

## **12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION**

### **12.1 Share Capital**

- (i) No Shares will be allotted on the basis of this Prospectus later than twelve (12) months after the date of this Prospectus.
- (ii) There are no founder, management or deferred Shares in the Company. As at the date of this Prospectus there is only one class of shares in the Company, namely ordinary shares of RM1.00 each, all of which rank pari passu with one another.
- (iii) Save for the 2,113,000 Shares reserved for eligible Directors and employees of the Group and up to 6,000,000 Shares pursuant to the ESOS as disclosed in Section 2.2, Section 2.3 and Section 4.5 respectively of this Prospectus, no other person has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of the Company or its subsidiary companies.
- (iv) There are no restrictions on the transfer of the Shares of the Company, except as otherwise required by law.

### **12.2 Articles of Association**

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

#### **(i) TRANSFER OF SECURITIES**

The provisions in the Company's Articles of Association, the Listing Requirements of the KLSE, the Companies Act, 1965 and Rules of the MCD in respect of the arrangements for transfer of the securities and restrictions on their free transferability are as follows:-

#### **Articles of Association of the Company**

##### **Articles 42 - Transfer of securities**

Subject to these Articles, the Act, the Central Depositories Act and the Rules (with respect to transfer of deposited security), shares in the Company which have been deposited with the Central Depository shall be transferable but every transfer 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 of the Act, but subject to sub-section 107C(2) of the Act and any exemption that may be made from the compliance with sub-section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities.

##### **Article 43 - Form of Transfer**

The transfer of any listed securities or class of listed securities of the Company shall be effected in accordance with the Act, the Central Depositories Act and the Rules and for such deposited securities, these Articles shall not be applicable to the extent that they are inconsistent with the relevant provisions of the Act, the Central Depositories Act and the Rules. Subject to the Act, the Central Depositories Act and the Rules and these Articles, any member may transfer all or any of his securities in such manner or form as may from time to time be approved by the Exchange.

**12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)****Article 44 - Refusal to register transfer**

The Central Depository may in its absolute discretion refuse to register any transfer that does not comply with the Central Depositories Act and the Rules.

**Article 45 - Suspension of transfer**

The Company may at the Directors' discretion require the Central Depository to suspend the registration of transfer at such times and for such periods as the Directors may from time to time determine, not exceeding in the whole thirty (30) days in any calendar year. At least twelve (12) Market Days' notice of such closure shall be given to the Exchange stating the period and the purpose of such closure. In this respect, the Company shall give notice in accordance with the Rules to the Central Depository to enable the Central Depository to prepare the appropriate Records of Depositors.

**Article 46 - Restriction on transfer**

There shall be no restriction on the transfer of fully paid securities except where required by law.

**Article 48 - Restriction on transfer**

No share shall be transferred to any partnership or unincorporated association or body, minor, bankrupt or person of unsound mind.

**Article 49 - Renunciation**

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

**Listing Requirements**

The provisions of the Listing Requirements of the KLSE on the transferability of securities and restrictions on their free transferability are as follows:-

**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 Central Depository in accordance with the rules of the Central Depository and, notwithstanding sections 103 and 104 of the Companies Act 1965, but subject to subsection 107C(2) of the Companies Act 1965 and any exemption that may be made from compliance with subsection 107C(1) of the Companies Act 1965, the company shall be precluded from registering and effecting any transfer of the listed securities.

**7.14 Transmission of securities from Foreign Register**

(1) Where: -

- (a) the securities of a company are listed on an Approved Market Place; and

**12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

- (b) such company is exempted from compliance with section 14 of the Securities Industry (Central Depositories) Act 1991 or section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules of the Central Depository in respect of such securities, 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.

**Companies Act, 1965****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 in the company has been transmitted by operation of law.

**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 form authorised or required for that purpose apart from this section before the commencement of this Act, 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 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 affecting any transfer of securities.

**Section 107C(2)**

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

**12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)****Rules of the MCD****Section 8.01(2)**

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

**Section 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.

**Section 9.03(2)**

It shall be the responsibility of the authorised depository agent, in processing the transfer between the 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;
- (b) the Transferring Depositor has executed the Transferor portion of 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 of securities arising from the provisions of any written law or an order of the 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 Takeovers and Mergers, 1987; and
  - (v) any other circumstances as deemed fit by the Central Depository after consultation with the Securities Commission.
- (d) documents to support the reason for the transfer;
- (e) such other accompanying documents duly processed in such manner as the Central Depository may from time to time determine in its Procedures Manual.

**12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)****(ii) REMUNERATION OF DIRECTORS**

The provisions in the Company's Articles of Association in respect of remuneration of the directors are as follows:-

**Article 116 - Remuneration of Directors**

The fees of the Directors shall from time to time be determined by the Company in General Meeting but the remuneration of the executive Directors shall from time to time be determined by the Board of Directors. The fees payable to the Directors shall not be increased except pursuant to a resolution passed at the General Meeting when notice of the proposed increase has been given in the notice convening the meeting. The fees payable to non-executive Directors' shall be a fixed sum and not by a commission on or percentage of profits or turnover and the remuneration payable to executive Directors may not include a commission on or percentage of turnover. Any fee paid to an alternate Director shall be agreed between him and his appointor and shall be deducted from his appointor's remuneration.

**Article 117**

The Directors may be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of Directors or general or other meetings of the Company or in connection with the business of the Company.

**Article 118 - Special remuneration**

The Directors may grant special remuneration to any Director who (on request by the Directors) is willing to:-

- (1) render any special or extra services to the Company; or
- (2) to go or reside outside his country of domicile or residence in connection with the conduct of any of the Company's affairs.

Such special remuneration may be paid to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be paid in a lump sum or by way of salary, or by a percentage of profits, or by all or any of such methods but shall not include (where such special remuneration is paid by way of salary) a commission on or a percentage of turnover.

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**12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)****(iii) VOTING AND BORROWING POWERS OF DIRECTORS**

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

**Article 130 - Directors' borrowing powers**

The Directors may exercise all the powers of the Company to borrow any sum or sums of money from any person, bank, firm or company and to mortgage or charge its undertaking, property and uncalled capital, and 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 wholly owned subsidiary companies or of any related corporation. The Directors may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon with power to the Directors to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or hypothecation of or charge upon any property and asset of the Company or otherwise. The Directors may exercise all the powers of the Company to guarantee and give guarantees or indemnities for the payment of money, the performance of contracts or obligations or for the benefit or interest of the Company or of any subsidiary corporation.

**Article 131 - Restrictions on borrowing**

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 152 - Where no casting vote**

When two (2) Directors form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue, shall not have a casting vote.

**Article 156 - Disqualification from voting**

Except as otherwise provided by these Articles, a Director shall not vote at a meeting of Directors or of a committee of Directors on any resolution concerning any contract, proposed contract, arrangement or other matter in which he has, directly or indirectly, a personal interest or duty which is material and which conflicts or may conflict with the interests of the Company unless his interest or duty arises only because the case falls within one or more of the following paragraphs:-

- (1) any arrangement for giving him any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company or any of its Subsidiaries;
- (2) 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 or any of its Subsidiaries for which he has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of a security.

A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

**12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)****Article 158 - Questions on right to vote**

If a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the Chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive.

**(iv) CHANGES IN CAPITAL OR VARIATION OF CLASS RIGHTS**

The provisions in the Company's Articles of Association as to the changes in capital or variation of class rights, which are as stringent as those provided in the Companies Act, 1965 are as follows:-

**Article 11 - Variation 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 (subject to Sections 55 and 65 of the Act and whether or not the Company is being wound up) be varied or abrogated with:

- (1) the consent in writing of the holders of three-fourths of the issued shares of that class; or
- (2) the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

To every such separate general meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, except that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-third of the issued shares of the class (but so that if at any adjourned meeting of such holders, a quorum is not present, the holders present, shall form a quorum), and any holder of shares of the class present in person or by proxy may demand a poll.

**Article 12 - No deemed variation**

Subject to Section 65 of the Act, the rights attached to any class shall not (unless otherwise provided by the terms of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking in any respect *pari passu* with that class.

**Article 67 - Conversion to stock**

The Company in general meeting may by ordinary resolution, convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination.

**Article 71 - Consolidation division and cancellation**

The Company may by ordinary resolution:-

- (1) consolidate and divide all or any of its share capital into shares of larger amount;
- (2) (subject to Section 62(1) of the Act) subdivide its existing shares or any of them into shares of smaller amount;
- (3) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

## 12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

### Article 74 - Reduction of capital

The Company may by special resolution reduce its share capital and any capital redemption reserve or share premium account in any manner authorised by law.

### Article 75 - Resolution to increase capital

Without prejudice to the rights attached to any existing shares or class of shares, the Company in general meeting may by ordinary resolution increase its capital by the creation of shares of such nominal amounts, and carrying such rights and restrictions, as the resolution specifies.

### 12.3 Directors and Substantial Shareholders

- (i) The names, addresses and occupations of the Directors of Luster are set out in the Corporate Directory Section of this Prospectus.
- (ii) A Director is not required to hold any qualification share in the Company or its subsidiary companies unless otherwise so fixed by the Company in general meeting.
- (iii) There are no existing or proposed service contract between the Directors, key management or key technical personnel and the Company or its subsidiary companies.
- (iv) No Director, senior executive officer or person nominated to become a Director or senior executive officer or key management is or was involved in the following events (whether in or outside Malaysia):-
  - (a) a petition under any bankruptcy or insolvency laws filed against such person or any partnership in which he was a partner or any corporation of which he was or is an executive officer;
  - (b) a 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, tribunal or governmental body of competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, Director or employee of a financial institution or engaging in any type of business practice or activity.
- (v) For the financial year ended 31 December 2002, remuneration paid to the Directors of Luster Group for services rendered in all capacities in the Company and its subsidiary companies amounted to RM1,474,102. For the financial year ending 31 December 2003, the amount payable to the Directors of Luster Group is expected to be RM1,507,000.
- (vi) Save as disclosed in Section 5.3 and Section 5.4, none of the Director and/or substantial shareholder of the Company has any interest, direct or indirect, in other businesses and corporations quoted and unquoted on a recognised stock exchange carrying on a similar business as the Luster Group.
- (vii) Save as disclosed in Section 4.12.1 and Section 4.12.2 of this Prospectus, none of the Director and/or substantial shareholder of the Company has any interest, direct or indirect, in any contract, agreement or arrangement which is significant in relation to the business and financial position of the Company or its subsidiary companies as at the date of this Prospectus.



**12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

- (viii) The substantial shareholders of Luster and their respective direct and indirect interests in the Shares of the Company before the Public Issue according to the Register of Substantial Shareholders of Luster as at 30 June 2003 (being the latest practicable date prior to the printing of the Prospectus) and after the Public Issue are as follows:-

Substantial Shareholder	Before the Public Issue				After the Public Issue ^			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
LHSB	28,670,000	57.25	-	-	28,670,000	47.78	-	-
Muthanna Bin Abdullah	12,179,060	24.32	-	-	12,179,060	20.30	-	-
Lim See Chea	-	-	* 28,670,000	57.25	11,000	0.02	* 28,670,000	47.78
Gey Ah Sang @ Lee Ah Sim	-	-	* 28,670,000	57.25	9,000	0.01	* 28,670,000	47.78

\* By virtue of his interest of more than 15% in the Shares of LHSB.

^ Including the pink form allocation pursuant to the Public Issue.

**Information on LHSB**

LHSB is an investment holding company with an issued and paid-up share capital of RM1,369,192 comprising 1,369,192 Shares. The shareholders of LHSB and their respective shareholdings in LHSB as at 30 June 2003 (being the latest practicable date prior to printing of this Prospectus) are as follows: -

Shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Lim See Chea	521,697	38.10	-	-
Gey Ah Sang @ Lee Ah Sim	380,512	27.79	-	-
Chiang Chong Kooi	152,206	11.12	-	-
Tan Siong Moi	150,160	10.97	-	-
Hang Kok Long	97,769	7.14	-	-
Tai Yew Leong	27,667	2.02	-	-
Tan Tang Chai	27,667	2.02	-	-
Loh Soo Fung	11,514	0.84	-	-
	1,369,192	100.00	-	-

- (ix) The Directors of Luster and their respective direct and indirect interests in the Shares of the Company before the Public Issue based on the Register of Directors' Shareholdings as at 30 June 2003 (being the latest practicable date prior to the printing of this Prospectus) and after the Public Issue are as follows:-

Directors	Before the Public Issue				After the Public Issue ^			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Abdul Gafoor Khan	-	-	-	-	59,000	0.10	-	-
Lim See Chea	-	-	* 28,670,000	57.25	11,000	0.02	* 28,670,000	47.78
Chiang Chong Kooi	-	-	-	-	11,000	0.02	-	-
Lim See Hua	688,536	1.37	-	-	699,536	1.17	-	-
Hang Kok Long	-	-	-	-	11,000	0.02	-	-
Fong Swee Hin	-	-	-	-	10,000	0.02	-	-
Chatar Singh a/l Santa Singh	-	-	-	-	9,000	0.01	-	-
Tengku Sepachendra Tengku Abdul Rashid	-	-	-	-	9,000	0.01	-	-
Tunku Dato' Dr. Ismail Bin Tunku Mohammad Jewa	-	-	-	-	9,000	0.01	-	-

\* By virtue of his interests of more than 15% in the Shares of LHSB

^ Including the pink form allocation pursuant to the Public Issue.

**12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

- (x) Save as disclosed in Section 4.12.1 of this Prospectus, none of the Director and/or substantial shareholder has any interest, direct or indirect, in the promotion of or in any assets which have, within the two(2) years immediately preceding the date of this Prospectus, been acquired or proposed to be acquired or disposed or proposed to be disposed of or leased or proposed to be leased to the Company or its subsidiary companies or any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company and its subsidiary companies taken as a whole.

**12.4 General**

- (i) The nature of the Group's business and the names of all corporations which are deemed to be related to the Company by virtue of Section 6 of the Companies Act, 1965 are disclosed in Section 4.1 of this Prospectus.
- (ii) The time of the opening of the Application Lists is set out in Section 13.1 of this Prospectus.
- (iii) The amount payable in full on application is RM1.40 per Share.
- (iv) The expenses and commission payable by the Company are as follows:-
- (a) Underwriting fees are payable by the Company to the Underwriters mentioned in the Section 2.7 of this Prospectus at the rate of 2.0% of the Public Issue price of RM1.40 per Share on the 4,280,000 Shares being underwritten which form the subject of this Prospectus;
- (b) Brokerage will be paid at the rate of 1.0% of the Public Issue price of RM1.40 per Share is payable by the Company in respect of successful applications bearing the stamp of AmMerchant Bank, member companies of the KLSE, members of the Association of Merchant Banks in Malaysia, members of the Association of Banks in Malaysia or MIH; and
- (c) Expenses incidental to the listing of and quotation for the entire issued and paid-up share capital of the Company on the KLSE amounting to approximately RM1,700,000 will be borne by the Company.
- (v) Save as disclosed in paragraph (iv) no other commission, discounts, brokerages or other special terms have been paid, granted or are payable by the Company or its subsidiary companies within the two(2) years immediately preceding the date of this Prospectus for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any share in or debenture of the Company or its subsidiary companies or in connection with the issue or sale of any capital of the Company or any of its subsidiary companies and no Director, proposed Director, promoter or expert is or are entitled to receive any such payment.
- (vi) No amount or benefit has been paid or given within the two(2) years immediately preceding the date hereof, nor is it intended to be so paid or given, to any promoter.
- (vii) Except as disclosed in Section 3 of this Prospectus, the Directors are not aware of any material information including trading factors or risks not mentioned elsewhere in this Prospectus which are unlikely to be known or anticipated by the general public and which would materially affect the profits of the Group.

## 12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (viii) Except as disclosed in Section 3 of this Prospectus, the Directors of the Company are of view that the financial conditions and operations of the Group are not affected by any of the following:-
- (a) Known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way;
  - (b) Material commitments for capital expenditure;
  - (c) Unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from operations; and
  - (d) Known trends or uncertainties commitments that have had or will have a material favourable or unfavourable impact on revenues or operating income.

As far as the Directors are aware and except as disclosed in this Prospectus, the Group is not vulnerable to any specific factors or events of a particular nature other than those normal commercial risks experienced during the course of business.

- (ix) As at the date of this Prospectus, the Company and its subsidiary companies have not issued any convertible debt securities.
- (x) The name and address of the Auditors and Reporting Accountants of the Company are as set out in Corporate Directory Section of this Prospectus.
- (xi) Other than the 2,113,000 Shares reserved for eligible Directors and employees of the Group and up to 6,000,000 Shares for the ESOS as disclosed in Section 2.2, Section 2.3 and Section 4.5 respectively of this Prospectus, no other person has been or is entitled to be given an option to subscribe for any share, stock or debenture of the Company or its subsidiary companies as at the date of this Prospectus.
- (xii) The particulars of any capital (of the Company or its subsidiary companies), which has, within two(2) years immediately preceding the date of this Prospectus, been issued for cash has been set out in Section 4.2 and Section 4.6 of this Prospectus. The Shares issued have been fully paid.
- (xiii) The manner in which copies of this Prospectus together with the official Application Forms and envelopes may be obtained is set out in Section 13.2 of this Prospectus.

### 12.5 Material Contracts

Save as disclosed hereunder, 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 the Company and its subsidiary companies within the two (2) years immediately preceding the date of this Prospectus:-

- (i) Conditional Sale and Purchase Agreement dated 31 December 2001 ("**TC Agreement**") made between LPI of the one part and all the purchasers as named in TC Agreement ("**TC Purchasers**") of the other part wherein LPI have agreed to sell to TC Purchasers and TC Purchasers have agreed to acquire 100% of the issued and paid-up share capital of Tai-Ca Industries Sdn Bhd for the total purchase consideration of RM927,945.00;

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**12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**


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- (ii) Conditional Sale and Purchase Agreement dated 31 December 2001 ("**MP Agreement**") made between LPI of the one part and all the purchasers as named in MP Agreement ("**MP Purchasers**") of the other part wherein LPI have agreed to sell to MP Purchasers and MP Purchasers have agreed to acquire 50% of the issued and paid-up share capital of Metaplastic Sdn Bhd for the total purchase consideration of RM603,713.00;
- (iii) Sale and Purchase Agreement dated 24 January 2002 made between PT Secakusuma Corporation ("**PTS**") of the one part and PTLI of the other part where PTS have agreed to sell and PTLI have agreed to purchase the property known as "Hak Guna Bangunan Nomor 252/PASIRGOMBONG, terletak dalam wilayah Propinsi Jawa Barat, Kabupaten Bekasi, Kecamatan Lemahabang, Desa/Kelurahan Pasir Gombang" for the purchase consideration of Rupiah 7,279,760,000.00;
- (iv) Conditional Sale and Purchase Agreement dated 14 October 2002 ("**LPE Agreement**") made between all the vendors as named in the LPE Agreement ("**LPE Vendors**") of the one part and Luster of the other part wherein the LPE Vendors have agreed to sell to Luster and Luster have agreed to acquire 41.25% of the issued and paid-up share capital of LPE for the total purchase consideration of RM4,733,400.00, the consideration of which shall be partly satisfied by issuance of a total of 321,606 Shares in Luster and partly by payment of cash of RM1,147,491.00 to LPE Vendors or their nominee in the manner and proportion as stated in the LPE Agreement;
- (v) Conditional Sale and Purchase Agreement dated 14 October 2002 ("**LPI Agreement**") made between all the vendors as named in LPI Agreement ("**LPI Vendors**") of the one part and Luster of the other part wherein the LPI Vendors have agreed to sell to Luster and Luster have agreed to acquire the 43.07% of the issued and paid-up share capital of LPI for the total purchase consideration of RM3,179,560.00, the consideration of which shall be satisfied by allotment of a total of 285,162 Shares in Luster to LPI Vendors or their nominee in the manner and proportion as stated in the LPI Agreement;
- (vi) Conditional Sale and Purchase Agreement dated 14 October 2002 ("**DP Agreement**") made between all the vendors as named in DP Agreement ("**DP Vendors**") of the one part and Luster of the other part wherein the DP Vendors have agreed to sell to Luster and Luster have agreed to acquire the 33.33% of the issued and paid-up share capital of DP for the total purchase consideration of RM299,558.00, the consideration of which shall be satisfied by allotment of a total of 26,866 Shares in Luster to DP Vendors or their nominee in the manner and proportion as stated in the DP Agreement;
- (vii) Conditional Sale and Purchase Agreement dated 16 October 2002 ("**LMould Agreement**") made between Luster of the one part and all the purchasers as named in LMould Agreement ("**LMould Purchasers**") of the other part wherein Luster have agreed to sell to LMould Purchasers and LMould Purchasers have agreed to acquire 100% of the issued and paid-up share capital of LMould for the total purchase consideration of RM87,773.00;
- (viii) Conditional Sale and Purchase Agreement dated 16 October 2002 ("**LE Agreement**") made between all the vendors as named in the LE Agreement ("**LE Vendors**") of the one part and Luster of the other part wherein the LE Vendors have agreed to sell to Luster and Luster have agreed to acquire the entire issued and paid-up share capital of LE for the total purchase consideration of RM1,688,002.00, the consideration of which shall be satisfied by allotment of a total of 151,390 Shares in Luster to LE Vendors or their nominee in the manner and proportion as stated in the LE Agreement;

**12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

- (ix) Conditional Sale and Purchase Agreement dated 17 October 2002 ("**LCW Agreement**") made between all the vendor as named in the LCW Agreement ("**LCW Vendors**") of the one part and Luster of the other part wherein LCW Vendors have agreed to sell to Luster and Luster have agreed to acquire the 51.00% of the issued and paid-up share capital of LCW for the total purchase consideration of RM966,780.00, the consideration of which shall be satisfied by payment of cash to LCW Vendor in the manner and proportion as stated in the LCW Agreement;
- (x) By an Engagement Letter dated 13 December 2002, Deloitte Touche Tohmatsu ("**Deloitte**") has agreed to provide and Luster has agreed to accept from Deloitte the IFS Software and Implementation Services for a consideration of RM1,250,000.00 of which shall be satisfied by payment in accordance to the terms as stipulated in the Engagement Letter; and
- (xi) An Underwriting Agreement dated 22 July 2003 between the Company and the Managing Underwriter and Underwriters for the underwriting of 4,280,000 Public Issue Shares for an underwriting commission of 2.0% of the Public Issue Price of RM1.40 per Share and upon the terms and conditions contained therein.

**12.6 Material Agreements**

Save as disclosed hereunder, there are no agreements which are or may be material within the two(2) years immediately preceding the date of this Prospectus:-

- (i) By various agreements entered into in the year 2001 by the Company and/or its subsidiaries with various parties, the Company and/or its subsidiaries have purchased land totalling the sum of Ringgit Malaysia Three Million Two Hundred and Twenty Four Thousand Seven Hundred and Ten Only (RM3,224,710.00);
- (ii) By various agreements entered into in the year 2001 by the Company and/or its subsidiaries with various parties, the Company and/or its subsidiaries have purchased building totalling the sum of Ringgit Malaysia One Million Three Hundred and Forty Eight Thousand Seven Hundred and Fifty Five only (RM1,348,755.00);
- (iii) By various agreements entered into in the year 2001 by the Company and/or its subsidiaries with various parties, the Company and/or its subsidiaries have purchased plant and machinery totalling the sum of Ringgit Malaysia Twenty One Million Nine Hundred and Twenty Five Thousand Four Hundred Only (RM21,925,400.00);
- (iv) By various agreements entered into in the year 2001 by the Company and/or its subsidiaries with various parties, the Company and/or its subsidiaries have purchased furniture, fittings and office equipment totalling the sum of Ringgit Malaysia One Million One Hundred and Twenty Two Thousand Three Hundred and Twelve Only (RM1,122,312.00);
- (v) By various agreements entered into in the year 2001 by the Company and/or its subsidiaries with various parties, the Company and/or its subsidiaries have purchased motor vehicles totalling the sum of Ringgit Malaysia Five Hundred and Twenty Two Thousand Eight Hundred and Forty Three Only (RM522,843.00);
- (vi) By various agreements entered into in the year 2001 by the Company and/or its subsidiaries with various parties, the Company and/or its subsidiaries have purchased electrical installation totalling the sum of Ringgit Malaysia One Million Five Hundred and Thirty One Thousand Five Hundred and Three Only (RM1,531,503.00);

## 12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (vii) By various agreements entered into in the year 2002 by the Company and/or its subsidiaries with various parties, the Company and/or its subsidiaries have purchased plant and machinery totalling the sum of Ringgit Malaysia Four Million Four Hundred and Thirty Thousand Three Hundred and Seventy Seven Only (RM4,430,377.00);
- (viii) By various agreements entered into in the year 2002 by the Company and/or its subsidiaries with various parties, the Company and/or its subsidiaries have purchased building totalling the sum of Ringgit Malaysia One Million Nine Hundred and Forty Two Thousand Three Hundred and Forty Nine Only (RM1,942,349.00);
- (ix) By various agreements entered into in the year 2002 by the Company and/or its subsidiaries with various parties, the Company and/or its subsidiaries have purchased furniture, fittings and office equipment totalling the sum of Ringgit Malaysia Five Hundred and Forty Three Thousand One Hundred and Forty Five Only (RM543,145.00);
- (x) By a Letter of Offer dated 29<sup>th</sup> January 2003, Malayan Banking Berhad has agreed to grant and LPE has agreed to accept the loan facility for the sum of RM5,200,000.00;
- (xi) By a Supplementary Facility Agreement dated 4 February 2003 made between Bumiputra-Commerce Bank Berhad (13491-P) (formerly known as Bank of Commerce (M) Berhad) ("**Chargee**") of the one part and Luster ("**Chargor**") of the other part, the Chargee agreed to grant and the Chargor agreed to accept an Overdraft Facility (Existing) for RM500,000.00, Term Loan (New) for RM1,000,000.00, Multi-Option Line (Existing) for RM6,000,000.00, Bankers Acceptance, Letter of Credit, Letter of Guarantee, Shipping Guarantee and Trust Receipt (all known as "**Facility**"); and
- (xii) By various agreements entered into in the three(3) months period ended 31 March 2003 by the Company and/or its subsidiary companies with various parties, the Company and/or its subsidiary companies have purchased plant and machinery totaling the sum of Ringgit Malaysia One Million Six Hundred and Forty Nine Thousand Four Hundred and Eighty One only (RM1,649,481.00).

### 12.7 Material Litigations

Neither the Company nor its subsidiary companies is engaged in any material litigation, claim and arbitration either, as plaintiff or defendant, and the Board of Directors have no knowledge of any proceeding pending or threatened against the Group or of any fact likely to give rise to any proceeding which might materially and adversely affect the position or business of the Company and its subsidiary companies.

### 12.8 Public Take-Overs

During the last financial year and the current financial year, there were:-

- (i) No public take-over offers by third parties in respect of the Company and its subsidiary companies' Shares.
- (ii) No public take-over offers by the Luster Group in respect of other companies' Shares.

## 12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

### 12.9 Consents

- (i) The written consents of the Adviser, Managing Underwriter and Placement Agent, Underwriters, Solicitors, Independent Business and Industry Consultant, Principal Bankers, Company Secretary, Registrars and Issuing House to the inclusion in this Prospectus of their names in the form and context in which their names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name, Accountants' Report, and their letters relating to the Proforma Consolidated Profit Forecast for the financial year ending 31 December 2003 and Proforma Consolidated Balance Sheets as at 31 March 2003 in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.
- (iii) The written consent of the Independent Business and Industry Consultant to the inclusion in this Prospectus of their name and report in the form and context in which they contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

### 12.10 Documents for Inspection

Copies of the following documents may be inspected at the registered office of the Company during office hours for a period of twelve (12) months from the date of this Prospectus:-

- (i) Memorandum and Articles of Association of Luster;
- (ii) The Directors' Report and Accountants' Report as included herein;
- (iii) The Reporting Accountants' Letters relating to the Profit Forecast for the financial year ending 31 December 2003 and Proforma Consolidated Balance Sheets as at 31 March 2003 as included herein;
- (iv) The material contracts referred to in Section 12.5 of this Prospectus;
- (v) The material agreements referred to in Section 12.6 of this Prospectus;
- (vi) The letters of consent referred to in Section 12.9 of this Prospectus;
- (vii) Audited financial statements of Luster for the fourteen(14) months period ended 31 December 1998, four(4) financial years ended 31 December 1999 to 2002 and three (3) months period ended 31 March 2003;
- (viii) Audited financial statements of DP from 10 September 1997 (date of incorporation) to December 1998, four(4) financial years ended 31 December 1999 to 2002 and three (3) months period ended 31 March 2003;
- (ix) Audited financial statements of LCW for the 14 months period ended 31 December 1998, four(4) financial years ended 31 December 1999 to 2002 and three (3) months period ended 31 March 2003;
- (x) Audited financial statements of LE from 18 July 2000 (date of incorporation) to 31 December 2001, financial year ended 31 December 2002 and three (3) months period ended 31 March 2003;
- (xi) Audited financial statements of LM for the fourteen(14) months period ended 31 December 1998, four(4) financial years ended 31 December 1999 to 2002 and three (3) months period ended 31 March 2003;

## **12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**

- (xii) Audited financial statements LN from 6 February 1999 (date of incorporation) to 31 December 1999, three(3) financial years ended 31 December 1999 to 2002 and three (3) months period ended 31 March 2003;
- (xiii) Audited financial statements of LPE for the fourteen(14) months period ended 31 December 1998, four(4) financial years ended 31 December 1999 to 2002 and three (3) months period ended 31 March 2003;
- (xiv) Audited financial statement of LPI for the fourteen(14) months period ended 31 December 1998, four(4) financial years ended 31 December 1999 to 2002 and three (3) months period ended 31 March 2003;
- (xv) Audited financial statements of PTLI for the financial period from 20 November 2000 (date of incorporation) to 31 December 2001, financial year ended 31 December 2002 and three (3) months period ended 31 March 2003;
- (xvi) Audited financial statements of LPR for the fourteen(14) months period ended 31 December 1998, five(5) financial years ended 31 December 1999 to 2002 and three (3) months period ended 31 March 2003; and
- (xvii) Independent Industry Assessment Report from Vital Factor Consulting Sdn Bhd referred to in Section 10 of this Prospectus.

### **12.11 Responsibility**

- (i) AmMerchant Bank acknowledges that, to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts about the Public Issue and the Group, and is satisfied that the proforma consolidated profit forecast for the financial year ending 31 December 2003 which the Directors of the Company are solely responsible has been stated by the Directors of the Company after due and careful inquiry and reviewed by the Reporting Accountants.
- (ii) This Prospectus has been seen and approved by the Directors and Promoters of the Company and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.

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