

**P** **PROTASCO BERHAD**  
 Company Number: 545076-B  
 (Incorporated in Malaysia under the Companies Act, 1965)



PUBLIC ISSUE OF 48,854,000 NEW ORDINARY SHARES OF RM0.50 EACH COMPRISING:

- (1) 20,000,000 NEW ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION AT THE RETAIL PRICE OF RM1.15\* PER ORDINARY SHARE PAYABLE IN FULL ON APPLICATION; AND
- (2) 28,854,000 NEW ORDINARY SHARES OF RM0.50 EACH TO IDENTIFIED INVESTORS AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING

AND

OFFER FOR SALE OF 19,600,000 ORDINARY SHARES OF RM0.50 EACH COMPRISING:

- (1) 9,000,000 ORDINARY SHARES OF RM0.50 EACH TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY AT THE RETAIL PRICE OF RM1.15\* PER ORDINARY SHARE PAYABLE IN FULL ON APPLICATION; AND
- (2) 10,600,000 ORDINARY SHARES OF RM0.50 EACH TO IDENTIFIED INVESTORS AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING

IN CONJUNCTION WITH ITS LISTING ON THE MAIN BOARD OF THE KUALA LUMPUR STOCK EXCHANGE

\* THE RETAIL PRICE WILL BE SUBJECT TO A REFUND IN THE EVENT THAT THE FINAL RETAIL PRICE IS LESS THAN RM1.15. THE FINAL RETAIL PRICE WILL BE THE LOWER OF:

- (1) THE RETAIL PRICE OF RM1.15; OR
- (2) NOT LESS THAN 90% OF THE INSTITUTIONAL PRICE

Adviser, Lead Manager and Managing Underwriter

**CIMB**

Commerce International Merchant Bankers Berhad

Company Number: 18477-M

Joint Underwriter

**Apex**  
 APXSECURITIES BERHAD

**P** **PROTASCO BERHAD**  
 Company Number: 545076-B

Registered Office:  
 Level 14, Uptown 1,  
 1, Jalan SS21/58 Damansara Uptown,  
 47400 Petaling Jaya, Selangor Darul Ehsan

Head Office:  
 87, Jalan Kampong Pandan, 55100 Kuala Lumpur  
 Tel: 03-9286 4050 Website: www.hcmc.com.my www.kish.com.my

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" IN SECTION 4 HEREIN

This Prospectus is dated 28 June 2003

## **RESPONSIBILITY**

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF PROTASCO BERHAD ("PROTASCO" OR THE "COMPANY") AND THE OFFERORS 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 AND MISLEADING STATEMENT OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING.

COMMERCE INTERNATIONAL MERCHANT BANKERS BERHAD ("CIMB") ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC OFFERING AND IS SATISFIED THAT ANY PROFIT FORECAST (FOR WHICH THE DIRECTORS OF PROTASCO ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THE PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

## **STATEMENTS OF DISCLAIMER**

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE ISSUE, OFFER OR INVITATION IN RESPECT OF THE PUBLIC OFFERING AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE PUBLIC OFFERING. THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS OR REPORTS EXPRESSED IN THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.**

THE VALUATION ACCEPTED / APPROVED BY THE SC SHALL ONLY BE UTILISED FOR THE PURPOSE OF THE CORPORATE PROPOSALS SUBMITTED TO AND APPROVED BY THE SC AND SHALL NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SC ON THE VALUE OF THE ASSETS FOR ANY OTHER PURPOSES.

THE KUALA LUMPUR STOCK EXCHANGE ("KLSE") ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST OF THE MAIN BOARD OF THE KLSE IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF PROTASCO OR OF ITS SECURITIES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC AND LODGED WITH THE COMPANIES COMMISSION OF MALAYSIA, WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

THE DISTRIBUTION OF THIS PROSPECTUS AND THE SALE OF THE INITIAL PUBLIC OFFERING ("IPO") SHARES ARE SUBJECT TO MALAYSIAN LAWS AND THE COMPANY AND ITS ADVISERS TAKE NO RESPONSIBILITY FOR THE DISTRIBUTION OF THIS PROSPECTUS (IN PRELIMINARY OR FINAL FORM) OUTSIDE MALAYSIA. NO ACTION HAS BEEN TAKEN TO PERMIT A PUBLIC OFFERING OF THE SHARES OR THE DISTRIBUTION OF THIS PROSPECTUS IN ANY JURISDICTION OTHER THAN MALAYSIA. ACCORDINGLY, THIS PROSPECTUS DOES NOT CONSTITUTE AND MAY NOT BE USED FOR THE PURPOSE OF AN OFFER TO SELL OR AN INVITATION TO APPLY FOR ANY IPO SHARES IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR LAWFUL OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THIS PROSPECTUS AND THE SALE OF THE IPO SHARES IN CERTAIN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW. PERSONS WHO MAY BE IN POSSESSION OF THIS PROSPECTUS ARE REQUIRED TO INFORM THEMSELVES OF AND TO OBSERVE SUCH RESTRICTIONS.

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**DEFINITIONS**


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In this Prospectus, unless the context otherwise stated, the following abbreviations shall apply throughout:

Acquisitions	:	Acquisition of HCM, Acquisition of KISB, Acquisition of Paves and Acquisition of PTSB collectively
Acquisition of HCM	:	Acquisition by Protasco of the entire equity interest in HCM comprising 2,000,000 shares for a purchase consideration of RM47,201,116 satisfied by way of issuance of 89,058,000 new Protasco Shares at an issue price of approximately RM0.53 per Protasco Share, credited as fully paid-up
Acquisition of KISB	:	Acquisition by Protasco of the entire equity interest in KISB comprising 30,000,000 shares for a purchase consideration of RM76,515,470 satisfied by way of issuance of 144,368,000 new Protasco Shares at an issue price of approximately RM0.53 per Protasco Share, credited as fully paid-up
Acquisition of Paves	:	Acquisition by Protasco of 60% equity interest in Paves comprising 300,000 shares for a purchase consideration of RM2,548,718 satisfied by way of issuance of 4,810,000 new Protasco Shares at an issue price of approximately RM0.53 per Protasco Share, credited as fully paid-up
Acquisition of PTSB	:	Acquisition by Protasco of the entire equity interest in PTSB comprising 500,000 shares for a purchase consideration of RM5,463,027 satisfied by way of issuance of 10,308,000 new Protasco Shares at an issue price of approximately RM0.53 per Protasco Share, credited as fully paid-up
Act	:	Companies Act, 1965 of Malaysia
ADA	:	Authorised Depository Agent
ADA Code	:	ADA (Broker) Code
Application	:	The application of the Public Issue Shares by way of Application Forms or by way of Electronic Share Application
Application Form(s)	:	The printed application form(s) for the application of the Public Issue Shares
ATM	:	Automated Teller Machine
Bookbuilding Portion	:	The total Protasco Shares as stated in Section 3.7(i)(c) and 3.7(ii)(b)
Business Day	:	Any day other than Saturday, Sunday or a day which is a public holiday in Kuala Lumpur
CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
Central-Eastern Region	:	The region within Peninsular Malaysia comprising the states of Selangor, Kelantan, Terengganu and Pahang
CIDB	:	Construction Industry Development Board
CIMB	:	Commerce International Merchant Bankers Berhad ( <i>Company No. 18417-M</i> )
Concession Area	:	That part of the Peninsular Federal Roads of approximately 5,550 kilometres of roads which lie within the Central-Eastern Region

**DEFINITIONS (Continued)**

EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
EI	:	Extraordinary item
Electronic Share Application	:	Application for the Public Issue Shares through a Participating Financial Institution's ATM
EPS	:	Earnings per share
EPU	:	Economic Planning Unit, Prime Minister's Department
FIC	:	Foreign Investment Committee
Final Retail Price	:	The final price per IPO Share to be paid by investors in the Retail Offering as determined in accordance with Section 3.11 of this prospectus
FY	:	Financial year
Government	:	The Government of Malaysia
HCM	:	HCM Engineering Sdn Bhd ( <i>Company No. 225387-M</i> )
HCM-Endaya JV	:	HCM-Endaya JV Sdn Bhd ( <i>Company No. 504225-M</i> )
HCM Group	:	HCM and its subsidiaries and associated company
HCM-Isyoda JV	:	HCM Engineering-Isyoda JV Sdn Bhd ( <i>Company No. 403423-V</i> )
HCM-THT	:	HCM-TH Technologies Sdn Bhd ( <i>Company No. 474357-W</i> )
IKRAM	:	Institut Kerja Raya Malaysia
Ikram C&S	:	Ikram C&S Sdn Bhd ( <i>Company No. 452987-W</i> )
Ikram Education	:	Ikram Education Sdn Bhd ( <i>Company No. 402343-M</i> )
Ikram Geotechnics	:	Ikram Geotechnics Sdn Bhd ( <i>Company No. 434927-K</i> )
Ikram Latihan	:	Ikram Latihan Sdn Bhd ( <i>Company No. 434926-W</i> )
Ikram QA	:	Ikram QA Services Sdn Bhd ( <i>Company No. 479565-A</i> )
Ikram Sabah	:	Kumpulan Ikram (Sabah) Sdn Bhd ( <i>Company No. 452916-A</i> )
Ikram Sarawak	:	Kumpulan Ikram (Sarawak) Sdn Bhd ( <i>Company No. 446537-H</i> )
Ikram Services	:	Ikram Services Sdn Bhd ( <i>Company No. 360789-T</i> )
Initial Public Offering or IPO	:	Initial public offering of Protasco Shares comprising the Public Issue and Offer for Sale collectively, subject to the terms and conditions of this Prospectus
Institutional Offering	:	39,454,000 IPO Shares to be issued/offered to identified Malaysian and/or foreign investors
Institutional Price	:	The price per IPO Share to be paid by investors in the Institutional Offering
IPO Share(s)	:	Public Issue Shares and Offer Shares collectively
JKR	:	Jabatan Kerja Raya

**DEFINITIONS (Continued)**

KBI	:	KBI Engineering Sdn Bhd ( <i>Company No. 266663-D</i> )												
KISB	:	Kumpulan Ikram Sdn Bhd ( <i>Company No. 360785-A</i> )												
KISB Group	:	KISB and its subsidiaries												
KLSE	:	Kuala Lumpur Stock Exchange ( <i>Company No. 30632-P</i> )												
KLSE Listing Requirements	:	The Listing Requirements of KLSE												
Listing	:	The admission to the official list and the listing of and quotation for 300,000,000 Protasco Shares representing the entire issued and paid-up share capital of Protasco on the Main Board of the KLSE												
Market Day	:	A day when KLSE is open for securities trading												
Max 3	:	Max-Three Sdn Bhd ( <i>Company No. 370977-M</i> )												
MCD	:	Malaysian Central Depository Sdn Bhd ( <i>Company No. 165570-W</i> ), a subsidiary of the KLSE and where the context requires, its nominee company												
MI	:	Minority interests												
MIH	:	Malaysian Issuing House Sdn Bhd ( <i>Company No. 258345-X</i> )												
MITI	:	Ministry of International Trade and Industry												
Muhibbah	:	Muhibbah Engineering (M) Berhad												
NTA	:	Net tangible assets												
Offer for Sale or Offer	:	Offer for sale of 19,600,000 Protasco Shares comprising: <ul style="list-style-type: none"> <li>(i) 9,000,000 Protasco Shares to Bumiputera investors approved by the MITI at the Retail Price of RM1.15 each per ordinary share payable in full on application; and</li> <li>(ii) 10,600,000 Protasco Shares to identified investors at the Institutional Price to be determined by way of bookbuilding</li> </ul>												
Offeror(s)	:	The offerors of the Offer Shares and the number of shares offered for sale are as follows: <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: right;">No. of Shares</th> <th style="text-align: right;">Percentage of the enlarged share capital %</th> </tr> </thead> <tbody> <tr> <td>PHSB</td> <td style="text-align: right;">5,750,000</td> <td style="text-align: right;">1.92</td> </tr> <tr> <td>Sanida</td> <td style="text-align: right;">13,850,000</td> <td style="text-align: right;">4.61</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black;">19,600,000</td> <td style="text-align: right; border-top: 1px solid black;">6.53</td> </tr> </tbody> </table>	Name	No. of Shares	Percentage of the enlarged share capital %	PHSB	5,750,000	1.92	Sanida	13,850,000	4.61	Total	19,600,000	6.53
Name	No. of Shares	Percentage of the enlarged share capital %												
PHSB	5,750,000	1.92												
Sanida	13,850,000	4.61												
Total	19,600,000	6.53												
Offer Shares	:	19,600,000 existing Protasco Shares available for subscription under the Offer for Sale, subject to the terms and conditions of this Prospectus, which expression shall include any of the Offer Shares												
Official List	:	The official list of the Main Board of the KLSE												

**DEFINITIONS (Continued)**

Participating Financial Institutions	:	The participating financial institution(s) for Electronic Share Application as listed in section 18.3.2(ii) of this Prospectus
PAT	:	Profit after taxation
PATAMI	:	Profit after taxation and minority interests
Paves	:	Paves Sdn Bhd ( <i>Company No. 231314-V</i> )
PBT	:	Profit before taxation
PE Multiple	:	Price-earnings multiple
Peninsular Federal Road	:	All the Federal roads and bridges in Peninsular Malaysia gazetted under the Federal Roads Act, 1959 and all parts thereof including all lanes, drainage and culverts, shoulders, road furniture, road pavements at the lay-bys, directional signage and other structures and fixtures and other areas, provided that the following shall be excluded: <ul style="list-style-type: none"> <li>(a) the tolled highways and expressways;</li> <li>(b) all roads within the Federal Territory of Kuala Lumpur;</li> <li>(c) state roads;</li> <li>(d) roads maintained by the various local authorities;</li> <li>(e) gravel and earth roads of the Peninsular Federal Roads;</li> <li>(f) the ferry service from Pengkalan Kubur, Kelantan to Tak Bai, Thailand; and</li> <li>(g) the road specified by the Government to be used for the purpose of comparing the standards of performance of the Company in relation to the carrying out of the Works.</li> </ul>
PHSB	:	Protasco Holdings Sdn Bhd ( <i>Company No. 222906-D</i> )
PIB	:	Pengurusan Ikram Berhad ( <i>Company No. 352281-D</i> )
PKK	:	Pusat Khidmat Kontraktor
Price Determination Date	:	Tentatively 14 July 2003, the date on which the Institutional Price shall be determined
PROPEL	:	Projek Penyelenggaraan Lebuhraya Berhad ( <i>Company No. 171667-P</i> )
Protasco or Company	:	Protasco Berhad ( <i>Company No. 548078-H</i> )
Protasco Group or Group	:	Protasco and its subsidiaries
Protasco Share(s) or Share(s)	:	Ordinary shares of RM0.50 each in Protasco
PTSB	:	Protasco Trading Sdn Bhd ( <i>Company No. 273794-M</i> )
Public Ballot Portion	:	The total Protasco Shares as stated in Section 3.7(i)(b)
Public Issue	:	Public issue of 48,854,000 new Protasco Shares comprising: <ul style="list-style-type: none"> <li>(i) 20,000,000 new Protasco Shares available for application at the Retail Price of RM1.15 per ordinary share payable in full on application; and</li> <li>(ii) 28,854,000 new Protasco Shares to identified investors at the Institutional Price to be determined by way of bookbuilding</li> </ul>

**DEFINITIONS (Continued)**

Public Issue Share(s) or Issue Share(s)	:	48,854,000 new Protasco Shares available for subscription under the Public Issue, subject to the terms and conditions of this Prospectus, which expression shall include any of the issue shares
QP Industries	:	QP Industries Sdn Bhd ( <i>Company No. 294593-A</i> )
Retail Offering	:	29,000,000 IPO Shares to be issued/offered to the Malaysian public, eligible directors and employees and Bumiputera investors approved by the MITI
Retail Price	:	The initial price of RM1.15 per IPO Share to be paid by applicants in accordance with Section 3.10 of this prospectus
Rights Issue	:	Renounceable rights issue of 2,601,994 new Protasco Shares at par to the shareholders of Protasco on the basis of 1 new Protasco Share for approximately every 95.52 Protasco Shares held after the completion of the Acquisitions
Rights Issue Share(s)	:	The 2,601,994 new Protasco Shares which are the subject of the Rights Issue
Roadcare	:	Roadcare (M) Sdn Bhd ( <i>Company No. 490724-U</i> )
RM and sen	:	Ringgit Malaysia and sen, respectively
R&D	:	Research & Development
Sanida	:	Sanida Sdn Bhd ( <i>Company No. 174454-A</i> )
SC	:	Securities Commission
SC Guidelines	:	SC's Policies and Guidelines on Issue/ Offer of Securities
sq. ft.	:	Square feet
THT	:	TH Technologies Sdn Bhd
THT-HCM JV	:	THT-HCM JV Sdn Bhd ( <i>Company No. 537623-U</i> )
Underwriting Agreement	:	An underwriting agreement dated 13 June 2003 between Protasco, the Managing Underwriter and Joint Underwriter.
Underwriting Shares	:	10,000,000 Public Issue Shares underwritten pursuant to the Underwriting Agreement, more specifically stated in Section 3.14 of this Prospectus
USD	:	United States Dollar
Works	:	The routine maintenance works, periodic maintenance works, emergency works and all things incidental thereto, carried out or to be carried out by Roadcare in respect of the concession agreement dated 22 December 2000

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**INDICATIVE TIMETABLE**

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The following events are intended to take place on the following tentative dates:

<b>Event</b>	<b>Tentative Dates</b>
Opening of the IPO	28 June 2003
Closing of the IPO	11 July 2003
Tentative Price Determination Date	14 July 2003
Tentative date for balloting of application for the Issue Shares	17 July 2003
Tentative date for allotment of Protasco Shares to successful applications of the IPO Shares	4 August 2003
Tentative Listing Date	8 August 2003

**Note:**

*The application for the IPO Shares will remain open until 8 p.m. on 11 July 2003 or such further date as the Directors in their absolute discretion may decide. Should the closing date of the application be extended, the dates for the price determination, balloting, allotment of the IPO Shares and listing of and quotation for the entire issued and paid-up share capital of Protasco on the Main Board of KLSE would be extended accordingly.*

Further information on the tentative timetable is set out in Sections 3.2 and 3.3 of this Prospectus.

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**1. CORPORATE INFORMATION**


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**Board of Directors**

<b>Name</b>	<b>Address</b>	<b>Occupation</b>	<b>Nationality</b>
Dato' Hasnur Rabiain bin Ismail <i>(Executive Chairman)</i>	17, Jalan USJ 5/1 UEP Subang Jaya 47600 Subang Jaya Selangor Darul Ehsan	Company Director	Malaysian
Dato' Chong Ket Pen <i>(Managing Director)</i>	3, Jalan Tham Loy Taman Taynton View 56000 Cheras Kuala Lumpur	Company Director	Malaysian
Datin Normah binti Kassim <i>(Independent Non-Executive Director)</i>	4, Jalan SS7/4F Kelana Jaya 47301 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Benny Soh Seow Leng <i>(Independent Non-Executive Director)</i>	No. 40, Jalan Perahu Layar 13/23 Section 13 40000 Shah Alam Selangor Darul Ehsan	Company Director	Malaysian
Azliza binti Ahmad Tajuddin <i>(Independent Non-Executive Director)</i>	8-1, D'Mayang Condo Jalan Mayang Off Jalan Yap Kwan Seng 50450 Kuala Lumpur	Company Director	Malaysian

**Audit Committee**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Datin Normah binti Kassim	Chairperson	Independent Non-Executive Director
Azliza binti Ahmad Tajuddin	Member	Independent Non-Executive Director
Dato' Chong Ket Pen	Member	Managing Director

<b>Company Secretaries</b>	:	Tee Yoke Peng (MAICSA 0863085) No. 28, Jalan Margosa SD 10/5M Bandar Sri Damansara 52200 Kuala Lumpur
		Khor Hooi Ling (MAICSA 7014879) C2-G3, Cypress Condominium Bandar Sg. Long 43000 Kajang Selangor Darul Ehsan

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**1. CORPORATE INFORMATION (Continued)**


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<b>Registered Office</b>	:	Level 14, Uptown 1 1, Jalan SS21/58 Damansara Uptown 47400 Petaling Jaya Selangor Darul Ehsan Telephone No: 03-7725 2888
<b>Head Office</b>	:	87, Jalan Kampong Pandan 55100 Kuala Lumpur Telephone No: 03-9286 4050 Websites: www.hcme.com.my www.kisb.com.my
<b>Auditors and Reporting Accountants</b>	:	Ernst & Young Chartered Accountants Level 23A Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur
<b>Solicitors for the IPO</b>	:	Messrs. Teh & Lee Advocates & Solicitors Unit 23-3 (Block SB 12), The Boulevard Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur
<b>Valuers</b>	:	Rahim & Co. Chartered Surveyors Sdn Bhd Wisma Jayanita 64, Jalan Raja Muda Abdul Aziz 50300 Kuala Lumpur
<b>Principal Bankers</b>	:	RHB Bank Berhad Unit 1, Tingkat Bawah Bangunan Cheong Wing Chan 41-51, Jalan Maharajalela 50150 Kuala Lumpur  RHB Bank Berhad 25, Jalan Raja Harun 43000 Kajang Selangor Darul Ehsan  EON Bank Berhad Ground Floor, Wisma Cyclecarri 288, Jalan Raja Laut 50300 Kuala Lumpur  Malayan Banking Berhad Level 2, Unit 49 Kompleks Pernas-Sogo 190, Jalan Tuanku Abdul Rahman 50100 Kuala Lumpur  Bank Islam Malaysia Berhad 10 <sup>th</sup> Floor, Darul Takaful Jalan Sultan Ismail 50250 Kuala Lumpur

**1. CORPORATE INFORMATION (Continued)**

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<b>Issuing House</b>	:	Malaysian Issuing House Sdn Bhd 27th Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur
<b>Share Registrar</b>	:	Signet Share Registration Services Sdn Bhd 11 <sup>th</sup> Floor, Tower Block Kompleks Antarabangsa Jalan Sultan Ismail 50250 Kuala Lumpur
<b>Independent Business &amp; Market Research Consultant</b>	:	Vital Factor Consulting Sdn Bhd 75C & 77C Jalan SS 22/19 Damansara Jaya 47400 Petaling Jaya Selangor Darul Ehsan
<b>Adviser, Managing Underwriter and Lead Manager</b>	:	Commerce International Merchant Bankers Berhad 7 <sup>th</sup> Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur
<b>Joint Underwriter</b>	:	JF Apex Securities Berhad 6th Floor, Menara Apex Off Jalan Semenyih 43000 Kajang Selangor Darul Ehsan
<b>Listing Sought</b>	:	Main Board of the KLSE

## 2. INFORMATION SUMMARY

The summary information set out below is derived from and should be read in conjunction with the full text of this Prospectus. Investors should read and understand the whole Prospectus prior to deciding whether to invest in Protasco.

### 2.1 History and Business

Protasco was incorporated in Malaysia on 18 May 2001 under the Act as a public company under the same name.

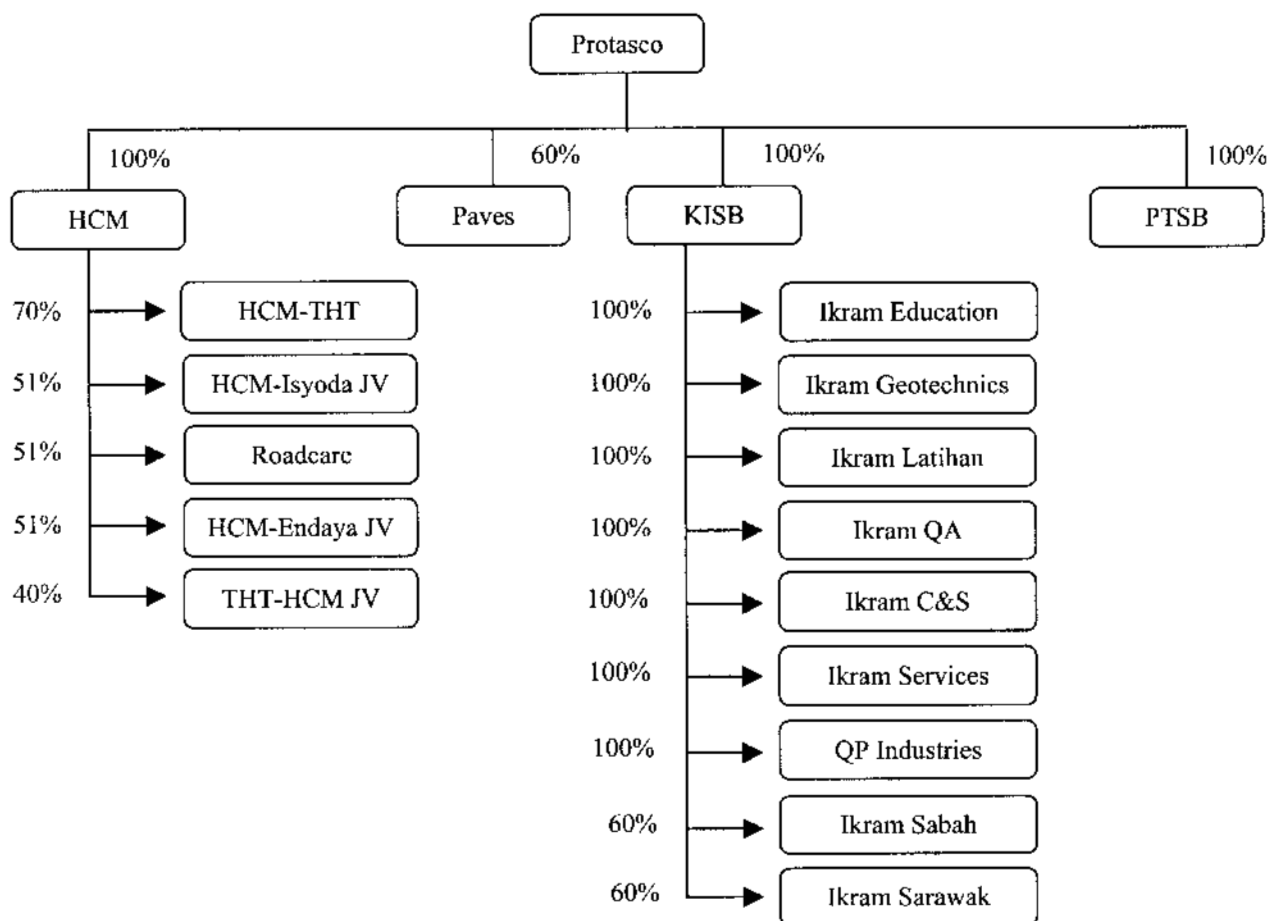
Further details on the Protasco Group are set out in Section 8 of this Prospectus.

Protasco is principally an investment holding company. Brief details of its subsidiaries are as follows:

<b>Names</b>	<b>Principal activities</b>
HCM	Provision of road construction, rehabilitation and maintenance
KISB	Provision of training, geotechnical laboratory, structural and material testing, soil investigation, research and development, listing of building materials, engineering and technical related activities and services
Paves	Provision of evaluation and testing services for road pavements
PTSB	Trading of construction materials and petroleum products
<b><i>Subsidiaries of HCM</i></b>	
HCM-THT	Road construction and rehabilitation
HCM-Isyoda JV	Road construction and rehabilitation
Roadcare	Road maintenance
HCM-Endaya JV	Dormant
<b><i>Associated company of HCM</i></b>	
THT-HCM JV	Dormant
<b><i>Subsidiaries of KISB</i></b>	
Ikram Education	Provision of tertiary education and accommodation for students
Ikram Geotechnics	Provision of geotechnical installation and specialised construction services
Ikram Latihan	Provision of training courses
Ikram QA	Provision of material certification and listing of products
Ikram C & S	Provision of services in pavement evaluation, structure and traffic safety, asphalt technology, quality control, structural and material testing, consultancy and research and development
Ikram Services	Provision of soil and site investigation and laboratory testing services
QP Industries	Manufacture of road pavement materials
Ikram Sabah	Provision of soil and site investigation and laboratory testing services
Ikram Sarawak	Provision of soil and site investigation and laboratory testing services

## 2. INFORMATION SUMMARY (Continued)

The corporate group structure of the Protasco Group is set out below:



### 2.2 Ownership and Management

The Company and the Group are managed by a senior management team headed by Dato' Hasnur Rabiain bin Ismail, the Executive Chairman and Dato' Chong Ket Pen, the Managing Director.

Details of promoters, substantial shareholders, Directors and senior management of Protasco are as follows:

Name	Designation(s)	After IPO			
		Direct		Indirect	
		No. of Shares held	%	No. of Shares held	%
<b>Promoters</b>					
Sanida	Substantial Shareholder	64,607,354	21.54	-	-
Dato' Hasnur Rabiain bin Ismail	Substantial Shareholder, Executive Chairman	66,006,422 <sup>(1)</sup>	22.00	107,833,898 <sup>(a)</sup>	35.94
PHSB	Substantial Shareholder	26,830,196	8.94	64,607,354 <sup>(b)</sup>	21.54



## 2. INFORMATION SUMMARY (Continued)

Name	Designation(s)	After IPO			
		Direct		Indirect	
		No. of Shares held	%	No. of Shares held	%
<b>Promoters (Cont'd)</b>					
KBI	Substantial Shareholder	15,842,500	5.28	-	-
<b>Substantial Shareholders (holding 5% or more)</b>					
Sanida	Substantial Shareholder	64,607,354	21.54	-	-
Dato' Hasnur Rabiain bin Ismail	Substantial Shareholder, Executive Chairman	66,006,422 <sup>(1)</sup>	22.00	107,833,898 <sup>(a)</sup>	35.94
Max 3	Substantial Shareholder	16,396,348	5.47	91,437,550 <sup>(b)</sup>	30.48
PHSB	Substantial Shareholder	26,830,196	8.94	64,607,354 <sup>(b)</sup>	21.54
KBI	Substantial Shareholder	15,842,500	5.28	-	-
Dato' Chong Ket Pen	Substantial Shareholder, Managing Director	3,124,634 <sup>(1)</sup>	1.04	107,833,898 <sup>(c)</sup>	35.94
Ronnie Yap Kee Tian	Substantial Shareholder, Director and General Manager of PTSB	1,072,138 <sup>(2)</sup>	0.36	107,833,898 <sup>(c)</sup>	35.94
<b>Directors</b>					
Dato' Hasnur Rabiain bin Ismail	Substantial Shareholder, Executive Chairman	66,006,422 <sup>(1)</sup>	22.00	107,833,898 <sup>(a)</sup>	35.94
Dato' Chong Ket Pen	Substantial Shareholder, Managing Director	3,124,634 <sup>(1)</sup>	1.04	107,833,898 <sup>(c)</sup>	35.94
Datin Normah binti Kassim	Independent Non-Executive Director	-(2)	-	-	-
Benny Soh Seow Leng	Independent Non-Executive Director	-(2)	-	-	-
Azliza binti Ahmad Tajuddin	Independent Non-Executive Director	-(2)	-	-	-
<b>Senior Management</b>					
Dato' Hasnur Rabiain bin Ismail	Substantial Shareholder, Executive Chairman	66,006,422 <sup>(1)</sup>	22.00	107,833,898 <sup>(a)</sup>	35.94
Dato' Chong Ket Pen	Substantial Shareholder, Managing Director	3,124,634 <sup>(1)</sup>	1.04	107,833,898 <sup>(c)</sup>	35.94

## 2. INFORMATION SUMMARY (Continued)

Name	Designation(s)	After IPO			
		Direct		Indirect	
		No. of Shares held	%	No. of Shares held	%
<b>Senior Management (Cont'd)</b>					
Ronnie Yap Kee Tian	Substantial Shareholder, Director and General Manager of PTSB	1,072,138 <sup>(2)</sup>	0.36	107,833,898 <sup>(6)</sup>	35.94
Mohd Nasir bin Hassan	Director and General Manager of Engineering Department of HCM	940,896 <sup>(2)</sup>	0.31	-	-
Mohd Azman bin Yaacob	Director and General Manager of Contracts and Technical Department of HCM	-( <sup>2)</sup>	-	-	-
Hanisman bin Abdul Rahman	Senior Project Manager of HCM	564,535 <sup>(4)</sup>	0.19	-	-
Abdul Rani bin Ismail	Senior Project Manager of HCM	-( <sup>4)</sup>	-	-	-
Mhd Najili bin Sojo	Chief Operating Officer of Roadcare	-( <sup>3)</sup>	-	-	-
Mohd Khalil bin Dan	General Manager of Roadcare	-( <sup>4)</sup>	-	-	-
Muhammad Zamri bin Hasan	General Manager of Paves	752,721 <sup>(6)</sup>	0.25	-	-
Tuan Haji Nordin bin Abu Bakar	Director of Business Development Division of KISB Group	940,896 <sup>(2)</sup>	0.31	-	-
Dr Mahadzcr bin Mahmud	Director of R&D Centre of KISB	-( <sup>3)</sup>	-	-	-
Tan Swee Kee	Director of Ikram Latihan	-( <sup>2)</sup>	-	-	-
Lim Yew Ting	Group Corporate Planning General Manager	940,896 <sup>(3)</sup>	0.31	-	-
Lee Hin Lian	Group Human Resource Senior General Manager	-( <sup>3)</sup>	-	-	-
Sofia binti Zakaria	Chief Accountant	-( <sup>4)</sup>	-	-	-

**Notes:**

- (a) Deemed interest by virtue of his interest in Max 3 and PHSB.  
(b) Deemed interest by virtue of shares held through Sanida, a subsidiary of PHSB.  
(c) Deemed interest by virtue of their interest in Max 3.  
(d) Deemed interest by virtue of its interest in PHSB.  
(1) Excluding the 1,156,750 Public Issue Shares which will be offered to them pursuant to Section 3.7(i)(a) of this Prospectus.

## 2. INFORMATION SUMMARY (Continued)

- (2) Excluding the 100,000 Public Issue Shares which will be offered to them pursuant to Section 3.7(i)(a) of this Prospectus.
- (3) Excluding the 70,000 Public Issue Shares which will be offered to them pursuant to Section 3.7(i)(a) of this Prospectus.
- (4) Excluding the 60,000 Public Issue Shares which will be offered to them pursuant to Section 3.7(i)(a) of this Prospectus.

Further information on the promoters, substantial shareholders, Directors and key management personnel of Protasco is set out in Section 10 of this Prospectus.

### 2.3 Concession Agreements

On 5 November 1996, KISB was awarded the privatisation of IKRAM by the Government. Further details of the concession are set out in Sections 6.3 and 17.10 of this Prospectus.

On 22 December 2000, the Government of Malaysia awarded the privatisation of the Peninsular Federal Roads maintenance within the Concession Area to Roadcare. Further details of the concession are set out in Sections 6.3 and 17.10 of this Prospectus.

### 2.4 Financial Highlights

The following table sets out a summary of the proforma consolidated results of the Protasco for the past five (5) financial years ended 31 December 2002 based on the assumption that the Protasco Group had been in existence throughout the years under review. The proforma consolidated results are presented for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set out in Section 13 of this Prospectus.

	←-----Financial year ended 31 December----->				
	1998	1999	2000	2001	2002
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	81,037	183,237	267,443	445,491	715,609
EBITDA	15,526	29,865	45,515	73,111	96,351
Depreciation	(5,117)	(5,927)	(8,190)	(12,764)	(16,296)
Amortisation	(487)	(532)	(467)	(1,695)	(241)
Interest income	279	237	176	1,165	1,723
Interest expense	(3,125)	(1,957)	(1,465)	(2,030)	(3,430)
PBT	7,076	21,686	35,569	57,787	78,107
Taxation	(2,276)	(808)	(9,795)	(16,739)	(23,127)
PAT	4,800	20,878	25,774	41,048	54,980
MI	(364)	(1,437)	(974)	(10,377)	(11,275)
PATAMI	4,436	19,441	24,800	30,671	43,705
No. of ordinary shares assumed in issue <sup>(1)</sup> ('000)	248,544	248,544	248,544	248,544	248,544
Gross EPS <sup>(2)</sup> (sen)	3	9	14	23	31
Net EPS <sup>(3)</sup> (sen)	2	8	10	12	18
Gross dividend rate <sup>(4)</sup> (%)	0.3	3	-	2	-

#### Notes:

- (1) Being the number of shares in issue after the Acquisitions but prior to the Rights Issue and Public Issue.
- (2) Based on the PBT divided by the number of shares assumed in issue.
- (3) Based on the PATAMI divided by the number of shares assumed in issue.
- (4) Based on the dividend divided by the number of shares assumed in issue.
- (5) There were no exceptional or extraordinary items in the financial years under review.

## 2. INFORMATION SUMMARY (Continued)

### 2.5 Proforma Consolidated Balance Sheets of Protasco as at 31 December 2002

The proforma consolidated balance sheets of Protasco as at 31 December 2002 have been prepared solely to illustrate the proforma effects of the acquisition of HCM, KISB, Paves and PTSB by Protasco, the Rights Issue and the IPO on the assumption that these transactions were effected at that date and should be read with the notes and assumptions to the proforma consolidated balance sheets set out in Section 12.9 of this Prospectus.

	Audited as at 31 December 2002 RM'000	Proforma I <sup>(1)</sup> RM'000	Proforma II <sup>(2)</sup> RM'000	Proforma III <sup>(3)</sup> RM'000
PROPERTY, PLANT AND EQUIPMENT	-	181,421	181,421	181,421
INVESTMENTS	-	330	330	330
DEFERRED EXPENDITURE	742	742	742	-
	<u>742</u>	<u>182,493</u>	<u>182,493</u>	<u>181,751</u>
<b>CURRENT ASSETS</b>				
Inventories	-	2,253	2,253	2,253
Trade debtors	-	184,210	184,210	184,210
Other debtors, prepayment and deposits	-	8,787	8,787	8,787
Amount due from a corporate shareholder	-	24	24	24
Fixed deposits with financial institutions	-	16,073	16,073	16,073
Cash and bank balances	-	62,794	64,095	67,077
	<u>-</u>	<u>274,141</u>	<u>275,442</u>	<u>278,424</u>
<b>CURRENT LIABILITIES</b>				
Trade creditors	-	148,243	148,243	148,243
Other creditors and accruals	747	18,992	18,992	18,250
Amount owing to a corporate shareholder	-	486	486	486
Lease and hire purchase creditors	-	3,351	3,351	3,351
Bank borrowings	-	41,797	41,797	11,797
Taxation	-	2,171	2,171	2,171
Dividend payable	-	980	980	980
	<u>747</u>	<u>216,020</u>	<u>216,020</u>	<u>185,278</u>
<b>NET CURRENT (LIABILITIES) / ASSETS</b>	<u>(747)</u>	<u>58,121</u>	<u>59,422</u>	<u>93,146</u>
	<u>(5)</u>	<u>240,614</u>	<u>241,915</u>	<u>274,897</u>
<b>FINANCED BY:</b>				
SHARE CAPITAL	*	124,272	125,573	150,000
SHARE PREMIUM	-	7,456	7,456	36,011
ACCUMULATED LOSS	(5)	(5)	(5)	(5)
CAPITAL RESERVE ON CONSOLIDATION	-	44,182	44,182	44,182
	<u>(5)</u>	<u>175,905</u>	<u>177,206</u>	<u>230,188</u>
MINORITY INTERESTS	-	27,751	27,751	27,751
LONG TERM LIABILITIES	-	28,361	28,361	8,361
DEFERRED TAXATION	-	8,597	8,597	8,597
	<u>(5)</u>	<u>240,614</u>	<u>241,915</u>	<u>274,897</u>

## 2. INFORMATION SUMMARY *(Continued)*

### Notes:

- \* As at 31 December 2002, the issued and paid-up capital of Protasco comprise 3 ordinary shares of RM1.00 each.
- (1) After the Acquisitions.
- (2) After the Acquisitions and Rights Issue.
- (3) After the Acquisitions, Rights Issue and IPO.

### 2.6 Principal Statistics Relating to the IPO

#### (i) Share Capital

	RM
<i>Authorised</i>	
600,000,000 Shares	<u>300,000,000</u>
<i>Issued and fully paid-up</i>	
251,146,000 Shares	125,573,000
<i>To be issued and fully paid-up pursuant to the Public Issue</i>	
48,854,000 new Shares	24,427,000
Total	<u>150,000,000</u>
<i>To be offered for sale pursuant to the Offer for Sale</i>	
19,600,000 existing Shares	<u>9,800,000</u>

There is only one (1) class of shares in Protasco, namely ordinary shares of RM0.50 each. The Public Issue Shares, upon allotment and issue, will rank pari passu in all respects with the other existing issued and paid-up ordinary shares of the Company including voting rights and will be entitled to all rights and dividends and distributions that may be declared subsequent to the date of allotment of the Public Issue Shares.

Further information on the share capital of Protasco is set out in Section 3.4 of this Prospectus.

#### (ii) Retail Price per IPO Share<sup>^</sup> RM1.15

##### Note:

- <sup>^</sup> The Final Retail Price per IPO share will be fixed upon completion of the Bookbuilding exercise.

#### (iii) Proforma Group NTA as at 31 December 2002

Proforma Group NTA (RM'000) <i>(After deducting listing expenses of RM3,200,000)</i>	RM230,188
Proforma Group NTA per ordinary share <i>(Based on the enlarged issued and paid-up share capital of 300,000,000 Shares)</i>	RM0.77

## 2. INFORMATION SUMMARY *(Continued)*

### (iv) Consolidated Profit Forecast

Financial year ending 31 December	Forecast 2003
Consolidated PBT (RM'000)	87,352
Consolidated PATAMI (RM'000)	52,043
Gross EPS (sen)*	29.12
Net EPS (sen)*	17.35
Net PE Multiple (times)#	6.63

**Notes:**

\* Based on the enlarged issued and paid-up share capital of 300,000,000 Shares.

# Based on the Retail Price of RM1.15 per Protasco Share.

Further information on the consolidated profit forecast of Protasco is set out in Sections 12.4 and 12.5 of this Prospectus.

### (v) Dividend Forecast

Financial year ending 31 December	Forecast 2003
Gross dividend per ordinary share (sen)*	4.00
Net dividend per ordinary share (sen)*#	2.88
Net dividend yield (%) <i>(based on the Retail Price of RM1.15 per Share)</i>	2.50
Net dividend cover (times)	6.02

**Notes:**

\* Based on the enlarged issued and paid-up share capital of 300,000,000 Shares.

# Based on 8% less tax at 28%.

Further information on the dividend forecast is set out in Section 12.8 of this Prospectus.

## 2.7 Risk Factors

Applicants for the IPO Shares should carefully consider the following risk factors summarised from Section 4 herein (which may not be exhaustive), in addition to the other information contained elsewhere in this Prospectus, before applying to subscribe for the IPO Shares:

- Risks relating to the business and operations of Protasco Group
  - (i) Business risks inherent in the road construction, rehabilitation, and maintenance industry;
  - (ii) Concession for KISB and Roadcare;
  - (iii) Customer concentration;
  - (iv) Substantial shareholders;

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**2. INFORMATION SUMMARY (Continued)**


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- (v) Dependence on key personnel;
  - (vi) Borrowings;
  - (vii) Adequacy of insurance coverage on the Group's assets;
  - (viii) Restrictive covenants under credit facility agreements;
  - (ix) Competition; and
  - (x) Rapid technological change.
- Risks relating to an investment in Protasco Shares
    - (i) No prior market for Protasco Shares;
    - (ii) Political, economic and legislative considerations;
    - (iii) Achievability of forward-looking statements;
    - (iv) Profit forecast;
    - (v) Failure or delay on the listing exercise;
    - (vi) Malaysian capital market risks; and
    - (vii) There will be a delay between settlement and trading of the Protasco Shares.

The above risk factors are elaborated in Section 4 of this Prospectus.

**2.8 Utilisation of Proceeds**

The gross proceeds from the Rights Issue of RM1,300,997 will be utilised for working capital purposes by the Company.

The Public Issue is expected to raise total gross proceeds of approximately RM56.182 million (assuming the Final Retail Price and Institutional Price is RM1.15 per IPO Share). The total gross proceeds from the Public Issue will accrue entirely to the Company. The Company shall bear all expenses and fees incidental to the listing of and quotation for its entire issued and paid-up ordinary share capital on the Main Board of the KLSE, estimated at RM3,200,000.

The proceeds accruing to the Company from the Public Issue will be utilised as follows:

	<b>RM</b>
Repayment of bank borrowings	50,000,000
Working capital	2,982,100
Listing expenses	3,200,000
<b>TOTAL</b>	<b><u>56,182,100</u></b>

## 2. INFORMATION SUMMARY *(Continued)*

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The gross proceeds from the Offer for Sale amounting to RM22.540 million (assuming the Final Retail Price and Institutional Price is RM1.15 per IPO share) will accrue entirely to the Offerors. The Offerors shall bear the brokerage, stamp duty and share transfer fees relating to the Offer Shares, estimated at RM500,000.

Further information on the utilisation of proceeds is set out in Section 3.12 of this Prospectus.

### 2.9 Material Litigation, Capital Commitments and Contingent Liabilities

#### (i) Material Litigation

Neither Protasco nor its subsidiaries are engaged in any material litigation, either as plaintiff or defendant, which has a material effect on the financial position of Protasco or its subsidiaries and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially affect the financial position or business of Protasco or its subsidiaries.

#### (ii) Capital Commitments and Contingent Liabilities

As at 31 May 2003, the contingent liabilities of the Group stand as RM47.143 million. The capital commitments approved and contracted for as at 31 May 2003 amounted to approximately RM1.7 million while the capital commitments approved but not contracted for amounted to approximately RM12.72 million.

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