
17. STATUTORY AND GENERAL INFORMATION

17.1 Share Capital

- (i) No shares will be allotted or sold on the basis of this Prospectus later than twelve (12) months after the date of issue of this Prospectus.
- (ii) There are no founder, management or deferred shares in the Company. As at the date of this Prospectus, there is one (1) class of shares in the Company namely ordinary shares of RM0.50 each, all of which rank pari passu with one another.
- (iii) Save as disclosed in Section 8.2 of this Prospectus, no shares and debentures of the Company 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 the date of this Prospectus.
- (iv) Save for the Public Issue Shares reserved for the eligible Directors and employees of Protasco Group as disclosed in Section 3.7 of this Prospectus, no person has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of the Company and its subsidiaries and no capital of the Company and its subsidiaries is under any option or agreed conditionally or unconditionally to be put under any option.
- (v) Save for the Public Issue Shares reserved for the eligible Directors and employees of Protasco Group as disclosed in Section 3.7 of this Prospectus, there is currently no other scheme for or involving the employees in the capital of the Company or its subsidiaries.
- (vi) No Directors have been given or have exercised any option to subscribe for any shares, stocks or debentures of the Company or its subsidiaries during the last financial year ended 31 December 2002.

17.2 Articles of Association

The following provisions are reproduced from the Company's Articles of Association which comply with the Listing Requirements of KLSE and the rules of the Central Depository:

(i) Changes in Capital or Variation of Class Rights

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

Article 39 - Power to increase capital

The Company may from time to time by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase may direct.

Article 40 - Offer of unissued original securities

Subject to any direction to the contrary that may be given by the Company in a general meeting, all new shares or other convertible securities shall before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered and limiting a time within which the offer, if not accepted shall be deemed to be declined

17. STATUTORY AND GENERAL INFORMATION (Continued)

and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) in the opinion of the Directors, cannot be conveniently offered under these Articles.

Article 41 – Limit of issue of shares or convertible securities

Notwithstanding the existence of a resolution pursuant to Section 132D of the Act, the Company shall not issue any shares or convertible securities if the nominal value of the shares or convertible shares, when aggregated with the nominal value of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds ten per centum (10%) of the nominal value of the issued and paid up capital of the Company, except where the shares or convertible securities are issued with prior approval of the members in general meeting of the precise terms and conditions of the issue.

Article 42 - How far new shares to rank with original shares

Except so far as otherwise provided by the conditions of issue, any share capital raised by the creation of new shares shall be considered as part of the original share capital of the Company and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital.

Article 43 - Power to alter capital

The Company may by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) subdivide its shares or any of them into shares of smaller amount than is fixed by the memorandum; so however that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; or
- (c) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

Article 44 - Power to reduce capital

The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and subject to any authorisation and consent as required by law.

17. STATUTORY AND GENERAL INFORMATION (Continued)

Article 8 - 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 that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply (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 Act shall apply with such adaptations as are necessary).

Article 9 - Ranking of class rights

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, 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.

(ii) Remuneration of Directors

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

Article 77 - Directors' remuneration

- (a) 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 a 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 (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may from time to time determine. All remuneration payable to the non-executive Director(s) shall be determined by a resolution of the Company in a general meeting.
- (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 fee paid to an Alternate Director shall be such amount as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 78 - Reimbursement of expenses

- (1) The Directors shall 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 meetings of the Company.

17. STATUTORY AND GENERAL INFORMATION (Continued)

- (2) All Directors, 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 Directors 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 Directors from time to time in the case of Executive Directors and determined by the Company in a general meeting in the case of non-executive 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.

Article 99 - 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 modes.

(iii) **Voting and Borrowing Power of Directors**

The provisions in the Company's Articles of Association dealing with voting powers of the Directors in the proposals, arrangements or contracts in which they are interested in and their borrowing powers exercisable by them and how such borrowing powers can be varied are as follows:

Article 81 - Directors' borrowing powers

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, its subsidiaries or third party unless otherwise specifically prohibited under the Act and the Listing Requirements.

Article 92 - Disclosure of interest by Directors

Every Director shall comply with the provisions of Sections 131 and 135 of the Act in connection with the disclosure of his shareholding and interests in the Company and his interest in any contract or proposed contract with the Company and in connection with the disclosure, every Director shall state the fact and the nature, character and extent of any office or possession of any property whereby, whether directly or indirectly duties or interests might be created in conflict with his duty or interest as a Director of the Company.

Article 93 - Restriction on voting

A Director shall abstain from board deliberation and 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.

17. STATUTORY AND GENERAL INFORMATION (*Continued*)

Article 94 - 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.

Article 86 - Director may hold other office

Subject always to Sections 131 and 132E of the Act, a Director may hold any other office or place of profit under the Company and under normal commercial term, (other than the office of Auditors of the Company) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract or arrangement is determined, if the interest then exists, or in any other case at the first meeting of the Directors after the acquisition of the interest.

(iv) **Transfer of Securities**

The provisions in the Company's Article of Association, the Listing Requirements, the Act 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

Article 24- Transfer of deposited securities

The transfer of any Deposited Security of the Company shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act, and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfers of securities.

17. STATUTORY AND GENERAL INFORMATION (Continued)

Article 26 - Notice of Books Closing Date

Any notice of intention to fix a Books Closing Date and the reason therefore shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange where such notice shall state the Books Closing Date, which shall be at least twelve (12) market days after the date of notification to the Stock Exchange or such other period as may be prescribed under the Listing Requirements, the Rules or by the Exchange from time to time, and the address of the share registry at which documents will be accepted for registration. In relation to such closure, the Company shall give written notice in accordance to the Rules to issue the appropriate Record of Depositors.

Article 28- Registration of person entitled on death or bankruptcy

Subject to the Rules, any person becoming entitled to a share 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 share or to have a person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy.

Listing Requirements

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

Clause 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 of the MCD and, notwithstanding sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the company shall be precluded from registering and effecting any transfer of the listed securities.

Clause 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 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 MCD 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.

17. STATUTORY AND GENERAL INFORMATION (Continued)

- (2) For the avoidance of doubt, no company which fulfils the requirements of sub-paragraphs (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.

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.

17. STATUTORY AND GENERAL INFORMATION (Continued)

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;
 - (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; and
- (e) such other accompanying documents duly processed in such manner as the Central Depository may from time to time determine in its Procedures Manual.

17.3 Directors, Substantial Shareholders and Key Management Personnel

- (i) The names, addresses and occupation of the Directors are set out in Section 1 of this Prospectus.
- (ii) A Director is not required to hold any qualification share in the Company unless otherwise so fixed by the Company in general meeting.
- (iii) No Director or key management personnel of the Protasco Group (as named herein) is or has been involved in the following events (whether in or outside Malaysia):
 - (a) A petition under any bankruptcy or insolvency laws which was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a Director or key personnel; or
 - (b) Conviction in a criminal proceeding or is a named subject of pending criminal proceeding; or
 - (c) The subject of an order, judgement or ruling of any court of competent jurisdiction, 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.

17. STATUTORY AND GENERAL INFORMATION (Continued)

- (iv) There are service agreements between the Company with its Executive Directors apart from the normal employment contracts between the Company or its subsidiaries and its employees.
- (v) The aggregate remuneration paid and proposed to be paid to the Directors of the Company for services rendered to the Company and its subsidiaries in all capacities for the financial year ended 31 December 2002 and ending 31 December 2003 are as follows:

Remuneration band	<-----FY 2002----->		<-----FY 2003----->	
	Aggregate remuneration RM	No. of Directors	Aggregate remuneration RM	No. of Directors
Up to RM500,000	-	-	21,000	3
RM500,001 – RM1,000,000	786,600	2	1,389,200	2

- (vi) Save as disclosed below, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the promotion of or in any assets acquired or proposed to be acquired or assets disposed or proposed to be disposed or leased or proposed to be leased to the Company or its subsidiaries within two (2) years preceding the date of this Prospectus.

Acquisition of the following property by HCM on 29 April 2002:

- Land held under H.S. (D) 10642, P.T. No. 172, Section 90, District of Kuala Lumpur, Wilayah Persekutuan together with a 4 storey shophouse known as No. 93, Jalan Kampong Pandan, 55100 Kuala Lumpur for a purchase consideration of RM900,000.

The Directors and substantial shareholders of the Group who are deemed interested (direct/indirect) in the Acquisitions as disclosed in Section 7.1 are as follows:

Name	Nature of interest
Dato' Hasnur Rabiain bin Ismail	Director and substantial shareholder of Protasco, HCM, KISB, Paves and PTSB
Dato' Chong Ket Pen	Director and substantial shareholder of Protasco, KISB Paves, PTSB and a substantial shareholder of HCM
Ronnie Yap Kee Tian	Directors and substantial shareholder of Paves, PTSB and a substantial shareholder of HCM and KISB
PHSB	Substantial shareholder of HCM, KISB, Paves and PTSB
Sanida	Substantial shareholder of KISB
KBI	Substantial shareholder of KISB

- (vii) Save as disclosed in Section 11, none of the Directors or substantial shareholders of the Company have any interest in any contract, agreement or arrangement, which is significant in relation to the business and financial position of the Company and its subsidiaries subsisting at the date hereof.

17. STATUTORY AND GENERAL INFORMATION (Continued)

(viii) Based on the Register of Directors and the Register of Directors' Shareholdings as at 15 June 2003, the Directors and their interests in the shares of the Company before and after IPO are as follows:

Name	Before IPO				After IPO			
	Direct		Indirect		Direct		Indirect	
	No. of ordinary shares held	%	No. of ordinary shares held	%	No. of ordinary shares held	%	No. of ordinary shares held	%
Dato' Hasnur Rabiain bin Ismail	54,687,910	21.78	167,643,280	66.75 ^(a)	66,006,422 ⁽¹⁾	22.00	107,833,898 ^(a)	35.94
Dato' Chong Ket Pen	693,702	0.28	167,643,280	66.75 ^(b)	3,124,634 ⁽¹⁾	1.04	107,833,898 ^(b)	35.94
Datin Normah binti Kassim	-	-	-	-	- ⁽²⁾	-	-	-
Benny Soh Seow Leng	-	-	-	-	- ⁽²⁾	-	-	-
Azliza Binti Ahmad Tajuddin	-	-	-	-	- ⁽²⁾	-	-	-

Notes:

(a) Deemed interest by virtue of his interest in Max 3 and PHSB.

(b) Deemed interest by virtue of his interest in Max 3.

(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) Excluding the 100,000 Public Issue Shares which will be offered to him/her pursuant to Section 3.7(i)(a) of this Prospectus.

17. STATUTORY AND GENERAL INFORMATION (Continued)

- (ix) Based on the Register of Substantial Shareholders as at 15 June 2003, the names and the respective interests of the substantial shareholders in the Company before and after the IPO are as follows:

Name	-----Before IPO-----				-----After IPO-----			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of ordinary shares held	%	No. of ordinary shares held	%	No. of ordinary shares held	%	No. of ordinary shares held	%
Sanida	118,454,056	47.17	-	-	64,607,354	21.54	-	-
Dato' Hasnur Rabiain bin Ismail	54,687,910	21.78	167,643,280	66.75 ^(a)	66,006,422 ⁽¹⁾	22.00	107,833,898 ^(a)	35.94
PHSB	49,189,224	19.59	-	-	26,830,196	8.94	64,607,354 ^(b)	21.54
KBI	15,842,500	6.31	-	-	15,842,500	5.28	-	-
Dato' Chong Ket Pen	693,702	0.28	167,643,280	66.75 ^(c)	3,124,634 ⁽¹⁾	1.04	107,833,898 ^(c)	35.94
Ronnie Yap Kee Tian	695,784	0.28	167,643,280	66.75 ^(c)	1,072,138 ⁽²⁾	0.36	107,833,898 ^(c)	35.94
Max 3	-	-	167,643,280	66.75 ^(d)	16,396,348	5.47	91,437,550 ^(d)	30.48

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) Excluding the 100,000 Public Issue Shares which will be offered to him pursuant to Section 3.7(i)(a) of this Prospectus.

17.4 Promoters

Save as disclosed in Section 11 and the dividends payable to the promoters as shareholders of the Company, the remuneration payable to the promoters as Directors of the Company or its subsidiaries and the purchase consideration paid under the restructuring exercise as detailed in Section 7.1 of this Prospectus, there are no other amounts or benefits paid or intended to be paid or given to any promoters within the two (2) years preceding the date of this Prospectus.

17.5 General Information

- (i) The nature of Protasco's business and the names of all corporations that are deemed to be related to the Company by virtue of Section 6 of the Act are disclosed in Sections 2.1 and 8.1 of this Prospectus. Other than as mentioned in Sections 2.1 and 8.1 of this Prospectus, there are no corporations deemed to be related to Protasco by virtue of Section 6 of the Act.
- (ii) As at the date of this Prospectus, the Company and its subsidiaries have not established a place of business outside Malaysia.
- (iii) Apart from the listing sought on the Main Board of the KLSE, Protasco is not listed on any other stock exchange.

17. STATUTORY AND GENERAL INFORMATION (Continued)

- (iv) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 18 of this Prospectus.
- (v) The date and time of the opening and closing of the Application Lists are set out in Section 18.1 of this Prospectus.
- (vi) The amount payable in full on application or acceptance in respect of the Retail Offering of the IPO Shares is RM1.15 per ordinary share.
- (vii) Save for the Protasco Shares to be issued or offered under the IPO, there have not been any significant changes of major shareholders/promoters in Protasco for the past one (1) year from the date of this Prospectus.
- (viii) Save and except for the Public Issue Shares, there is no present intention on the part of the Directors of the Company to issue any part of the authorised but unissued share capital of the Company as at the date of this Prospectus.
- (ix) As at the date hereof, the Company and its subsidiaries do not have any outstanding convertible debt securities.
- (x) Save as disclosed in Sections 3 and 8 of this Prospectus, no shares or debentures of the Company or its subsidiaries have been issued or are proposed to be issued as fully or partly paid-up by cash or otherwise than in cash within the two (2) years preceding the date of this Prospectus.
- (xi) Save as disclosed in this Prospectus, 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 had or that the Group reasonably expects to have a material favourable or unfavourable impact on the financial performances, position and operations of the Group;
 - (b) Material commitments for capital expenditure;
 - (c) Unusual or infrequent events or transactions or any significant economic changes that materially affect the financial performance, positions and operations of the Group;
 - (d) Apart from the revenue elaborated in Sections 12.1 and 12.2 above, there has not been any substantial increase in the revenue for the Group; and
 - (e) Known trends, events, circumstances, uncertainties or commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position of the Group.
- (xii) Save as disclosed in this Prospectus, the Directors are not aware of any material information including trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Group.
- (xiii) The Directors of the Company are not aware of any specific factors or events which will have a material adverse effect on the operations of the Group.
- (xiv) The name and address of the Company's Reporting Accountants and Auditors are set out in Section 1 of this Prospectus.

17. STATUTORY AND GENERAL INFORMATION (Continued)

17.6 Expenses and Commissions

Expenses incidental to the listing of and quotation for the entire issued and paid-up ordinary share capital of the Company on the Main Board of the KLSE amounting to approximately RM3,200,000 will be borne by the Company.

Save as disclosed in Sections 3.13 and 3.14 of this Prospectus, no commissions, discounts, brokerages or other special terms have, within the two (2) years preceding the date of this Prospectus, been paid or granted or is payable to any Director, promoter or expert or proposed Director for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions for any shares in or debentures of the Company and its subsidiaries in connection with the offer or sale of any capital of the Company and its subsidiaries.

17.7 Public Take-overs

During the last financial year and the current financial year, there were no:

- (i) Public take-over offers by third parties in respect of the Company's shares; and
- (ii) Public take-over offers by the Company in respect of other companies' shares.

17.8 Material Litigation

Neither Protasco nor its subsidiaries are engaged in any material litigation, either as plaintiff or defendant and the Directors have no knowledge of any proceedings pending or threatened against the Company or any of its subsidiaries of any facts likely to give rise to any proceedings which might materially and adversely affect the position and business of the Company or any of its subsidiaries.

17.9 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 Protasco and its subsidiaries during the two (2) years immediately preceding the date of this Prospectus:

- (1) A Sale and Purchase Agreement dated 20 May 2002 as supplemented by a Supplemental Sale and Purchase Agreement dated 7 October 2002 and a Supplemental Sale and Purchase Agreement dated 6 June 2003 in relation to the acquisition by Protasco from PIB, Sanida and KBI of the entire equity interest in KISB comprising 30,000,000 shares for a purchase consideration of RM76,515,470 to be 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.
- (2) A Sale and Purchase Agreement dated 20 May 2002 as supplemented by a Supplemental Sale and Purchase Agreement dated 6 June 2003 in relation to the acquisition by Protasco from Dato' Hasnur Rabiain Bin Ismail and PHSB of the entire equity interest in HCM comprising 2,000,000 shares for a purchase consideration of RM47,201,116 to be 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.
- (3) A Sale and Purchase Agreement dated 20 May 2002 as supplemented by a Supplemental Sale and Purchase Agreement dated 6 June 2003 in relation to the acquisition by Protasco from PHSB of 60% equity interest in Paves comprising 300,000 shares for a purchase consideration of RM2,548,718 to be 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.

17. STATUTORY AND GENERAL INFORMATION (Continued)

- (4) A Sale and Purchase Agreement dated 20 May 2002 as supplemented by a Supplemental Sale and Purchase Agreement dated 6 June 2003 in relation to the acquisition by Protasco from Dato' Hasnur Rabiain Bin Ismail, PHSB, Dato' Chong Ket Pen and Ronnie Yap Kee Tian of the entire equity interest in PTSB comprising 500,000 shares for a purchase consideration of RM5,463,027 to be 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.
- (4) An Underwriting Agreement dated 13 June 2003 made between CIMB, as underwriter and managing underwriter and JF Apex Securities Berhad as joint underwriter in relation to the underwriting of 10,000,000 Protasco Shares at the managing underwriting fee of 0.5% and underwriting commission of 1.0% respectively of the Retail Price.

17.10 Material Agreements

Save as disclosed elsewhere in the Prospectus and below, the Group does not have any outstanding material agreements, which are in the ordinary course of business.

- (1) A Sale and Purchase Agreement dated 5 November 1996 ("the Principal SPA") made between The Federal Land Commissioner for the Government ("the Commissioner") and KISB, pursuant to which KISB has agreed to purchase from the Commissioner all the pieces of land (together with buildings erected thereon and the fixtures and fittings therein), as defined therein for a purchase consideration of RM65,200,000 payable in the following manner:
- (i) The sum of RM6,520,000 being 10% of the purchase consideration upon the execution of this agreement; and
- (ii) The sum of RM58,680,000 being the balance of the purchase consideration not later than twelve (12) months after the date of the Privatisation Agreement (as defined therein).

A Supplemental Sale and Purchase Agreement dated 4 September 2002 made between the Commissioner and KISB to vary and amend the Principal SPA to inter alia provide for the following:

- The payment of RM58,680,000 only representing the balance purchase price shall be settled on or before 4 September 2002.
- Insertion of new clauses 3.2, 3.3 and 3.4 to replace the previous Clause 3.2 in the Principal SPA to read as follows:

Clause 3.2 if KISB shall fail to pay the balance purchase price of RM58,680,000 on the date as stipulated in above ("the Date of Default"), then the Government shall give notice in writing to KISB to remedy the default within one (1) year (or such longer period as the Government may allow) from the receipt of such notice, failing which the Commissioner shall be entitled to terminate this agreement.

Clause 3.3 KISB shall be liable to pay interest on any of the outstanding balance of the purchase price at the rate of 8% per annum from the Date of Default until full payment thereof by KISB to the Commissioner. If this agreement is terminated by the Government pursuant to Clause 3.2 above, the Government shall:

17. STATUTORY AND GENERAL INFORMATION (Continued)

- (a) forfeit the sum of RM6,250,000 being 10% of the purchase price paid to the Commissioner;
- (b) refund any monies (if any) in excess of the sum of RM6,250,000 only free from interest thereon to KISB.

- Substituting Clause 4.1 of the Principal Agreement with the following:

“The Commissioner shall within fourteen (14) days from the date of payment by KISB of the balance purchase price, execute a valid and registrable memoranda of transfers of such titles of the Ikram Land in favour of KISB together with the relevant stamping proforma, both of which have been duly prepared by KISB at its own costs and expenses, and deposit the same with KISB together with all other documents necessary for the purpose of submitting the memoranda of transfers for adjudication of the stamp duty payable thereon subject to KISB’s undertaking not to stamp and register the same until the Completion Date as defined therein.”

- (2) A Privatisation Agreement dated 5 November 1996 made between the Government and KISB (“the Agreement”), pursuant to which the Government has agreed to award to KISB and KISB has agreed to accept the award to take over IKRAM and the activities of IKRAM (listed in Schedule I of the Agreement) subject, inter-alia, to the following conditions:
 - (a) The Government shall sell to KISB the IKRAM Assets (listed in Schedule VI of the Agreement) for a total consideration of RM5,028,750 payable in the following manner:
 - (i) RM502,875 upon the execution of this Agreement; and
 - (ii) RM4,525,875 on or before the Takeover Date (defined therein as 2 months from the date of the Agreement).
 - (b) The Government shall sell to KISB the IKRAM Lands (as defined therein), comprising a piece of land held under HS(D) 1169, No. PT 2158, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan and measuring 40.4714 hectares, together with buildings thereon for a purchase consideration of RM65,200,000 on the terms and conditions set out in the sale and purchase agreement annexed in the Agreement as Appendix I.
 - (c) The Government to grant to KISB a lease of the IKRAM Premises (listed in Part B of Schedule II of the Agreement) for a period of 10 years commencing from the Takeover Date.
 - (d) KISB shall provide to the Government the IKRAM Services (listed in Part A and B of Schedule I of the Agreement) and the Government shall use or consume such services from KISB on such exclusive basis provided under Clause 4.1 for a period of 10 years or such shorter period under Clause 4.2(b) commencing on the Takeover Date (“the Concession Period”) for a total aggregate consideration of not more than the agreed total fees of RM348,252,000.
 - (e) KISB shall undertake that as soon as reasonably practicable not later than 6 months after the Effective Date (defined as the date of the Agreement) ensure that an aggregate of 49% of its equity share capital is offered to PIB, KBI and Colebrand Sdn Bhd (“CSB”), resulting in the equity of KISB as follows:

17. STATUTORY AND GENERAL INFORMATION (Continued)

	Equity Shareholding
Sanida	51%
PIB	20%
KBI	19%
CSB	10%
	<u>100%</u>

- (3) A Supplemental Agreement dated 22 April 1999 made between the Government and KISB to vary, amend and supplement the Privatisation Agreement dated 5 November 1996 (“the Principal Agreement”) made between the Government and KISB in relation to the privatisation of IKRAM and the Activities of IKRAM of inter-alia, the following terms and conditions:
- (i) to amend the list of IKRAM Assets to include additional motor vehicles more particularly described in Schedule 1 of the Principal Agreement; and
 - (ii) to exclude a motor vehicle from Schedule VI of the Principal Agreement.
- (4) A Second Supplemental Agreement dated 4 September 2002 made between the Government and KISB to vary, amend and supplement the Principal Agreement (as supplemented by the supplemental agreement dated 22 April 1999 as described above) in relation to the privatisation of IKRAM, of inter-alia, the following terms and conditions:
- (i) by substituting the definition of IKRAM Services with a new definition as stated therein;
 - (ii) by inserting after the definition of “Existing Contract” with definition of Fee to read as follows:

“the amount of any invoice issued or to be issued by KISB to the Government from time to time, for the provision of any of the IKRAM Services by KISB to the Government;”
 - (iii) by substituting paragraph (b) of Clause 4.1 of the Principal Agreement with the following:

“Subject to Clause 4.1(a) and Clause 4.2(b), the Government shall ensure the exclusive use and/or consumption by the Government of IKRAM Services of at least a minimum value of RM22,300,000 (“Minimum Value”) only for each calendar year throughout the Concession Period (as defined therein), on a best endeavour basis, provided always that the IKRAM Services to be consumed throughout the Concession Period shall not be less than the Agreed Total Fees (as defined therein);”
 - (iv) by inserting after paragraph (b) of Clause 4.1 of the Principal Agreement the following paragraphs:
 - “(c) Where the use and/or consumption of the IKRAM Services for any calendar year reaches the Minimum Value, the Government may at its sole discretion have the right to appoint or engage other third party other than KISB to provide services similar to the IKRAM Services to the Government for that calendar year;

17. STATUTORY AND GENERAL INFORMATION (Continued)

- (d) Without prejudice to Clause 4.1(c), where the use and/or consumption of the IKRAM Services for any calendar year shall be in excess of the Minimum Value, such excess amount shall be carried forward to any subsequent calendar year to form part of the value of the IKRAM Services consumed by the Government for such calendar year if the value of the IKRAM Services consumed by the Government for that year shall be lower than the Minimum Value;”
- (v) by substituting paragraph (a) in Clause 4.6 of the Principal Agreement with the following:
- “In consideration of KISB agreeing to provide the IKRAM Services, the Government shall pay to KISB for the duration of the Concession Period, the Fees, within thirty (30) days after the receipt by the Government of KISB’s invoice, with the intent that the Agreed Total Fees (as defined therein) shall be paid by the Government to KISB before the expiry of the Concession Period (as defined therein) and where the invoice shall set out the Fee payable in respect of the IKRAM Services provided by KISB and consumed by the Government and a description of the IKRAM Services provided by KISB to the Government in respect of that invoice;”
- (vi) by replacing the entire Clause 12 of the Principal Agreement with the following:
- Clause 12.1 Default by KISB
- (A) Remediable Default
- Save as otherwise provided in this agreement, if:
- (a) KISB fails to pay the balance purchase price to the Government for the purchase of the IKRAM Lands in accordance with Clause 3.1 of the Sale and Purchase Agreement as set out in Section 17.10(1), including the interest stipulated in Clause 3.3 therein, and KISB fails to remedy the default within one (1) year (or such extended period as may be agreed by the parties) from the date of receipt of notice of default by the Government; or
- (b) KISB fails to pay the balance of the Asset Purchase Price to IKRAM Assets in accordance to Clause 6.6(b) of this agreement, including the interest stipulated therein, and KISB fails to remedy the default within thirty (30) days (or such extended period as may be agreed by the parties) from the date of receipt of notice of default by the Government; or
- (c) KISB fails to deliver the bank guarantee for the amount equivalent to the Advance Payment in accordance with Clause 4.7(c) of this agreement and KISB fails to remedy the default within thirty (30) days (or such extended period as may be agreed by the parties) from the date of receipt of notice of default by the Government; or
- (d) If KISB fails to carry out or perform its obligations pursuant to Clause 4.5(h) and/or 4.5(i):
- (i) amounting to six (6) work orders in any Concession Year, in the case of any work order or invoice (as the case may be) with the value of RM100,000 or above per work order; or

17. STATUTORY AND GENERAL INFORMATION (Continued)

- (ii) amounting to sixty (60) work orders received by it from the Government, or work orders or invoices from the Government, with an aggregate value (as the case may be) of RM1 million, whichever is the earlier, in any Concession Year, in the case of any work order or an invoice (as the case may be) with a value of less than RM100,000 per work order,

then the Government may terminate the Concession by giving notice to KISB.

Clause 12.2 Consequences of Termination by the Government

If the Concession is terminated by the Government pursuant to Clause 12.1, then in such event, the Government shall be under no further obligation under this agreement to use/consume the IKRAM Services.

Clause 12.3 Default by the Government

- (a) If the Government delays in paying all or any part of the Fee in accordance with Clause 4.6(a) of this agreement, KISB shall allow the Government a further period of thirty (30) days to remedy this delay.
 - (b) If the Government fails to use and/or consume the IKRAM Services for a total aggregate consideration of up to the Agreed Total Fees upon the expiry of the Concession Period or such other extended period as the parties hereto may agree, the Government may elect to extend the Concession Period for such further period as shall be necessary to compensate KISB for the consequences of such default by the Government or pay KISB as shall be necessary to compensate KISB for the consequences of such default by the Government.
- (5) A Privatisation Agreement dated 22 December 2000 made between the Government and Roadcare, pursuant to which Roadcare has agreed to accept and implement the award by the Government of the privatisation of the maintenance of the Peninsular Federal Roads within the Concession Area (as defined therein) for a concession period of fifteen (15) years commencing on the Takeover Date (as defined therein) and ending on the fifteenth (15th) anniversary of the Takeover Date and where the concession period may upon its expiry be extended by mutual agreement between the parties.
 - (6) An Agreement dated 16 August 2001 made between HCM and Konsortium Indera Sdn Bhd ("Konsortium") to establish an unincorporated joint venture entity ("JV CO") for the purpose of regulating their joint venture relationship with the equity participation of HCM and Konsortium in JV CO respectively at 80% and 20% in relation to a project to undertake the design and construction of the upgrading of the road from Utan Aji to Changlun, subject to the terms and upon the conditions as therein contained.
 - (7) A Joint Venture Agreement dated 2 April 2002 made between HCM and Endaya Construction Sdn Bhd ("Endaya") to establish a joint venture company known as HCM-Endaya JV Sdn Bhd ("JV CO") for the purpose of regulating their joint venture relationship with the initial shareholding of HCM and Endaya in JV CO respectively at 51% and 49% of the total issued and paid-up share capital of JV CO for the purpose of undertaking the privatisation of designated federal roads in Sarawak currently maintained by JKR Malaysia, subject to the terms and upon the conditions as therein contained.

17. STATUTORY AND GENERAL INFORMATION (Continued)

- (8) Letter of Acceptance dated 9 August 2001 issued by JKR pursuant to the letter of offer dated 10 May 2001 issued by HCM-Konsortium Indera JV for the upgrading of road from Utan Aji, Perlis to Changlun, Kedah for the contract sum of RM180,883,643 commencing on 3 September 2001, subject to the terms and conditions as therein contained.
- (9) Letter of Award dated 3 December 2001 issued by HCM and accepted by Felhatan Trading Sdn Bhd (a non subsidiary of Protasco Group) agreeing to perform construction of structure bridge and anchored earth wall for the contract sum of RM11,711,682 commencing on 14 December 2001, subject to the terms and conditions as therein contained.
- (10) Letter of Award dated 1 October 2001 issued by HCM and accepted by Bintong Construction Sdn Bhd (a non subsidiary of Protasco Group) agreeing to perform site clearing and earthworks, drainage works, lower sub base and geotechnical treatments for the contract sum of RM34,681,235 commencing on 1 October 2001, subject to the terms and conditions as therein contained.
- (11) Letter of Award dated 3 December 2001 issued by HCM and accepted by Pembinaan Bumiasia Sdn Bhd (a non subsidiary of Protasco Group) agreeing to perform construction of structure bridge and anchored earth wall for the contract sum of RM7,200,437 commencing on 15 January 2002, subject to the terms and conditions as therein contained.
- (12) Letter of Award dated 4 September 2001 issued by HCM and accepted by Ecomax Sdn Bhd (a non subsidiary of Protasco Group) agreeing to perform construction of structure bridge, anchored earth wall and piled embankment for the contract sum of RM9,867,297 commencing on 4 September 2001, subject to the terms and conditions as therein contained.
- (13) Letter of Award dated 1 August 2001 issued by Muhibbah (a non subsidiary of Protasco Group) and accepted by HCM agreeing to undertake the Proposed Design and Build of a Special Service Group Camp Phase 1 at Mersing, Johor for the contract sum of RM11,213,093 commencing on 1 August 2001, subject to the terms and conditions as therein contained.
- (14) Letter of Award dated 3 September 2001 issued by HCM and accepted by Pembinaan Bumiasia Sdn Bhd (a non subsidiary of Protasco Group) agreeing to perform earthworks, geotechnical treatment works, lower & upper sub base works and drainage works for the contract sum of RM19,977,675 commencing on 17 September 2001, subject to the terms and conditions as therein contained.
- (15) Letter of Award dated 25 August 2000 issued by HCM and accepted by HESB Corporation Sdn Bhd (a non subsidiary of Protasco Group) agreeing to perform earthworks, geotechnical treatment works and drainage works for the contract sum of RM5,817,153 commencing on 1 June 2000, subject to the terms and conditions as therein contained.
- (16) Letter of Award dated 3 September 2001 issued by HCM and accepted by Techright Engineering Sdn Bhd (a non subsidiary of Protasco Group) agreeing to perform structure works for the contract sum of RM6,668,952 commencing on 1 October 2001, subject to the terms and conditions as therein contained.
- (17) Letter of Award dated 9 October 2000 issued by HCM and accepted by PROPEL (a shareholder of Paves which in turn is a subsidiary of Protasco) agreeing to perform street lighting and traffic signals for the contract sum of RM6,596,230 commencing on 1 October 2001, subject to the terms and conditions as therein contained.

17. STATUTORY AND GENERAL INFORMATION (Continued)

- (18) Letter of Appointment dated 18 July 2001 issued by HCM and accepted by Pakatan Trafik Sdn Bhd (a non subsidiary of Protasco Group) agreeing to provide traffic management services for a fee of RM3,186,000 commencing on 1 August 2001, subject to the terms and conditions as therein contained.
- (19) Letter of Award dated 3 September 2001 issued by HCM and accepted by Pan Sejati Development (M) Sdn Bhd (a non subsidiary of Protasco Group) agreeing to perform earthworks, geotechnical treatment works, lower and upper sub base works and drainage works for the contract sum of RM4,897,222 commencing on 17 September 2001, subject to the terms and conditions as therein contained.
- (20) Letter of Award dated 3 September 2001 issued by HCM and accepted by Jurubina AKC Sdn Bhd ("AKC") (a non subsidiary of Protasco Group) agreeing to perform earthworks, geotechnical treatment works, lower and upper sub base works and drainage works for the contract sum of RM11,446,390 commencing on 17 September 2001, subject to the terms and conditions as therein contained.
- (21) Letter of Award dated 3 September 2001 issued by HCM and accepted by Kelanaman Bersekutu Sdn Bhd (a non subsidiary of Protasco Group) agreeing to perform earthworks, geotechnical treatment works, lower and upper sub base works and drainage works for the contract sum of RM5,241,219 commencing on 17 September 2001, subject to the terms and conditions as therein contained.
- (22) Letter of Award dated 3 September 2001 issued by HCM and accepted by Menuju Asas Sdn Bhd (a non subsidiary of Protasco Group) agreeing to perform earthworks, geotechnical treatment works, lower and upper sub base works and drainage works for the contract sum of RM4,388,506 commencing on 17 September 2001, subject to the terms and conditions as therein contained.
- (23) Letter of Award dated 3 September 2001 issued by HCM and accepted by Multi Summit Engineering & Construction Sdn Bhd (a non subsidiary of Protasco Group) agreeing to perform earthworks, geotechnical treatment works, lower and upper sub base works and drainage works for the contract sum of RM3,921,771 commencing on 17 September 2001, subject to the terms and conditions as therein contained.
- (24) Letter of Award dated 25 March 2002 issued by HCM and accepted by Titisan Ilham Sdn Bhd (a non subsidiary of Protasco Group) agreeing to provide earthworks and drainage works for the contract sum of RM4,601,187 commencing on 1 April 2002, subject to the terms and conditions as therein contained.
- (25) Letter of Award dated 28 January 2002 issued by HCM and accepted by Ciptera Engineering Sdn Bhd (a non subsidiary of Protasco Group) agreeing to provide site clearance works, earthworks, drainage works, pavement and rehabilitation works and geotechnical treatment for the contract sum of RM4,058,288 commencing on 1 February 2002, subject to the terms and conditions as therein contained.
- (26) Letter of Award dated 21 September 2001 issued by HCM and accepted by MZBH Construction Sdn Bhd (a non subsidiary of Protasco Group) agreeing to provide site clearance works, earthworks, drainage works, pavement and rehabilitation works and geotechnical treatment for the contract sum of RM4,047,091 commencing on 1 October 2001, subject to the terms and conditions as therein contained.
- (27) Letter of Appointment dated 3 September 2001 issued by HCM and accepted by C&H Engineering Consultants Sdn Bhd (a non subsidiary of Protasco Group) agreeing to act as consultant for a fee of 2.5% of the total cost for builder's works, commencing on 3 September 2001, subject to the terms and conditions as therein contained.

17. STATUTORY AND GENERAL INFORMATION (Continued)

- (28) Letter of Award dated 7 May 2001 issued by HCM and accepted by Pakatan Trafik Sdn Bhd (a non subsidiary of Protasco Group) agreeing to provide traffic management services for a fee of RM4,275,000 commencing on 9 May 2001 subject to the terms and conditions as therein contained.
- (29) Letter of Confirmation dated 14 September 2001 issued by Endaya and HCM, as a Joint Venture company and accepted by HCM and Endaya agreeing to upgrade of road from Kuching to Serian, Sarawak for the contract sum of RM90,085,806 and RM77,574,280 due to HCM and Endaya respectively subject to the terms and conditions as therein contained.
- (30) Contract dated 15 October 2001 issued by JKR to award HCM-TH Technologies JV to design, construct, rehabilitate and upgrade road from Jalan Muar-Melaka-Alor Gajah-Simpang Ampat for the contract sum of RM505,638,075 commencing on 9 April 2001, subject to the terms and conditions as therein contained. The contract is supplemented by a letter from JKR dated 30 May 2003.
- (31) Contract dated 13 June 2000 issued by JKR to award HCM-THT to upgrade and rehabilitate of Federal Route 5 from Kapar-Sabak Bernam and Klang-Banting for the contract sum of RM577,865,500 commencing on 20 December 1999, subject to the terms and conditions as therein contained and supplemented by a supplemental agreement dated 3 September 2001 made between JKR and HCM-THT. The contract is supplemented by a letter from JKR dated 28 February 2002.
- (32) A Contract dated 12 November 2001 made between the Government of the first part and HCM and Endaya as contractors of the second part and a Letter of Acceptance dated 15 August 2001 issued by JKR to award HCM and Endaya to upgrade road from Kuching to Serian, Sarawak for the contract sum of RM167,660,086 commencing on 3 September 2001, subject to the terms and conditions as therein contained. The letter is supplemented by a letter from JKR dated 24 May 2003.
- (33) Letter of Award dated 9 April 2001 issued by HCM and accepted by C&H Engineering Consultants Sdn Bhd (a non subsidiary of Protasco Group) agreeing to act as consultant for a fee depending on the stage of services rendered as set out therein commencing on 9 April 2001, subject to the terms and conditions as therein contained.
- (34) Letter of Award dated 31 December 2001 issued by HCM and accepted by Kumpulan Melaka Berhad (a non subsidiary of Protasco Group) agreeing to provide construction of interchange bridge for the contract sum of RM22,307,926 commencing on 15 January 2002, subject to the terms and conditions as therein contained.
- (35) Letter of Award dated 7 September 2000 issued by HCM and accepted by Zabima Enterprise Sdn Bhd (a non subsidiary of Protasco Group) agreeing to carry out waterworks services for the contract sum of RM36,240,958 commencing on 16 September 2000, subject to the terms and conditions as therein contained.
- (36) Letter of Award dated 7 September 2000 issued by HCM and accepted by Jaks Sdn Bhd (a non subsidiary of Protasco Group) agreeing to carry out waterworks services for the contract sum of RM22,080,718 commencing on 16 September 2000, subject to the terms and conditions as therein contained.
- (37) Letter of Award dated 11 December 2000 issued by HCM and accepted by Majulia Sdn Bhd (a non subsidiary of Protasco Group) agreeing to provide telecom, electrical and gas pipeline services for the contract sum of RM10,018,443 commencing on 2 January 2001, subject to the terms and conditions as therein contained.

17. STATUTORY AND GENERAL INFORMATION (Continued)

- (38) Letter of Award dated 13 November 2001 issued by HCM and accepted by Serba Timur Sdn Bhd (a non subsidiary of Protasco Group) agreeing to provide construction of pedestrian bridge for the contract sum of RM5,012,970 commencing on 1 December 2001, subject to the terms and conditions as therein contained.
- (39) Letter of Award dated 9 October 2001 issued by HCM and accepted by Majulia Sdn Bhd (a non subsidiary of Protasco Group) agreeing to provide waterworks for the contract sum of RM60,550,538 commencing on 16 October 2001, subject to the terms and conditions as therein contained.
- (40) Letter of Award dated 9 October 2001 issued by HCM and accepted by Cekal Tulin Development Sdn Bhd (a non subsidiary of Protasco Group) agreeing to provide waterworks for the contract sum of RM31,646,064 commencing on 16 October 2001, subject to the terms and conditions as therein contained.
- (41) Letter of Award dated 28 August 2001 issued by HCM and accepted by Jurutera Konsult Maju Sdn Bhd (a non subsidiary of Protasco Group) agreeing to act as consultant for a fee depending on the stage of services rendered as set out therein commencing on 9 September 2001, subject to the terms and conditions as therein contained.
- (42) Letter of Award dated 15 October 2001 issued by HCM and accepted by DKLS Construction Sdn Bhd (a non subsidiary of Protasco Group) agreeing to provide sub-contract works for the contract sum of RM37,984,119 commencing on 16 October 2001, subject to the terms and conditions as therein contained.
- (43) Letter of Appointment dated 15 April 2002 issued by HCM and accepted by C&H Engineering Consultants Sdn Bhd (a non subsidiary of Protasco Group) agreeing to act as consultant for a fee of RM6,594,840 subject to the terms and conditions as therein contained.
- (44) Letter of Confirmation dated 10 September 2002 issued by HCM-Konsortium Indera JV and accepted by HCM confirming the scope of work pursuant to the Joint Venture Agreement dated 16 August 2001 and the Letter of Award dated 9 August 2001 subject to the terms and conditions as therein contained.
- (45) Letter of Confirmation dated 1 March 2000 and 4 October 2001 issued by HCM-THT and accepted by HCM confirming the scope of work pursuant to the Joint Venture Agreement dated 30 April 1999 and the Letters of Award dated 22 November 1999 and 24 May 2001 subject to the terms and conditions as therein contained.
- (46) Letter of Confirmation dated 1 March 2000 and 4 October 2001 issued by HCM-THT and accepted by THT (a non subsidiary of Protasco Group) confirming the scope of work pursuant to the Joint Venture Agreement dated 30 April 1999 and the Letters of Award dated 22 November 1999 and 24 May 2001 subject to the terms and conditions as therein contained.
- (47) Letter of Award dated 11 April 2002 issued by Bumiasia-Profil JV Sdn Bhd to award HCM to provide project management consultancy services for the management fees of RM6,694,840 subject to the terms and conditions as therein contained.
- (48) Letter of Award dated 9 October 2001 issued by Pembinaan Bumiasia Sdn Bhd to award HCM to provide sub-contract works for the contract sum of RM40,408,637 commencing 16 October 2001, subject to the terms and conditions as therein contained.

17. STATUTORY AND GENERAL INFORMATION (Continued)

- (49) An Agreement dated 12 September 2001 made between HCM and Endaya to establish an unincorporated joint venture entity ("JV CO") for the purpose of regulating their joint venture relationship with the equity participation of HCM and Endaya in JV CO respectively at 51% and 49% in relation to a project to undertake the design and construction of the upgrading of Kuching-Serian Road, subject to the terms and upon the conditions as therein contained.
- (50) Memorandum of Agreement dated 2 September 2002 between Ikram Sabah and Ikram Latihan, pursuant to which Ikram Sabah has agreed to appoint Ikram Latihan to be the training course provider to carry out training on behalf of Ikram Sabah for the courses (as determined by Ikram Sabah) under the said training program as set out in Appendix A therein for a period of 5 years from the date of the agreement.
- (51) Memorandum of Understanding dated 7 January 2003 between the Government (as represented by JKR) and KISB, pursuant to which the parties have agreed to collaborate in order to develop and provide a mechanism for technical and scientific co-operation in the general field in road engineering, building construction and infrastructure projects for a period of 5 years from the date of the agreement.
- (52) Memorandum of Understanding dated 3 May 2002 between Malaysian Rubber Board ("MRB") and KISB, pursuant to which MRB and KISB have agreed to collaborate in order to develop and provide a mechanism for technical and scientific co-operation in the general field of the use of rubber in road construction and infrastructure projects for a period of 3 years from the date of the agreement.
- (53) Memorandum of Agreement (Consultancy) dated 3 May 2002 between MRB and KISB, pursuant to which MRB and KISB have agreed to collaborate in order to make available to Malaysian agencies and organizations involved in road construction, a mobile rubber-bitumen blending equipment which will be used in implementing the technology of using rubber-bitumen blends in road construction for a period of 12 months from the date of the agreement.
- (54) An Agreement dated 21 June 2002 between Ikram Latihan and the Government, pursuant to which the Government has agreed to provide special skills training loan ("the Loan") to those persons registered with Ikram Latihan. The availability of the Loan is terminable at any time by the Government without notice or reason whatsoever.
- (55) Memorandum of Understanding ("MOU") dated 14 March 2003 between KISB and The CSIR (a statutory council established under Act 46 of 1988 of the Republic of South Africa), pursuant to which the parties have agreed to collaborate in the field of roads and transport technology in the South East Asian region for a period of 36 months from the date of the MOU.
- (56) A Joint Venture Agreement dated 16 October 2002 between HCM and Molek Engineering Sdn Bhd ("MESB"), (a non subsidiary of Protasco Group) to establish a joint venture for the purpose of submitting a proposal for the Project (as therein defined) on design and build basis to the Government subject to the terms and upon the conditions as therein contained.
- (57) Memorandum of Understanding dated 3 September 2002 between The Asean Federation Of Engineering Organisations ("AFEO") and Ikram Latihan, pursuant to which AFEO and Ikram Latihan have agreed to collaborate by combining their resources, experiences, knowledge and know how to provide training to the construction and other related industries in the Asean region (as therein contained), subject to the terms and upon the conditions as therein contained.

17. STATUTORY AND GENERAL INFORMATION (Continued)

- (58) Memorandum of Understanding dated 1 August 2002 between Guidance View Sdn Bhd (“GVSB”), (a non subsidiary of Protasco Group) and Ikram Latihan, pursuant to which GVSB and Ikram Latihan has agreed to collaborate whereby GVSB shall be principally engaged in recruiting students and providing trainers for MLVK Information Technology (“MLVK”) courses for Ikram Latihan and marketing activities and Ikram Latihan to provide training facilities, food and accommodation for students (as therein contained) for a period of 5 years from 1 August 2002 and expiring on 31 July 2007, subject to the terms and upon the conditions as therein contained.
- (59) Memorandum of Understanding dated 25 June 2002 between The Engineering Institution of Cambodia (EIC) and Ikram Latihan, pursuant to which EIC and Ikram Latihan have agreed to collaborate to provide training to the construction and other related industries in Cambodia as per the Training Program (therein contained), subject to and upon the conditions as therein contained for a period of 5 years from the date of the agreement.
- (60) A Framework Agreement (Perjanjian Rangkakerja) dated 31 March 2003 between Perbadanan Pembangunan Industri Kecil dan Sederhana (“SMIDEC”) and Ikram Latihan, pursuant to which SMIDEC and Ikram Latihan have agreed to collaborate in the development and increment of their employee’s skills through programmes that both parties agreed to, for an unlimited period of time from the date of this Agreement unless so terminated by the parties subjected to the terms and conditions as therein contained.
- (61) A Letter of Award dated 28 June 2002 issued by Roadcare to Ciptera Engineering Sdn Bhd (“Ciptera”) (a non subsidiary of Protasco Group), pursuant to which Roadcare has agreed to award to Ciptera subcontract works to construct and complete the rest and service area at Gua Musang-Kuala Krai Highway, Kelantan commencing from 1 July 2002, at the contract price of RM4,160,445.
- (62) Memorandum of Agreement dated 22 March 2002 between Roadcare and Ikram C&S, pursuant to which Roadcare has agreed to award to Ikram C&S the engineering services as more particularly set out therein the agreement commencing from 22 March 2002 to 31 December 2006.
- (63) A Letter of Award dated 27 January 2003 issued by HCM to Marimas Sdn Bhd (“MMSB”) (a non subsidiary of Protasco Group), pursuant to which HCM has agreed to award to MMSB waterwork services commencing from 15 April 2003, at a contract price of RM6,352,893 or such other sum ascertained in accordance with the terms and conditions as therein contained.
- (64) A Letter of Award dated 7 March 2003 issued by HCM to Rolid Setia Sdn Bhd (“RSSB”) (a non subsidiary of Protasco Group), pursuant to which HCM has agreed to award to RSSB subcontract works to undertake and implement the construction and completion of the roads, car parks and parade ground and all other works as therein described on the proposed design and build special service group camp for a period commencing from 7 March 2003, and any extension thereof at a contract price of RM7,807,138.
- (65) A Letter of Award dated 2 December 2002 issued by HCM to P.A.T Bina Sdn Bhd (“PATBSB”) (a non subsidiary of Protasco Group), pursuant to which HCM has agreed to award to PATBSB subcontract works to undertake the construction of pavement works as therein contained commencing from 2 December 2002, at a contract price of RM36,291,154 or such other sum ascertained in accordance with the terms and conditions as therein contained.

17. STATUTORY AND GENERAL INFORMATION (Continued)

- (66) A Letter of Award dated 15 March 2003 issued by HCM to PATBSB, pursuant to which HCM has agreed to award to PATBSB subcontract works to undertake the construction of pavement works as therein contained for a period commencing from 17 March 2003, at a contract price of RM6,183,668 or such other sum ascertained in accordance with the terms and conditions as therein contained.
- (67) A Letter of Award dated 11 February 2003 issued by HCM to Merpati Indah Construction Sdn Bhd ("MICSB") (a non subsidiary of Protasco Group), pursuant to which HCM has agreed to award to MICSB subcontract works to undertake and implement the therein mentioned Project commencing from 15 February 2003, at a contract price of RM11,232,920 or such other sum ascertained in accordance with the terms and conditions as therein contained.
- (68) A Letter of Award dated 17 October 2002 issued by HCM to Kumpulan Melaka Berhad ("KMB"), pursuant to which HCM has agreed to award to KMB subcontract works to undertake and implement the construction of bridges and culverts for the therein mentioned Project, for a period commencing from 1 November 2002, at contract price of RM27,876,393 or such other sum ascertained in accordance with the terms and conditions as therein contained.
- (69) A Letter of Award dated 28 October 2002 issued by HCM to KMB, pursuant to which HCM has agreed to award to KMB subcontract works to undertake and implement the site clearing and earthworks, drainage, lower & upper sub-base and verge fill and geotechnical treatment works for the therein mentioned Project, for a period commencing from 1 November 2002, at contract price of RM49,302,728 or such other sum ascertained in accordance with the terms and conditions as therein contained.
- (70) A Letter of Award dated 28 October 2002 issued by HCM to AKC, pursuant to which HCM has agreed to award to AKC subcontract works to undertake and implement the site clearing and earthworks, drainage, lower & upper sub-base and verge fill and geotechnical treatment works as therein contained, for a period from 1 November 2002, at contract price of RM15,093,042 or such other sum ascertained in accordance with the terms and conditions as therein contained.
- (71) A Letter of Award dated 1 April 2003 issued by HCM to AKC, pursuant to which HCM has agreed to award to AKC subcontract works to undertake and implement the works therein mentioned, from 8 April 2003, at a contract sum of RM9,387,384 or such other sum as ascertained in accordance with the terms and conditions as therein contained.
- (72) A Joint Venture Agreement dated 12 July 2002 between THT and HCM to establish a joint venture for the purpose of negotiation with the Government through JKR Malaysia in respect of the project therein mentioned on design and build basis subject to the terms and conditions as therein contained.
- (73) A Memorandum of Understanding dated 1 November 2002 between HCM and Muhibbah, pursuant to which HCM and Muhibbah have agreed to collaborate in the therein mentioned Project and to execute the works under the Project, subject to the terms and conditions as therein contained.

17. STATUTORY AND GENERAL INFORMATION (Continued)

- (74) A Memorandum of Understanding (“MOU”) dated 24 April 2003 between HCM, Delhi Brass and Metal Works Ltd (“Delhi Brass”) and Oriental Structural Engineers Private Limited (“OSE”), pursuant to which OSE and HCM have agreed to collaborate with Delhi Brass whereby OSE and HCM shall be principally engaged in developing in the most competitive manner and undertaking exclusive responsibility for the therein mentioned Project in respect of entirety of its functional, technical and technological standards and aspects while Delhi Brass shall act as the Financier for the Project for a period of 12 months from the date of signing of the MOU, subject to terms and conditions as therein contained.
- (75) A Memorandum of Understanding dated 16 October 2002 between Muhibbah and HCM, pursuant to which Muhibbah and HCM have agreed to collaborate in participation and execution of works under the Project therein mentioned, subject to terms and conditions as therein contained.
- (76) A Memorandum of Understanding dated 5 December 2002 between HCM and Muhibbah, pursuant to which HCM and Muhibbah have agreed to collaborate in participation and execution of various packages under the Project therein mentioned, subject to the terms and conditions as therein contained.
- (77) A Joint Venture Agreement dated 25 April 2003 between HCM, Muhibbah and Techni Bharati Limited, pursuant to which all parties aforesaid have agreed to collaborate to carry out the contract works as therein mentioned in order to obtain the best results from the combination of their individual resources of experience, know-how, labour, finance, and plant and equipment subject to the terms and conditions as therein contained.
- (78) A Letter of Award dated 22 October 2002 issued by HCM to Pam Maintenance Services Sdn Bhd (“PMS”), pursuant to which HCM has agreed to award to PMS waterwork services commencing from 1 November 2002, at a contract price of RM25,210,457 or such other sum ascertained in accordance with the terms and conditions as therein contained.
- (79) A Letter of Award dated 2 December 2002 issued by HCM to PATBSB, pursuant to which HCM has agreed to award to PATBSB subcontract works for pavement and rehabilitation works as set out therein, for a period commencing from 2 December 2002 at a contract price of RM49,184,232 or such other sum ascertained in accordance with the terms and conditions therein contained.
- (80) A Management Agreement dated 18 June 2003 between Protasco and Dato’ Hasnur Rabiain bin Ismail, pursuant to which Dato’ Hasnur Rabiain bin Ismail has been employed as the Executive Chairman of Protasco for a period of three (3) years commencing from 18 June 2003, upon terms and conditions as therein contained.
- (81) A Management Agreement dated 18 June 2003 between Protasco and Dato’ Chong Ket Pen, pursuant to which Dato’ Chong Ket Pen has been employed as the Managing Director of Protasco for a period of three (3) years commencing from 18 June 2003, upon terms and conditions as therein contained.

17. STATUTORY AND GENERAL INFORMATION (Continued)

17.11 Letters of Consent

- (i) The separate written consents of CIMB, the Company Secretaries, Principal Bankers, Solicitors, Share Registrar, Issuing House and Joint Underwriter to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consent of Messrs. Ernst & Young 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 December 2003 as well as the proforma consolidated balance sheets as at 31 December 2002 in the manner and form 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 Rahim & Co. Chartered Surveyors Sdn Bhd to the inclusion in this Prospectus of their name and Valuation Certificate in the manner and form in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.
- (iv) The written consent of the Vital Factor Consulting Sdn Bhd to the inclusion of its name and the extraction of its market research report and its market research letter in the manner and form in which they are disclosed in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

17.12 Documents Available for Inspection

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

- (i) Memorandum and Articles of Association of Protasco;
- (ii) The material contracts referred to in Section 17.9 of this Prospectus;
- (iii) The material agreements referred to in Section 17.10 of this Prospectus;
- (iv) The Accountants' Report and Directors' Report as included in Sections 13 and 14 of this Prospectus, respectively;
- (v) The Reporting Accountants' Letters relating to the consolidated profit forecast for financial year ending 31 December 2003 and proforma consolidated balance sheets of the Protasco Group as at 31 December 2002 referred to in Sections 12.5 and 12.9, respectively, of this Prospectus;
- (vi) The Valuation Certificate relating to the landed properties of the Group referred to in Section 15 of this Prospectus;
- (vii) The Independent Research Letter referred to in Section 16 of this Prospectus;
- (viii) The letters of consent referred to in Section 17.11 of this Prospectus; and
- (ix) The audited accounts of Protasco and its subsidiaries for the five (5) financial years ended 31 December 2002.

17. STATUTORY AND GENERAL INFORMATION *(Continued)*

17.13 Responsibility Statement

- (i) CIMB acknowledges that to the best of its knowledge and belief, the Prospectus constitutes a full and true disclosure of all material facts about the IPO and Protasco and its subsidiaries and is satisfied that the consolidated profit forecast for the financial year ending 31 December 2003 of the Group for which the Directors are solely responsible, have been fairly stated by the Directors after due and careful inquiry.

- (ii) This Prospectus has been seen and approved by the Directors of Protasco, Offerors and Promoters 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.

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