LPD.
- (iv) There is no person including the Directors or employees of the ECB Group who has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of ECB or its subsidiaries nor has any options to subscribe for securities been granted or exercised by any Directors or employees during the last financial year.
- (v) There is currently no scheme involving the employees in the capital of ECB or its subsidiaries.
- (vi) Save for the ECB RCSLS A, ECB RCSLS B and ECB ICULS as disclosed in Section 9.3 of this Prospectus, as at LPD, the ECB Group does not have any outstanding convertible debt securities.

18.2 Articles

The following provisions are reproduced from the Company's Articles:

(i) Transfer of Securities and Transmission of Securities

The provisions in the Company's Articles in respect of the arrangement for transfer of the securities and restriction on their free transferability are as follows:

Article 33 – Transfer of securities

The transfer of any securities or class of securities of the Company, shall be by way of book entry by the MCD in accordance with the Rules and, notwithstanding Sections 103 and 104 of the CA, but subject to Subsection 107C(2) of the CA, and any exemption that may be made from compliance with Subsection 107C(1) of the CA, the Company shall be precluded from registering and effecting any transfers of securities. Subject to the Central Depositories Act and the Rules, there shall be no restriction on the transfer of fully paid shares except where required by law.

18. FURTHER INFORMATION (CONT'D)

Article 34 – No liability

Neither the Company nor its Directors nor any of its officers shall incur any liability for any transfer of securities apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers be legally inoperative or insufficient to pass the property in the securities proposed or professed to be transferred, and although transferred, the transfer may, as between the transferor and transferee be liable to be set aside, and notwithstanding that the Company may have notice of such transfer. And in every such case, the transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such securities and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title hereto.

Article 35 – Suspension of transfer

The registration of transfers of securities may be suspended at such times and for such periods as the Directors may from time to time determine not exceeding in the whole thirty (30) Market Days in any year. Twelve (12) Market Days' notice of intention to suspend any transfers of securities shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange and the MCD. The said notice shall state the purpose or purposes for the suspension of the transfers. The Company shall give written notice in accordance with the Rules to prepare the appropriate Record of Depositors.

Article 36 – Renunciation

Subject to the provisions of these Articles the Directors may recognise a renunciation of any securities by the allottee thereof in favour of some other person.

Article 37 – Death of member

In the case of the death of a member, the legal representatives of the deceased where he was a sole holder shall be the only persons recognised by the Company as having any title to his interest in the securities.

Article 38 – Securities of deceased or bankrupt member

Subject to the Rules, any person becoming entitled to securities in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the securities or to have some person nominated by him registered as the transferee thereof.

Article 39 – Notice of election

If the person so becoming entitled to have the securities transferred to him, a notice in writing signed by him stating that he so elects must be served by him on the MCD. If he elects to have the securities transferred to another person he shall testify his election by serving a notice in writing to that effect to the Company and on the MCD. All the limitations, restrictions and provisions of these Articles relating to the rights to transfer shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.

18. FURTHER INFORMATION (CONT'D)*Article 40 – Person entitled may receive dividend, etc.*

A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered in the Record of Depositors as the beneficial owner of the share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided always that the Directors may at any time give notice in writing requiring any such person to elect either to transfer the share to himself or another person and to carry out such transfer in accordance with the Rules and other applicable laws and if such person does not provide the Directors with satisfactory evidence that he has done so, the Directors may, withhold payments of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

Article 41 – Transmission of securities

(1) Where:

- (a) the securities of the Company are listed on the stock exchange which is specified to be an approved market place in the Securities Industry (Central Depositories) (Exemption) (No.2) Order, 1998 (“Approved Market Place”); and
- (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) (No.2) Act, 1998, as the case may be, under the Rules in respect of such securities,

the Company shall, upon request of holder of the securities, permit a transmission of securities held by such holder of the securities from the register maintained by the registrar of the Company in the jurisdiction of the Approved Market Place (“the Foreign Register”), to the register of holders of the securities maintained by the registrar of the Company in Malaysia (“the Malaysian Register”) provided that there shall be no change in the ownership of such securities.

- (2) For the avoidance of doubt, no Company which fulfils the requirements of paragraphs (a) and (b) of subsection (1) above shall allow any transaction of securities from the Malaysian Register into the Foreign Register.

Other than the provisions in the Company’s Articles, the arrangement for transfer of shares is also governed by the CA, the Rules and the Listing Requirements, details of which are as follows:

(a) CA

The provisions within the CA on the transferability of securities are as follows:

Section 103(1)

Notwithstanding anything in its articles a company shall not register a transfer of shares or debentures unless a proper instrument of transfer in the prescribed form has been delivered to the company, but this subsection shall not prejudice any power to register as a shareholder or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.

18. FURTHER INFORMATION (CONT'D)

Section 103(1A)

Nothing in this section shall be construed as affecting the validity of any instrument which would be effective to transfer shares or debentures apart from this section; and any instrument purporting to be made in any form which was common or usual in use, or in any other form authorised or required for that purpose apart from this section before the commencement of this CA, shall be sufficient, whether or not it is completed in accordance with the prescribed form, if it complies with the requirements as to execution and contents which apply to a transfer.

Provided that a company shall be precluded from registering a transfer of shares or debentures, the title of which is evidenced by a certificate that is issued on or after the date of coming into operation of this subsection unless a proper instrument of transfer in the prescribed form has been delivered to the company.

Section 107C(1)

On or after the coming into operation of this section, the transfer of any securities or class of securities of a company whose securities or any class of whose securities have been deposited with a central depository shall be by way of book entry by the central depository in accordance with the rules of the central depository and, notwithstanding Sections 103 and 104, such company shall be precluded from registering and effecting any transfer of securities or class of securities which have been deposited.

Section 107C(2)

Subsection (1) shall not apply to a transfer of securities to a central depository or its nominee company.

(b) Rules

The rules within MCD on the transferability of securities are as follows:

Rule 8.01(2)

The MCD may, in its absolute discretion, reject a transfer request made by a depositor thereunder, where the reason for the said transfer does not fall within any of the approved reasons stipulated under Rule 8.03(1)(C).

Rule 8.05A

Transfers made by the authorised depository agent from the agent's principal or nominee account shall be subject to the Rules in this chapter.

Rule 9.03(2)

It shall be the responsibility of the authorised depository agent, in processing the transfer between two securities accounts belonging to different depositors (hereinafter the transfer is referred to as "the inter-account transfer"), to check and ensure the completeness, accuracy and/or genuineness of the documents lodged as follows:

- (a) the prescribed Form FTF010 (request for ordinary transfer of securities form) or Form FTF015 (request for express transfer of securities form) fully and properly completed in triplicate;

18. FURTHER INFORMATION (CONT'D)

- (b) the transferring depositor has executed the transferor portion on the said form duly witnessed by another person (other than the depositor's spouse);
- (c) the transferring depositor has stated his reason for the transfer and that the reason is or are amongst any of the approved reasons as stated herein below:
 - (i) transmission and transfer of securities arising from the provisions of any written law or an order of court of competent jurisdiction;
 - (ii) rectification of errors;
 - (iii) pledge, charge or mortgage;
 - (iv) mandatory offer pursuant to the provisions of the Malaysian Code On Takeover and Mergers 1987; and
 - (v) any other circumstances as deemed fit by the MCD after consultation with the SC;
- (d) documents to support the reason for the transfer; and
- (e) such other accompanying documents duly processed in such manner as the MCD may from time to time determine in its procedures manual.

(c) Listing Requirements

The provisions of the Listing Requirements on the transferability of securities are as follows:

Paragraph 7.13 - Transfers of Securities

The transfer of any listed security or class of listed security of the company, shall be by way of book entry by the MCD in accordance with the Rules and, notwithstanding Sections 103 and 104 of the CA, but subject to subsection 107C(2) of the CA and any exemption that may be made from compliance with subsection 107C(1) of the CA, the company shall be precluded from registering and effecting any transfer of the listed securities.

Paragraph 7.14 - Transmission of securities from Foreign Register

- (1) Where:
 - (a) the securities of a company are listed on an approved market place; and
 - (b) such company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules in respect of such securities,

18. FURTHER INFORMATION (CONT'D)

such company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the company in the jurisdiction of the approved market place (hereinafter referred to as "the Foreign Register"), to the register of holders maintained by the registrar of the company in Malaysia (hereinafter referred to as "the Malaysian Register") provided that there shall be no change in the ownership of such securities.

- (2) For the avoidance of doubt, no company which fulfils the requirements of subparagraphs (1)(a) and (b) above shall allow any transmission of securities from the Malaysian Register into the Foreign Register.

(ii) Remuneration of Directors

The provisions of ECB's Articles dealing with the remuneration of the Directors are as follows:

Article 86 – Directors' remuneration

- (a) The fees payable to the Directors shall from time to time be determined by an ordinary resolution of the Company in general meeting. Provided that such fees shall not be increased except pursuant to an ordinary resolution passed at the general meeting, where notice of the proposed increase has been given in the notice convening the meeting.
- (b) Executive director(s) shall, subject to the terms of any agreement (if any) entered into in any particular case, receive such remuneration as the Directors may from time to time determine.
- (c) Fees payable to non-executive Directors shall be a fixed sum, and not by a commission on or percentage of profits or turnover.
- (d) Salaries payable to executive Director(s) may not include a commission on or percentage of turnover.
- (e) Any fees paid to an Alternate Director shall be such as agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 87 – Reimbursement of expenses

- (1) The Directors may be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending board meetings of the Company.
- (2) If any Director being willing shall be called upon to perform extra services or to make any special efforts in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board of Directors and such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors. Any extra remuneration payable to non-executive Director(s) shall not include a commission on or percentage of turnover or profits.

18. FURTHER INFORMATION (CONT'D)

Article 112 – Remuneration of Managing Director

The remuneration of a Managing Director or Managing Directors shall be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these mode.

(iii) Voting and Borrowing Powers of Directors

The provisions in ECB's Articles dealing with the voting and borrowing powers of the Directors including voting powers in relation to the proposals, arrangements or contracts in which they are interested are as follows:

Article 91 – Directors' borrowing powers

- (1) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company, or its subsidiaries.
- (2) The Directors shall not borrow any money or mortgage or charge any of the Company's or its subsidiaries' undertaking, property, or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

Article 104 – Chairman to have casting vote

Subject to these Articles any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. The Chairman of the meeting shall have a second or casting vote in case of an equality of votes except where only two (2) Directors form a quorum or are competent to vote on the question at issue.

Article 107 – Restriction on voting

A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly a personal interest and if he shall do so his vote shall not be counted.

Article 108 – Power to vote

A Director may vote in respect of:

- (a) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.

18. FURTHER INFORMATION (CONT'D)

(iv) Changes in Capital and Variation of Class Rights

The provisions in ECB's Articles as to variation of class rights and changes in capital, which provisions are as stringent as that required by law are as follows:

Article 4 – Share capital

The authorised capital of the Company shall be specified in the Memorandum of Association of the Company. The Company may from time to time by ordinary resolution change its authorised share capital.

Article 5 – Power to issue shares with special rights

Without prejudice to any special rights previously conferred on the holders of any existing shares but subject to the CA, the Central Depositories Act, and to these Articles, shares in the Company may be issued by the Directors and any such shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Directors, subject to any ordinary resolution of the Company, may determine.

Article 6 – Allotment of shares

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the provisions of these Articles, the CA and the Central Depositories Act, and to the provisions of any resolution of the Company, shares in the Company may be issued by the Directors, who may allot, or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights, and subject to such restrictions and at such times as the Directors may determine but the Directors in making any issue of shares shall comply with the following conditions:

- (a) no shares shall be issued at a discount except in compliance with the provisions of Section 59 of the CA;
- (b) in the case of shares offered to the public for subscription the amount payable on application on each share shall not be less than five per centum (5%) of the nominal amount of the share;
- (c) in the case of shares, other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles and in the resolution creating the same;
- (d) no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the members of the Company in general meeting;
- (e) every issue of shares or options to employees and/or Directors of the Company shall be approved by the members in general meeting and no Director shall participate in such issues of shares or options unless:
 - (i) the members in general meeting have approved of the specific allotment to be made to such Director; and
 - (ii) he holds office in the Company in an executive capacity Provided Always that a Director not holding office in an executive capacity may so participate in an issue of shares pursuant to a public issue or public offer.

18. FURTHER INFORMATION (CONT'D)

Article 7 – Rights of preference shareholders

Subject to the CA, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed but the total nominal value of the issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time and the Company shall not issue preference shares ranking in priority over preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited accounts, and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or to propose the winding up of the company or during the winding up of the company, or sanctioning a disposal of the whole of the company's property, business and undertaking, or where a proposition to be submitted to the meeting directly affects their rights and privileges attached to the preference shares, or when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months.

Article 8 – Repayment of preference capital

Notwithstanding Article 9 hereof the repayment of preference share capital other than redeemable preference shares, or any alteration of preference shareholder rights shall only be made pursuant to a Special Resolution of the preference shareholders concerned Provided Always that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing obtained from the holders of three-fourths (3/4) of the preference shares concerned within two (2) months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting.

Article 9 – Modification of class rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths (3/4) of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 152 of the CA shall, with such adaptations as are necessary, apply.

Article 10 – Ranking of class rights

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

18. FURTHER INFORMATION (CONT'D)*Article 14 – Issue of shares*

The Company must ensure that all issue of shares (including the issue of shares for which listing is sought) are made by way of crediting the Securities Accounts of the allottees with such shares save and except where it is specifically exempted from compliance with Section 38 of the Central Depositories Act, in which event it shall so similarly be exempted from compliance with this requirement. For this purpose, the Company must notify the Central Depository of the names of the allottees and all such particulars required by the Central Depository, to enable the Central Depository to make the appropriate entries in the Securities Accounts of such allottees. The Company must allot the shares and despatch notices of allotment to the allottees, within the stipulated time frame as prescribed under the Listing Requirements or such other period as may be prescribed by the Exchange.

18.3 Directors, Key Management and Substantial Shareholders

- (i) The names, addresses and occupations of the Directors of ECB are set out in Section 1 of this Prospectus.
- (ii) A Director of ECB is not required to hold any qualification shares in ECB unless otherwise so fixed by ECB at general meeting.
- (iii) No Director, key management or person nominated to become a Director or key management of ECB is or was involved in the following events (whether in or outside Malaysia):
 - (a) a petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he is or was a partner or any corporation of which he is or was a director or key personnel;
 - (b) conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
 - (c) the subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or governmental 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.
- (iv) Save as disclosed below, none of the Directors or Substantial Shareholders of ECB have any interest, direct or indirect, in the promotion of or in any assets which have been, within the two (2) years preceding LPD, acquired or disposed of by or leased to or proposed to be acquired, disposed of by or leased to ECB or its subsidiaries save and except for transactions within the ordinary course of business.

The Directors and Substantial Shareholders of ECB who are deemed interested in the Equine Acquisition as disclosed in Section 9.2.5 of this Prospectus are as follows:

Name	Nature of interest
DPLSK	Director and Substantial Shareholder of ECB
Datin Wong Mun Yee	Substantial Shareholder of ECB
Lim Ah Yee	Substantial Shareholder of ECB
Lim Ah Chai	Substantial Shareholder of ECB
Long Bin Ngah Mat Unah	Substantial Shareholder of ECB

18. FURTHER INFORMATION (CONT'D)

18.4 General

- (i) The nature of ECB's business is described in Section 7.3 of this Prospectus. Other than mentioned in Section 7.6 of this Prospectus, there is no corporation which is deemed to be related to ECB by virtue of Section 6 of the CA.
- (ii) Save for the brokerage on the Offer for Sale, the estimated expenses and fees incidental to the Listing and Proposals amounting to RM4,000,000 will be borne by ECB.
- (iii) Save as disclosed in paragraph (ii) above, no commission, discount, brokerage or other special term was granted by ECB within the two (2) years immediately preceding LPD in connection with the issue or sale of any capital of ECB or its subsidiaries.
- (iv) During the last financial year and the current financial year up to LPD, there were no:
 - (a) public takeover offers by third parties in respect of ECB's Shares; and
 - (b) public takeover offers by ECB in respect of other companies' shares.
- (v) The name and address of the Auditors and Reporting Accountants of ECB are set out in Section 1 of this Prospectus.
- (vi) Save and except for the remuneration payable to the Promoter of ECB as a Director of the companies within the ECB Group and the purchase consideration payable under the Equine Acquisition as detailed in Section 9.2.5, no amount or benefit has been paid or given within the two (2) years preceding LPD, nor is it intended to be so paid or given, to the Promoter of ECB.
- (vii) Save as disclosed in Section 4 of this Prospectus, the financial performance, position and operations of the ECB Group are not affected by any of the following:
 - (a) known trends, demands, commitments, events or uncertainties that have had or that the ECB Group reasonably expects to have, a material favourable or unfavourable impact on the financial performance, position and operations of the ECB Group;
 - (b) material commitments for capital expenditure;
 - (c) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the ECB Group; and
 - (d) known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.
- (viii) ECB and its subsidiaries have not established a place of business outside Malaysia.
- (ix) The date and time of the opening and closing of applications for the Rights Issue and Offer for Sale is set out in Section 5.3 of this Prospectus.
- (x) Save for the Rights Issue and the shares to be issued pursuant to the conversion of the ECB ICULS, ECB RCSLS A and ECB RCSLS B, there is no intention on the part of the Directors of ECB to issue any part of the authorised but unissued share capital of ECB as at LPD.

18. FURTHER INFORMATION (CONT'D)

18.5 Material Litigation and Arbitration

As at LPD, the Company and its subsidiaries are not engaged in any material litigation and arbitration, either as plaintiff or defendant and the Directors of the Company 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 financial position or business of the ECB Group.

All known debts and contingent liabilities of the former KLIH Group including corporate guarantees granted by the former KLIH have been addressed under the Proposals. In accordance with the Proposals, which bound all the creditors of the former KLIH Group, all claims by the creditors of the former KLIH Group as at 6 August 2003 are deemed fully and irrevocably satisfied and discharged and the creditors of the former KLIH Group as at 6 August 2003 shall have no claims whatsoever against the ECB Group. The Proposals together with the revisions thereto have been approved by Danaharta on 30 November 2001. The details of the Proposals are set out in Section 9 of this Prospectus.

Furthermore, save for the equity interest in KLIB, STS and PL, all other assets of the KLIH Group were transferred and liabilities novated to KDM which will subsequently be liquidated.

The ECB Group will not be assuming any material litigation and arbitration, commitments and contingent liabilities as a result of the acquisition of KLIH, STS and KLIB.

18.6 Material Contracts

Save as disclosed below, there are no contracts which are or may be material, not being contracts entered into in the ordinary course of business, which have been entered into by ECB and its subsidiaries during the two (2) years preceding LPD:

- (i) A share sale agreement dated 29 January 2002 was entered into between Package Homes Sdn Bhd ("PHSB") and Equine whereby PHSB has agreed to sell and Equine has agreed to purchase 30,000 ordinary shares of RM1.00 only each in Equine PS representing 30% of the entire issued and paid-up share capital of Equine PS free from all charges, pledges, liens and other encumbrances of whatsoever nature for a purchase consideration of RM4,458,462.35 of which a sum of RM3,350,000 has been paid by Equine.
- (ii) On 1 February 2002, ECB entered into a sale and purchase agreement with the Equine Vendors for the acquisition of the entire issued and paid-up share capital of Equine comprising 12,002,150 Equine Shares by ECB for a total purchase consideration of RM199,000,000 to be satisfied by the issuance of 110,000,000 new ECB Shares and RM89,000,000 nominal value ECB ICULS. The agreement was subsequently terminated by both parties.
- (iii) On 30 December 2002, ECB entered into a sale and purchase agreement with the Equine Vendors for the acquisition of the entire issued and paid-up share capital of Equine comprising 12,002,150 Equine Shares by ECB for a total purchase consideration of RM172,000,000 which was satisfied by the issuance of 94,600,000 new ECB Shares and RM77,400,000 nominal value ECB ICULS.
- (iv) A share sale agreement dated 16 October 2001 between KLIB and Talasco whereby KLIB agreed to sell and Talasco agreed to purchase the entire equity interest in PICM for a purchase consideration of RM80,000,000 on an "as is where is" basis and upon the terms and conditions therein.
- (v) A variation agreement dated 25 October 2001 between KLIB and Talasco whereby the parties agreed to vary the fixed deposit period and designated bank definition term of the share sale agreement dated 16 October 2001.

18. FURTHER INFORMATION (CONT'D)

- (vi) A confidentiality agreement dated 3 December 2001 between KLIB, PICM, Talasco and Messrs. Abu Talib Shahrom & Zahari ("ATSZ") whereby it was agreed, inter alia, that Talasco and ATSZ be given the access to certain confidential information of KLIB and PICM for the sole purpose of conducting a due diligence exercise in respect of Talasco's submission to the SC for the purchase of PICM.
- (vii) KLIH has entered into various nominee service indemnity agreements with the following parties whereby KLIH has appointed the following parties as nominee Directors of its former subsidiaries and has agreed to indemnify them respectively against all costs, expenses, claims, demands and liabilities which may arise directly or indirectly by reason of them being the Directors of its subsidiaries:

<u>Date of Agreement</u>	<u>Parties</u>
1 December 2001	Mohamad Asri bin Md. Nasir
1 December 2001	Mohamad Izri bin Ayob
1 December 2001	Azmi bin Mustapa
12 November 2001	Mohamad Izri bin Ayob

- (viii) Pursuant to the Proposals, the following agreements have been entered into:
- (a) an asset transfer agreement dated 7 August 2003 was entered into between KLIH and KDM whereby KLIH has agreed to transfer its assets to KDM on a "as is where is" basis and upon the terms and conditions therein;
- (b) a novation agreement dated 7 August 2003 was entered into between KLIH, KDM and the Offeror whereby KLIH has agreed to novate its liabilities to KDM and the Offeror has consented to the said novation;
- (c) a subscription agreement dated 7 August 2003 was entered into between ECB, CIMB and the Offeror whereby ECB has agreed to issue and the Offeror has agreed to subscribe for ECB RCSLS A and ECB RCSLS B;
- (d) a trust deed dated 7 August 2003 was entered into between ECB and Mayban Trustees Berhad ("MTB") constituting the issuance of the ECB RCSLS A;
- (e) a trust deed dated 7 August 2003 was entered into between ECB and MTB constituting the issuance of the ECB RCSLS B;
- (f) a trust deed dated 7 August 2003 was entered into between ECB and MTB constituting the issuance of RM77,400,000 nominal value ECB ICULS;
- (g) a depository and paying agency agreement dated 7 August 2003 was entered into between ECB, MTB, BNM and CIMB in connection with the issuance of the ECB RCSLS A;
- (h) a depository and paying agency agreement dated 7 August 2003 was entered into between ECB, MTB, BNM and CIMB in connection with the issuance of the ECB RCSLS B;
- (i) an agency agreement dated 7 August 2003 was entered into between ECB, Share Registrar and MTB in connection with the issuance of the ECB ICULS;
- (j) a calculation agency agreement dated 7 August 2003 was entered into between ECB, CIMB and MTB in connection with the issuance of the ECB RCSLS A;

18. FURTHER INFORMATION (CONT'D)

- (k) a calculation agency agreement dated 7 August 2003 was entered into between ECB, CIMB and MTB in connection with the issuance of the ECB RCSLS B;
- (l) a memorandum of deposit dated 7 August 2003 was entered into between ECB and the Offeror whereby ECB charges its KLIH Shares in favour of the Offeror as security for the ECB RCSLS A;
- (m) a charge dated 7 August 2003 was created over the land held under No. Hakmilik 29364, Lot 398, Seksyen 57, Bandar Kuala Lumpur, Wilayah Persekutuan, No. Hakmilik 29365, Lot 399, Seksyen 57, Bandar Kuala Lumpur, Wilayah Persekutuan, No. Hakmilik 29366, Lot 400, Seksyen 57, Bandar Kuala Lumpur, Wilayah Persekutuan and No. Hakmilik 29367, Lot 401, Seksyen 57, Bandar Kuala Lumpur, Wilayah Persekutuan together with the building erected thereon ("Land and Building") by KLIB in favour of the Offeror as security for the ECB RCSLS B;
- (n) an agreement was entered into between ECB and BHH by way of a letter dated 7 August 2003 between the parties whereby BHH agreed to sell and ECB agreed to purchase 740,000 ordinary shares of RM1.00 each in STS for a total purchase consideration of RM3,027,000;
- (o) an agreement was entered into between KLIH and the Offeror by way of a letter dated 7 August 2003 between the parties whereby KLIH has agreed to open a sinking account which shall be approved, operated and maintained by the Offeror for the purpose of crediting all benefits and entitlements attached to the shares in PL;
- (p) an agreement was entered into between KLIB and the Offeror by way of a letter dated 7 August 2003 between the parties whereby KLIB has agreed to open a sinking account which shall be approved, operated and maintained by the Offeror for the purpose of crediting all rentals, service, charges and/or other charges in relation to the Land and Building; and
- (q) a negative pledge was created by KLIH in favour of the Offeror by way of a letter dated 7 August 2003 in respect of the shares in PL as security for the ECB RCSLS A.

18.7 Material Agreements

Save as disclosed below, there are no other subsisting material agreements as at LPD which have been entered into by ECB and its subsidiaries.

- (i) Letter of award by TE to Kindah Construction Sdn Bhd ("Kindah") dated 13 May 2002 whereby TE awarded Kindah the contract for the construction and completion of 280 units of 2-storey terrace houses and one (1) unit of Tenaga Nasional Berhad sub-station at Lot PT 49057, Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan for the total amount of RM27,792,134.53.
- (ii) Letter of award by TE to Kindah dated 16 July 2002 whereby TE awarded Kindah the contract for the construction and completion of six (6) blocks of 5-storey low-cost apartments with 519 units and 24 shophot units at Lot PT 49060, Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan for the total amount of RM19,936,785.00.
- (iii) Letter of award by TE to Wong Brothers' Building Construction ("Wong Brothers") dated 14 February 2003 whereby TE awarded Wong Brothers the contract for the construction and completion of 290 units of 2-storey terrace houses and two (2) units of Tenaga Nasional Berhad sub-station at Lot PT 49055 and 49056, Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan for the total amount of RM29,000,000.00.

18. FURTHER INFORMATION (CONT'D)

- (iv) Letter of award by Equine to Wong Brothers dated 2 July 2001 whereby Equine awarded Wong Brothers the contract for the construction of 112 units of 2-storey townhouses at Sub-Lot 1-56, Lot PT 39625, Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan for the total amount of RM15,607,520.00.
- (v) Letter of award by Equine to Kempas Sentosa Sdn Bhd ("Kempas") dated 14 February 2003 whereby Equine awarded Kempas the contract for the construction and completion of earthwork and ancillary works for 192 units of 2-storey and 3-storey shop offices at Lot PT 27427, Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan for the total amount of RM1,100,000.00.
- (vi) Letter of award by TE to Niaga Sari Sdn Bhd ("Niaga") dated 14 September 2001 whereby TE awarded Niaga the contract for the construction and completion of 295 units of 2-storey terrace houses at Lot PT 49059 and 49060, Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan for the total amount of RM31,084,963.24.
- (vii) Letter of award by Hussein & k.h Chong Jurutera Perunding (M) Sdn Bhd for and on behalf of TE to Ang Yoke Lian Construction Sdn Bhd ("AYL") dated 11 October 2002 whereby TE awarded AYL the contract for the construction and completion of reinforced concrete suction tank, reservoir and main reticulation works for the residential and commercial developments at Lot PT 49053, 49054 to 49063, Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan for the total amount of RM4,979,923.00.
- (viii) Letter of award by Hussein & k.h Chong Jurutera Perunding (M) Sdn Bhd for and on behalf of TE to Kempas dated 31 December 2002 whereby TE awarded Kempas the contract for the construction of the main road, main sewer and drainage at Lot PT 49054-49063, Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan for the total amount of RM5,302,286.70.
- (ix) Letter of award by Hussein & k.h Chong Jurutera Perunding (M) Sdn Bhd for and on behalf of TE to Kempas dated 10 February 2003 whereby TE awarded Kempas the contract for the construction and completion of rubble pitching main drain, 13.5 meters and 11.0 metres wide reinforced concrete main drain at Lot PT 49061 and 49063, Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan for the total amount of RM3,499,595.00.
- (x) Letter of award by Equine to Niaga dated 10 April 2003 whereby Equine awarded Niaga the contract for the construction of six (6) blocks of shops/ offices (Phase 1) comprising 10 units of 3-storey shops/offices, 65 units of 2-storey shops/offices and one (1) unit of Tenaga Nasional Berhad sub-station at Lot 53391 (PT 27427), Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan for the total amount of RM14,000,880.00.
- (xi) Letter of award by Hussein & k.h. Chong Jurutera Perunding (M) Sdn Bhd for and on behalf of TE to Kempas dated 25 October 2000 whereby TE awarded Kempas the contract for the site clearing, earthwork and ancillary works for commercial and residential developments at Lot PT 10274 and part of Lot PT 10275, Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan for the total amount of RM13,987,985.00.
- (xii) Letter of award by TE to Kempas dated 28 March 2003 whereby TE awarded Kempas the contract for the triple cell box culvert for the residential and commercial developments at Lot PT 49053, PT 49054 to PT 49063, Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan for the total amount of RM1,559,865.00.

18. FURTHER INFORMATION (CONT'D)

18.8 Consents

- (a) The written consents of the Company Secretaries, Principal Banker, Solicitors, Share Registrar, Issuing House, Valuers, Independent Advisers, and Adviser to the inclusion in this Prospectus of their names in the context and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (b) The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name, Accountants' Report and letters relating to the consolidated profit forecast for the financial year ending 31 March 2004 and proforma consolidated balance sheets as at 31 March 2003 in the context and form in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

18.9 Documents for Inspection

Copies of the following documents may be inspected at the registered office of ECB during office hours for a period of 12 months from LPD:

- (i) Memorandum and Articles of the ECB Group;
- (ii) The Accountants' Report and Directors' Report as included in Sections 15 and 16 respectively of this Prospectus;
- (iii) The Reporting Accountants' letter relating to the consolidated profit forecast for the financial year ending 31 March 2004 as included in Section 14.6 of this Prospectus;
- (iv) The Reporting Accountants' letter relating to the proforma consolidated balance sheets of ECB as at 31 March 2003 as included in Section 14.9 of this Prospectus;
- (v) The valuation certificates referred to in Section 17 of this Prospectus;
- (vi) The material contracts referred to in Section 18.6 of this Prospectus;
- (vii) The material agreements referred to in Section 18.7 of this Prospectus;
- (viii) The letters of consent referred to in Section 18.8 of this Prospectus;
- (ix) The audited accounts of ECB for the financial period from 4 April 2001 to 31 March 2002 and financial year ended 31 March 2003;
- (x) The audited accounts of KLIH for the past five (5) financial years ended 31 March 1998 to 2002 and the 12 months ended 31 March 2003;
- (xi) The audited accounts of the Equine Group for the five (5) financial years ended 28/29 February 1998 to 2002 and 13 months ended 31 March 2003;
- (xii) The audited accounts of KLIB for the past five (5) financial years ended 31 March 1998 to 2002 and the 12 months ended 31 March 2003; and
- (xiii) The audited accounts of STS for the past five (5) financial years ended 31 March 1998 to 2002 and the 12 months ended 31 March 2003.