
16. ADDITIONAL INFORMATION

16.1 Share Capital

- (i) No ordinary shares will be allotted or issued 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.
- (iii) There is only one class of shares in the Company, namely ordinary shares of RM0.50 each, all of which rank in pari passu with one another.
- (iv) Save for the 3,700,000 ordinary shares of RM0.50 each reserved for the eligible employees of the Group pursuant to this Prospectus, there are at present no other schemes involving the employees in the share capital of the Company or, its subsidiaries.
- (v) As at the date of this Prospectus, none of the share capital of the Company or, its subsidiaries is under any option or agreed conditionally or unconditionally to be put under any option.
- (vi) Save as disclosed in Section 4 of this Prospectus, no shares, stocks or debentures in the Company or, its subsidiaries have been issued or are proposed to be issued as partly or fully paid-up for cash or otherwise within the two (2) years preceding the date of this Prospectus.

16.2 Articles of Association

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

16.2.1 Transfer of Securities

The provisions in the Company's Articles of Association in respect of transferability of securities and any restrictions on their free transferability are as follow:-

Article 24

The transfer of any listed securities or class of listed securities 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 transfer of such listed securities.

Article 25

The instrument of transfer for listed securities of the Company shall be in writing and in the form approved by the Rules and shall be executed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered into the Register of Members and / or the Record of Depositors, as the case may be, in respect thereof.

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16. ADDITIONAL INFORMATION (Cont'd)

Article 26

Subject to the Rules and Listing Requirements, the transfer of any securities may be suspended at such times and for such periods as the Directors may from time to time determine. Twelve (12) clear market days' notice, or such other period as may from time to time be specified by the Exchange governing the Register concerned, of intention to close the Register shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange. At least three (3) market days prior notice shall be given to the Central Depository to prepare the appropriate Record of Depositors.

Article 27

The Central Depository may refuse to register any transfer of deposited security that does not comply with the Central Depositories Act and the Rules. Subject to the provisions of the Act, the Central Depositories Act and the Rules, no listed securities shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind or any partnership or unincorporated association or body.

Article 28

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

16.2.2 Remuneration of Directors

The provisions in the Company's Articles of Association dealing with the remuneration of the Directors are as follow:-

Article 93

The Directors shall be paid by way of remuneration for their services, such fixed sum (if any) as shall from time to time be determined by the Company in general meeting and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine. PROVIDED ALWAYS that:-

- (a) fee payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- (b) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting.
- (d) any fee paid to an alternate Director shall be such as agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

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16. ADDITIONAL INFORMATION (Cont'd)

Article 94(1)

The Directors shall be paid all their traveling, hotel 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 Directors or any committee of the Directors of the Company or general meetings of the Company.

Article 94(2)

If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determine by the Board provided that in the case of non-executive Directors of the Company, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an Executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors.

16.2.3 *Voting and Borrowing Powers of Directors*

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

Article 97

The Directors shall not without the prior approval of the Company in general meeting: -

- (a) exercise any power of the Company to issue shares unless otherwise permitted under the Act;
- (b) subject to sections 132E and 132F of the Act, enter into any arrangement or transaction with a Director of the Company or its holding company or with a person connected with such a Director, to acquire from or dispose to such a Director or person, any non-cash assets of the requisite value; and
- (c) carry into effect any proposal or execute any transaction for the acquisition of any undertaking or property of a substantial value or the disposals of a substantial portion of or a controlling interest in the Company's main undertaking or property.

Article 98

The Directors may exercise all the powers of the Company to borrow money and to mortgage or change its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

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16. **ADDITIONAL INFORMATION (Cont'd)**

Article 115

A Director may contract with and be interested in any contract or proposed contract with the Company and shall not be liable to account for any profit made by him by reason of any such contract; PROVIDED ALWAYS THAT the nature of the interest of the Director in any such contract be declared at a meeting of the Directors as required by Section 131 of the Act. A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has, directly or indirectly an interest (and if he shall do so his vote shall not be counted), nor shall he be counted for the purpose of any resolution regarding the same, in the quorum present at the meeting.

Articles 116

Subject to Article 115, a Director may vote in respect of:-

- (a) any arrangement for giving the Director himself or any other Directors any security or indemnity or any other Directors any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; and
- (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 117

A Director of the Company may be or become a Director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise or any corporation which is directly and indirectly interested in the Company as shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefit received by him as a Director or officer of, or from his interest in, such corporation unless the Company otherwise directs at the time of his appointment. The Directors may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as Directors of such other corporation, in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the Directors or other officers of such corporation), and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be or is about to be appointed a Director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid.

Article 118(2)

An alternate Director shall (except as regards the power to appoint an alternate Director and remuneration) be subject in all respects to the terms and conditions existing with reference to the other Directors, and shall be entitled to receive notices of all meetings of the Directors, and to attend, speak and vote at any such meeting at which his appointor is not present.

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16. ADDITIONAL INFORMATION (Cont'd)

16.2.4 Changes in the Capital and Variation of Class Rights

The provisions in the Articles of Association of the Company as to changes in capital and variation of class rights which are not less stringent than those provided in the Act are as follows:-

Article 3

No shares in the Company may be issued by the Directors without the prior approval of the Company by ordinary resolution in general meeting but subject thereto and to the Act and to Articles 50 and 51, the Directors may issue shares in the Company at such times as they may think fit and any such shares may be issued either at par, at a premium or (subject to the provisions of the Act) at a discount and with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Directors, subject to any ordinary resolution of the Company, may determine.

Article 4

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

- (a) no shares shall be issued at a discount except in compliance with the provisions of section 59 of the Act;
- (b) in the case of shares of a class, other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles and in the resolution creating the same;
- (c) every issue of shares or options to employees and/or Directors of the Company shall be approved by the Members in general meeting and no Director shall participate in such issues of shares or options unless:-
 - i) the Members in general meeting have approved of the specific allotment to be made to such Director; and
 - ii) he holds office in the Company in an executive capacity PROVIDED ALWAYS that a Director not holding office in an executive capacity may so participate in any issue of shares pursuant to a public issue or public offer or special issue, such participation to be approved by the relevant authorities.

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16. ADDITIONAL INFORMATION (Cont'd)**Article 5**

Without prejudice to any special rights previously conferred on the holders of any shares or classes of shares already issued but subject to the provisions of the Act, the Central Depositories Act, the Rules and these Articles, any preference shares any with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed. The total nominal value of the issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time and the Company shall not issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited accounts and attending general meetings of the Company. The holder of a preference share shall be entitled to a return of capital in preference to holders of ordinary shares when the company is wound up. Preference shareholders shall also have the right to vote at any general meeting convened for the following purposes:-

- (a) on a proposal to reduce the Company's share capital;
- (b) on a proposal to wind up or during the winding up of the Company;
- (c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
- (d) where any resolution to be submitted to the meeting affects their rights and privileges attached to the preference shares; and
- (e) when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months.

Article 6

Notwithstanding Article 7 hereof, the repayment of preference share capital other than redeemable preference shares, or any alteration of preference shareholder's rights shall only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths (3/4) of the preference capital concerned within two (2) months of the meeting, shall be as valid and effectual as special resolution carried at the meeting.

Article 7

If at any time the share capital is divided into different classes of shares, the rights attached to any class shall be expressed herein or in the resolution creating the same and may be subject to the provisions of the Act, 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, but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy, one-tenth (1/10) 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 with such adaptations as are necessary, apply.

16. ADDITIONAL INFORMATION (Cont'd)

Article 8

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

Article 50

The Company may from time to time by ordinary resolution in general meeting, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid up or not increase its share capital by the creation and issue of new shares, such new capital to be of such amount 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 directs.

Article 53

The Company may from time to time in general meeting by ordinary resolution: -

- (a) increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) divide its share capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act and so that as between the resulting shares, one or more of such shares may, by the resolution by which such sub-division is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares ;
- (d) 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; or
- (e) subject to the provisions of these Articles and the Act, convert and/or re-classify any class of shares into any other class of shares.

Article 54

Subject to and in accordance with the provisions of the Act and the Company is allowed and shall have power, to the fullest extent permitted, to requirements of the Exchange and such other relevant law, regulation or guideline, the Company purchase its own shares. Any shares in the Company so purchased by the Company shall be dealt with as provided by the Act, the requirements of the Exchange and any other relevant authority.

Article 55

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

16. ADDITIONAL INFORMATION (Cont'd)**16.3 Directors and Substantial Shareholders**

- (i) The names, addresses and occupations of the Directors of the Company are set out in Section 1 of this Prospectus.
- (ii) A Director of the Company is not required to hold any qualification shares in the Company unless otherwise so fixed by the Company at general meeting.
- (iii) None of the Directors or substantial shareholders of the Company has any existing or proposed service contracts with the Company or any of its subsidiaries, which are not terminable by notice, without payment of compensation (other than statutory compensation) within one year.
- (iv) According to the Register of Directors' Shareholding of FIPB as at 8 September 2003 (being the latest practicable date prior to the printing of this Prospectus), the names and the respective interests of the Directors of the Company before and after the IPO Exercise are as follow:

Directors	Before the IPO Exercise				After the IPO Exercise			
	Direct Interest		Indirect Interest		Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Cheah Eng Chuan	20,503,948	28.48	20,000,002 ⁽¹⁾	27.78	10,943,520	13.68	20,000,002 ⁽¹⁾	25.00
Lee Sim Hak	3,720,638 ⁽²⁾	5.17	-	-	1,966,334 ⁽³⁾	2.46	-	-
Ong Lock Hoo	6,355,020	8.82	-	-	3,787,966	4.74	-	-
Hamzah bin Mohd Salleh	1,600,000	2.22	-	-	10,600,000 ⁽⁴⁾	13.25	-	-
Dato' Haji Johar bin Murat @ Murad	-	-	-	-	3,800,000 ⁽⁵⁾	4.75	-	-
Lim Chee Hoong	-	-	-	-	-	-	-	-

Notes:

- Deemed interested by virtue of him holding more than 15% equity interest in Solid pursuant to Section 6A of the Act.
- Including the four (4) ordinary shares of RM0.50 each transferred from the owners of the two (2) subscriber shares.
- The transfer of the 4 ordinary shares of RM0.50 each to Lee Sim Hak is pending the stamping of the relevant forms by the Stamp Office.
- Consisting of the 1,600,000 ordinary shares of RM0.50 each currently held and the 9,000,000 ordinary shares of RM0.50 each to be subscribed pursuant to the Offer for Sale of which an irrevocable undertaking has been provided.
- Based on the 3,800,000 ordinary shares of RM0.50 each to be subscribed pursuant to the Offer for Sale of which an irrevocable undertaking has been provided.

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16. ADDITIONAL INFORMATION (Cont'd)

- (v) According to the Register of Substantial Shareholders as at 8 September 2003 (being the latest practicable date prior to the printing of this Prospectus), the names and the respective interests of the substantial shareholders (with 5% or more shareholding, directly and indirectly) of the Company before and after the IPO Exercise are as follow:-

Shareholders	Before the IPO Exercise				After the IPO Exercise			
	Direct Interest		Indirect Interest		Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Solid	20,000,002 ⁽¹⁾	27.78	-	-	20,000,002 ⁽¹⁾	25.00	-	-
Cheah Eng Chuan	20,503,948	28.48	20,000,002 ⁽²⁾	27.78	10,943,520	13.68	20,000,002 ⁽²⁾	25.00
Hamzah bin Mohd Salleh	1,600,000	2.22	-	-	10,600,000 ⁽³⁾	13.25	-	-
Lee Sim Hak	3,720,638 ⁽⁴⁾	5.17	-	-	1,966,334 ⁽⁵⁾	2.46	-	-
Ong Lock Hoo	6,355,020	8.82	-	-	3,787,966	4.74	-	-
Lai Kong Meng	3,668,780	5.10	-	-	2,043,280	2.55	-	-
Chan Kwong Pooi	3,668,780	5.10	-	-	2,043,280	2.55	-	-
Tan Wah Ching	4,538,520	6.30	1,872,124 ⁽⁶⁾	2.60	2,392,722	2.99	976,004 ⁽⁶⁾	1.22

Notes:

1. The transfer of the 4,324,576 ordinary shares of RM0.50 each to Solid is pending the stamping of the relevant forms by the Stamp Office.
2. Deemed interested by virtue of him holding more than 15.% equity interest in Solid pursuant to Section 6A of the Act.
3. Consisting the 1,600,000 ordinary shares of RM0.50 each currently held and the 9,000,000 ordinary shares of RM0.50 each to be subscribed pursuant to the Offer for Sale of which an irrevocable undertaking has been provided.
4. Including the four (4) ordinary shares of RM0.50 each transferred from the owners of the two (2) subscriber shares.
5. The transfer of the 4 ordinary shares of RM0.50 each to Lee Sim Hak is pending the stamping of the relevant forms by the Stamp Office.
6. Deemed interested by virtue of him holding more than 15.% equity interest in Firstex pursuant to Section 6A of the Act.

- (vi) None of the other Directors and substantial shareholders/Promoters of the Group have any interests, direct and/or indirect, in any business, either quoted or unquoted on a recognized stock exchange which carries on similar trade as the Company or its subsidiaries.

Save as disclosed in Section 3.2 of this Prospectus, the Directors are not aware of any persons who are able, directly or indirectly, jointly or severally, to exercise control over the Company, and its subsidiary companies and associated company.

16.4 General Information

- (i) The nature of the Group's business is set out in Section 4 of this Prospectus. The names of all corporations which are deemed to be related to the Company by virtue of Section 6 of the Companies Act, 1965 and their respective principal activities are set out under the same section of this Prospectus.
- (ii) The name and address of the Auditor and Reporting Accountant are set out in the Corporate Information section of this Prospectus.
- (iii) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 17.4 of this Prospectus.
- (iv) The time of the opening and closing of the Application Lists is set out in Section 17.1 of this Prospectus.

16. ADDITIONAL INFORMATION (Cont'd)

- (v) The amount payable in full on application of the IPO Shares is RM1.08 per ordinary share.
- (vi) No amount or benefit has been paid or given within the two (2) years preceding the date of this Prospectus, nor is it intended to be so paid or given, to any promoter except for dividends paid and any remuneration received in the course of employment.
- (vii) Save as disclosed in Section 3 and 9.6 of 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 Company.
- (viii) Save as disclosed in Section 3 and 9.5 of this Prospectus, the financial conditions and operations of the Group are not materially affected by any of the following:
 - (a) known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in the Company's or the Group's liquidity increasing or decreasing in any material way;
 - (b) unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from the operations of the Group;
 - (c) known trends or uncertainties that have had or the Group reasonably expects to have a material favorable or unfavorable impact on the revenues or operating income; and
 - (d) material commitments for capital expenditure.
- (ix) Save as disclosed in Section 4, the Group has not established a place of business outside Malaysia.
- (x) As at the date of this Prospectus, the Company and its subsidiary companies do not have any convertible debt securities.
- (xi) During the financial year ended 31 December 2002 and the current financial year ending 31 December 2003, there were no:
 - (a) public takeover offers by third parties in respect of the Company's shares; and
 - (b) public takeover offers by the Company in respect of other company's shares.

16.5 Expenses and Commissions

Save as disclosed below, no commission, discounts, brokerage or other special terms has been paid or is payable by the Company within the two (2) years preceding the date of this Prospectus in connection with the issue or sale of any capital or debenture of the Company or its subsidiary companies and no Director or promoter or expert is or are entitled to receive any such payment:

- (i) Underwriting commission is payable by the Company to the Underwriters mentioned in Section 2.8 and 2.11 of this Prospectus at the rate of 2.0% of the IPO price of RM1.08 per ordinary share on the total number of shares underwritten which form part of the subject of this Prospectus.
- (ii) Placement fee is payable by the Company to the Placement Agents at the rate of 1.75% of the IPO price of RM1.08 per ordinary share on the 1,000,000 Private Placement Shares.
- (iii) Brokerage is payable by the Offeror/Company at the rate of 1.0% of the IPO price of RM1.08 per ordinary share in respect of successful applications bearing the stamps of Aseambankers, a member company of the KLSE, a member of the Association of Banks in Malaysia, a member of the Association of Merchant Banks in Malaysia or MIDFCCS.

16. ADDITIONAL INFORMATION (Cont'd)

- (iv) The Offeror shall bear brokerage and other incidental expenses relating to Offer For Sale.
- (v) The estimated expenses indicated for the listing of and quotation for the entire issued and paid-up share capital of the Company on the KLSE amounting to approximately RM1.8 million shall be borne by the Company.

16.6 Material Contracts

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business), which have been entered into by the Company, or its subsidiary companies within the two (2) years preceding the date of this Prospectus:-

- (i) Conditional Sale and Purchase Agreement dated 19 June 2002 between FIPB and the vendors of FMSB, namely Cheah Eng Chuan, Lee Sim Hak, Lai Kong Meng, Ong Lock Hoo, Chan Kwong Pooi, Gan Ah Cheng and Hamzah bin Mohd Salleh for the acquisition of 5,827,500 ordinary shares of RM1.00 each representing the entire equity interest in FMSB for a total purchase consideration of RM23,121,189 satisfied by the issuance of 21,408,508 new ordinary shares of RM1.00 each in FIPB at an issue price of approximately RM1.08 per share.
- (ii) Conditional Sale and Purchase Agreement dated 19 June 2002 between FIPB and the vendors of FEC, namely Tan Wah Ching, Tay Gee Tiong @ Tay King and Firstex for the acquisition of 2,490,000 ordinary shares of RM1.00 each representing the entire equity interest in FEC for a total purchase consideration of RM3,853,540 satisfied by the issuance of 3,568,092 new ordinary shares of RM1.00 each in FIPB at an issue price of approximately RM1.08 per share.
- (iii) Conditional Sale and Purchase Agreement dated 19 June 2002 between FIPB and the vendors of Texstrip, namely Cheah Eng Chuan, Lee Sim Hak, Ong Lock Hoo, Tan Wah Ching, Lai Kong Meng, Chan Kwong Pooi, Gan Ah Cheng and Hamzah bin Mohd Salleh for the acquisition of 2,700,000 ordinary shares of RM1.00 each representing the entire equity interest in Texstrip for a total purchase consideration of RM3,294,521 satisfied by the issuance of 3,050,483 new ordinary shares of RM1.00 each in FIPB at an issue price of approximately RM1.08 per share.
- (iv) Conditional Sale and Purchase Agreement dated 19 June 2002 between FIPB and the vendors of Webtex, namely Cheah Eng Chuan, Lee Sim Hak, Lai Kong Meng, Ong Lock Hoo, Chan Kwong Pooi and Hamzah bin Mohd Salleh for the acquisition of 250,000 ordinary shares of RM1.00 each representing the entire equity interest in Webtex for a total purchase consideration of RM1,228,388 satisfied by the issuance of 1,137,397 new ordinary shares of RM1.00 each in FIPB at an issue price of approximately RM1.08 per share.
- (v) Conditional Sale and Purchase Agreement dated 19 June 2002 between FIPB and the vendors of PGSB, namely FMSB and FEC for the acquisition of ten (10) ordinary shares of RM1.00 each representing the entire equity interest in PGSB for a total purchase consideration of RM10.00 satisfied by way of cash.
- (vi) Conditional Sale and Purchase Agreement dated 10 July 2003 between FIPB and PGSB for the acquisition of USD1,200,000 legal capital representing the entire legal capital in PEWA for a total purchase consideration of RM4,081,000 satisfied by way of cash.
- (vii) An Underwriting Agreement dated 21 August 2003 between FIPB, Aseambankers, Mayban Securities Sendirian Berhad and Affin-UOB Securities Sendirian Berhad for the underwriting of the Public Issue Shares at an IPO price of RM1.08 per ordinary shares for an underwriting commission of two percent (2.0%) of the underwritten value.

16. ADDITIONAL INFORMATION (Cont'd)

- (viii) FIPB had appointed Aseambankers and Affin-UOB Securities Sendirian Berhad in respect of the private placement of 1,000,000 Private Placement Shares at an IPO Price of RM1.08 per ordinary share for a placement fee of one point seven five per cent (1.75%) of the placement value of RM1,080,000 via the letters of appointment dated 8 August 2003 and 8 July 2003 respectively.

16.7 Material Agreements

Save as disclosed below, there are no other material agreements, which have been entered into by FIPB and its subsidiary companies:

- (i) Shareholders' Agreement between FMSB and Marling Industries PLC ("Marling") (now known as Autoliv) dated 23 October 1996 to regulate the management operations and affairs of FVOA and also to regulate the rights and obligations of the members inter se as members of FVOA.
- (ii) Land Lease Contract for Setting Up Factory in Bien Hoa Industrial Zone II No.61/HDTD between the Corporation for the Development of Bien Hoa Industrial Zone (Sonadezi Bien Hoa) as Lessor and FVN as Lessee dated 20 March 1997 (as amended by Appendix of Land Lease Contract No. 61/HDTD.PL dated 22 March 2000 on leasing a part of land plot No. 32 covering the area of 13,986 m² in Bien Hoa Industrial Zone II, Long Binh Ward, Bien Hoa City, Dong Nai Province) for the factory manufacturing covered elastic yarn and furniture webbing for a land leasing period of 47 years counting from 16 January 1997, for a land rental of USD31,468.50 per annum (at USD2.25/ m²/year) and an infrastructure using fee of USD69,930 per annum (USD1/m² per annum) (for the first five (5) years) and thereafter at USD6,993 per annum (USD0.5/m² per annum). The land rental fee and infrastructure using fee shall from July 2029 and the year of 2029 respectively be negotiated based on the prevailing price in complying with Regulations of Vietnamese Government.
- (iii) Power of Attorney granted by SSKSB on 12 September 2000 in favour of FMSB to manage and conduct its business in the property held under HS(M)943 PT No. 7179 Balakong, Cheras, District of Ulu Langat and to do and perform all acts or things in the execution of the business as fully and completely as it might do were it personally present.
- (iv) Joint Venture Agreement between FMSB and Trunature dated 5 February 2001 to set up a joint venture private limited company in Vietnam to undertake the manufacturing and sales of meat netting and to regulate the management operations and affairs of the Company as well as the rights and obligations of the members inter se. It was agreed that the parties' shareholdings in the joint venture company shall at all times be 50:50 and the Chairman of the board of directors shall be appointed by rotation on a two (2) year basis, commencing with FMSB.

Also mentioned in the Joint Venture Agreement, Trunature shall continuously provide technical knowledge to Trunet in setting up the products at the initial stage. In return, a royalty on net sales of 4% is payable to Trunature by Trunet. This arrangement is to be reviewed every two (2) years by the Board of Trunet.

- (v) Exclusive Distribution Agreement dated 17 April 2001 between the Texstrip and Texstrip Elastomer Products, LLC (the Distributor) where Texstrip has agreed to provide healthcare products to Distributor under the quality and quantity specifications required by the Distributor and Texstrip grants the Distributor the sole and exclusive right to and appoints Distributor as its exclusive distributor in the United States of America and its territories for elastomeric exsanguinations strips known as "esmark bandages", elastomeric tourniquets, dentals dams, elastomeric resistive force strips for use in exercise and physical therapy, and any other medical devices agreed upon by the parties in the future, for a period of five years from the date of execution and automatically be renewed for each successive five years period if the minimums amount required is met, where all terms may be re-negotiated in good faith.

16. ADDITIONAL INFORMATION (Cont'd)

- (vi) Technical Assistance Agreement dated 22 October 2001 between Texstrip and Star Corporation of Japan ("Star Corp") where Star Corp shall provide full technical assistance, expertise and related "know-how" to Texstrip to produce the rubber sheets for producing diaper threads and other purposes in order to achieve the level of quality evaluated and accepted by the Japan market. Upon request, Star Corp shall to provide all technical data and information of production process, production facilities and chemical formulations pertaining to the products for a period of two (2) years and will automatically be renewed for each successive two (2) years period as long as the required quality of the products is achieved.
- (vii) Land Sub-leasing Contract between Urban and Industrial Zone Development Company (called "URBIZ") as Lessor and PEWA as Lessee dated 6 March 2002 to sublease Nhon Trach 1 Industrial Zone, Dong Nai Province, Vietnam for total land area of 26,122.5 m² in the duration of 46 years for building up the factory manufacturing various kinds of elastic and raw materials for garment industry. The price of subleasing land (including land rental and infrastructure cost) payable is fixed for the first 5 years at USD1.54/m²/year for the first 5 years and USD1.10 /m²/year from the sixth year onwards. Land rental will be kept unchangeable for at least 5 years.
- (viii) Construction Contract between PEWA and Toan Loc Company Ltd ("TLC") dated 22 April 2002, whereby TLC undertook the construction of the factory for PEWA in Nhon Trach I Industrial Zone, Dong Nai Province, Vietnam in according with the design drawings approved for USD367,500 to be completed within 5 months commencing on 2 May 2002, to be paid progressively based on work done.
- (ix) Details of the material insurance policies of the Group are as follows:-

Insurance Policies	Insurance Company	Covered until	Sum insured RM'000
FIPB	N/A		
FMSB and FVOA			
Fire Policy for Buildings & Fittings, Stock in Trade	Malaysian Assurance Alliance Berhad	2-3-2004	15,180
Fire Policy for Machinery and Equipment	Malaysian Assurance Alliance Berhad	23-8-2004	603
Fire Consequential loss	Malaysian Assurance Alliance Berhad	2-3-2004	8,000
Public liability	Malaysian Assurance Alliance Berhad	2-3-2004	500
Webtex			
Fire Policy for Stock in Trade	Malaysian Assurance Alliance Berhad	30-9-2003	250
Texstrip			
Fire Policy for Buildings & Fittings, General Machinery and equipment, Stock in Trade	Malaysian Assurance Alliance Berhad (60%) Syarikat Takaful Malaysia Berhad (40%)	31-3-2004	4,100
Fire Consequential loss	Malaysian Assurance Alliance Berhad (60%) Syarikat Takaful Malaysia Berhad (40%)	31-3-2004	2,504
Public liability	Malaysian Assurance Alliance Berhad	19-7-2004	250 (unlimited)
Equipment All Risk	Malaysian Assurance Alliance Berhad	6-1-2004	327
Equipment All Risk	Malaysian Assurance Alliance Berhad	19-1-2004	232

16. ADDITIONAL INFORMATION (Cont'd)

Insurance Policies	Insurance Company	Covered until	Sum insured RM'000
Equipment All Risk	Malaysian Assurance Alliance Berhad	21-2-2004	133
Equipment All Risk	Malaysian Assurance Alliance Berhad	19-7-2004	150
Boiler and Pressure Vessel Insurance Policy	Malaysian Assurance Alliance Berhad	20-7-2004	672
FEC			
Fire Policy (for Buildings & Fittings, Plant & Machinery)	Aviva Insurance Berhad (CGU Insurance Berhad)	5-7-2004	8,844
Fire Policy for Boiler	Aviva Insurance Berhad (CGU Insurance Berhad)	5-7-2004	1,000
Fire Insurance (Semi-D Factory)	Multi-Purpose Insurans Bhd	1-12-2003	594
Fire Consequential loss	Aviva Insurance Berhad (CGU Insurance Berhad)	5-7-2004	2,704
Public liability	Aviva Insurance Berhad (CGU Insurance Berhad)	7-9-2004	1,000 (unlimited)
All risk policy (machineries)	The Pacific Insurance Berhad	13-2-2004	242
All risk policy (machineries)	The Pacific Insurance Berhad	22-11-2003	101
All risk policy (machinery)	The Pacific Insurance Berhad	20-6-2004	77
Waste Water Treatment	Aviva Insurance Berhad (CGU Insurance Berhad)	4-7-2004	212
Machinery & Equipment Insurance	Aviva Insurance Berhad (CGU Insurance Berhad)	26-12-2003	21
Machinery & Equipment Insurance	Aviva Insurance Berhad (CGU Insurance Berhad)	29-12-2003	317
FVN			
Property All-Risks Policy for Buildings & Fittings, Machinery, Equipment & Stock in Trade	BIDV-QBE Insurance Company Limited	30-11-2003	14,710
All Risk Business Interruption Insurance	BIDV-QBE Insurance Company Limited	30-11-2003	8,062
Trunet			
Property All-Risks Policy for Buildings & Fittings, Machinery, Equipment & Stock in Trade	BIDV-QBE Insurance Company Limited	30-11-2003	1,474
PEWA			
Property All-Risks Policy for Buildings & Fittings, Machinery, Equipment & Stock in Trade	BIDV-QBE Insurance Company Limited	30-11-2003	6,540

16. ADDITIONAL INFORMATION (Cont'd)**16.8 Material Litigation**

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

16.9 Responsibility Statement

- i) Aseambankers 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 IPO Exercise and FIPB Group, and is satisfied that the Consolidated Profit Forecast for the financial year ending 31 December 2003 (for which the Directors of the Company are fully responsible), prepared for inclusion in the Prospectus have been stated by the Directors of the Company after due and careful enquiry and have been duly reviewed by the Reporting Accountants.
- ii) This Prospectus has been seen and approved by the Directors of the Company, the Promoters and the Offerors and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in this Prospectus false or misleading.

16.10 Consent

- a) The written consents of the Adviser and Managing Underwriter, the Underwriters, Placement Agents, Principal Bankers, Solicitor for the IPO, Company Secretaries, Share Registrar, the Issuing House, the Valuers, the Independent Market Research Consultant, Solicitor for the Legal Opinion, Expert for Policies of Vietnam and Expert for Fair Value of Vietnam Assets 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.
- b) The written consent of the Auditor and Reporting Accountant to the inclusion in this Prospectus of their names, Accountants' Report and their letters relating to the Consolidated Profit Forecast for the financial year ending 31 December 2003, and Pro forma Consolidated Balance Sheets as at 30 April 2003 in the manner and form in which they are contained in this Prospectus has been given before the issue of this Prospectus and have not subsequently been withdrawn.

16.11 Documents for Inspection

Copies of the following documents are available for inspection at the Registered Office of the Company during normal business hours for a period of twelve (12) months from the date of this Prospectus:

- (i) Memorandum and Articles of Association of the Company;
- (ii) The Reporting Accountants' Letters relating to the Consolidated Profit Forecast for the financial year ending 31 December 2003, and Pro forma Consolidated Balance Sheets as at 30 April 2003 of the Company as included herein;
- (iii) The Accountants' Report and the Directors' Report in Sections 10 and 11 respectively of this Prospectus;
- (iv) Audited accounts of FIPB Group for the past five (5) financial years ended 31 December 1998 to 2002 and four-months period ended 30 April 2003;
- (v) The letters of consent referred to in Section 16.10 of this Prospectus;

16. ADDITIONAL INFORMATION (Cont'd)

- (vi) The material contracts referred to in Section 16.6 above;
- (vii) Declaration of the Advisers referred to in Section 7.2 of this Prospectus; and
- (viii) The independent market research report by Infocredit D&B dated 11 September 2003;
- (ix) The valuation certificates by Messrs Colliers, Jordan Lee & Jaafar dated 11 September 2003;
- (x) The legal opinion and expert report for Policies of Vietnam by Messrs InvestConsult all dated 11 September 2003; and
- (xi) The expert report for fair value of Vietnam assets by Messrs Khoo & Co dated 11 September 2003.

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