

## 13.0 ADDITIONAL INFORMATION

### 13.1 Share Capital

- (i) No shares will be allotted on the basis of this Prospectus later than twelve (12) months after the date of this Prospectus.
- (ii) There are no founder, management or deferred shares. As at 19 January 2004 (being the latest practicable date prior to the printing of this Prospectus), there is only one class of shares in the Company, namely ordinary shares of RM0.50 each, all of which rank pari passu with one another.
- (iii) Save for the 5,000,000 Public Issue Shares reserved for the eligible Directors, employees and persons who have contributed to the success of the GA Blue Group, no other person has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of the Company or its subsidiary companies.
- (iv) Save as disclosed in Sections 2.4 and 4.5 of this Prospectus, no shares or debentures of the Company or its subsidiary companies have been issued or are proposed to be issued as partly or as fully paid-up for cash or otherwise than for cash within the two (2) years immediately preceding the date of this Prospectus.
- (v) Save for the 5,000,000 Public Issue Shares reserved for eligible Directors, employees and persons who have contributed to the success of the GA Blue Group, there is currently no scheme involving the employee in the share capital of the Company or any of its subsidiary companies.
- (vi) Save as disclosed in Section 7.2 of this Prospectus, there is no restriction on the transfer of the securities of the Company, except as otherwise required by law.
- (vii) As at 19 January 2004 (being the latest practicable date prior to the printing of this Prospectus), none of the share capital of the Company or any of its subsidiary companies is under any option or agreed conditionally or unconditionally to be put under any option.

### 13.2 Articles of Association

The following provisions are extracted from the Company's Articles of Association. The following capitalised terms used in this section shall have the respective meanings as ascribed thereto in the Company's Articles of Association:-

*"Act" means the Companies Act, 1965.*

*"Articles" means these Articles of Association as adopted or as from time to time be altered or added to by special resolution.*

*"Central Depository" means the Malaysian Central Depository Sdn. Bhd. (Co. No. 165570-W) and its successors-in-title.*

*"Central Depositories Act" means the Securities Industry (Central Depositories) Act 1991.*

*"Deposited Security" means a security in the Company standing to the credit of a Securities Account and includes, securities in a Securities Account that is in suspense subject to the provisions of the Central Depositories Act.*

*"The Directors" means the directors of the Company or their alternates or the directors of the Company or their alternates present at a duly convened meeting of directors at which a quorum is present (as the context requires)*

**13.0 ADDITIONAL INFORMATION (cont'd)**

*"Listing Requirements" means the listing requirements of the MSEB as may be amended or modified from time to time.*

*"MSEB" means the Malaysia Securities Exchange Berhad.*

*"Record of Depositors" means that a record provided by Central Depository to the Company under Chapter 24.0 of the Rules.*

*"The Register" means the Register of Members to be kept pursuant to the Act.*

*"Rules" means the Rules of the Central Depository and any appendices thereto.*

*"Securities" means debentures, stocks, shares or other form of convertible securities of the Company and includes any right or option in respect thereof and the meaning assigned to it in the Central Depositories Act.*

*"The Share Registrar" means the person for the time being keeping the Register.*

*"In Writing" or "in writing" means written or produced by any substitute for writing (including, photocopy, typewriting, printing, lithography and photography), or partly written and partly so produced and in Article 180 and in respect of any notice In Writing or in writing to be given by the Company pursuant to or under these Articles, 'In Writing' or 'in writing' shall include telex, facsimile, telegram, electronic mail and other methods of communicating writing in visible form*

**13.2.1 Transfer of Securities****Article 44**

*The transfer of any securities or class of listed securities of the Company shall be made 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 securities.*

**Article 45**

*The instrument of transfer of any shares in the Company shall be executed by or on behalf of the transferor and the transferee and the transferor shall be deemed to remain the holder of the share until the transferee's name is entered in the Register as the holder of that share and/or the Record of Depositors, as the case may be.*

**Article 46**

*The Directors may decline to register any instrument of transfer of shares which are not fully paid (whether these are quoted or otherwise) to a person of whom they do not approve. Subject to the Act, the Listing Requirements, the Central Depositories Act and the Rules, if the Directors refuse to register a transfer they shall send to the transferee written notice of the refusal and reasons therefore.*

**Article 47**

*Subject to the Listing Requirements and the Rules, the transfer of any securities may be suspended at such time and for such period(s) as the Directors may from time to time determine.*

**Article 48**

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

**13.0 ADDITIONAL INFORMATION (cont'd)**

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**Article 49**

*Subject to the Central Depositories Act and the Rules, any members may transfer all or any of its securities by instrument in writing in the form prescribed and approved by MSEB and the Registrar (as the case may be). Subject to these Articles, there shall be no restriction on the transfer of fully paid-up shares except where required by law. The instruments shall be executed by or on behalf of the transferor and the transferee and the transferor shall remain the holder of the shares transferred is entered in the Register and/or the Record of Depositors as the case may be. All transfers of deposited securities shall be effected in accordance with the Act, the Central Depositories Act and the Rules.*

**13.2.2 Remuneration of Directors****Article 112**

*Subject to these Articles, the fee of the Directors shall from time to time be determined by the Company in general meeting but:*

- (1) Directors' fees payable to Directors not holding any executive office in the Company shall be a fixed sum and shall not be payable by a commission on or percentage of profits or turnover;*
- (2) salaries payable to Directors holding executive office in the Company may not include a commission on or a percentage of turnover;*
- (3) all fee payable to Directors shall be deemed to accrue from day to day;*
- (4) fees payable to Directors shall not be increased except pursuant to a resolution passed by the Company in general meeting, where notice of the proposed increase has been given in the notice convening the meeting; or*
- (5) any fee paid to an alternate Director shall be agreed between him and his appointor and shall be deducted from his appointor's remuneration.*

**Article 113**

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

**Article 114**

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

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

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

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**13.0 ADDITIONAL INFORMATION (cont'd)**

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**13.2.3 Voting and Borrowing Powers of Directors**

**Article 117**

*An alternate Director shall be entitled:*

- (1) to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member;*
- (2) to attend and vote at any such meeting at which the Director appointing him is not personally present;*
- (3) (in his appointor's absence from Malaysia) to sign any resolution in writing under Article 151 and documents to be or which may be signed by him and to sign on his appointor's behalf, documents to be signed by his appointor as a Director; and*
- (4) to generally perform all the functions of his appointor as a Director in his absence from Malaysia.*

**Article 126**

*Except as provided by Article 127, the Directors may exercise all the powers of the Company to borrow money any sum or sums from any person, bank, firm or company and to mortgage or charge its undertaking, property and uncalled capital, and any part thereof and to issue debentures and other securities, whether as primary or collateral security for any debt, liability or obligation of the Company, its Subsidiaries or any other party. The Directors may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon with power to the Directors to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or hypothecation of or charge upon any property and asset of the Company or otherwise. The Directors may exercise all the powers of the Company to guarantee and give guarantees or indemnities for payment of money, the performance of contracts or obligations or for the benefit or interest of the Company or its Subsidiaries.*

**Article 127**

*The Directors shall not borrow any money or mortgage or charge any of the Company's or its Subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.*

**Article 152**

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

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

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

**13.0 ADDITIONAL INFORMATION (cont'd)****13.2.4 Changes in the Capital and Variation of Class Rights**

The provisions in the Articles as to changes in the share capital and variation of class rights, which are as stringent as those provided in the Act, are as follows:-

**Article 12**

*If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may (subject to Sections 55 and 65 of the Act and whether or not the Company is being wound up) be varied or abrogated with:*

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

*To every such separate general meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, except that the necessary quorum shall be 2 persons at least holding or representing by proxy one-tenth (1/10) of the issued shares of the class (but so that if at any adjourned meeting of such holders, a quorum is not present, the holders present, shall form a quorum), and any holder of shares of the class present in person or by proxy may demand a poll.*

**Article 13**

*All new issues of Securities for which listing is sought shall be made by way of crediting the Securities Accounts of the allottees or entitled persons with such securities save and except where the Company is specifically exempted from complying with Section 38 of the Central Depositories Act, in which event it shall be so similarly be exempted from compliance with this Article. For this purpose, the Company shall notify the Central Depository of the names of the allottees or entitled persons and all such particulars as may be required by the Central Depository to enable the Central Depository to make the appropriate entries in the Securities Accounts of such allottees or entitled persons. Notwithstanding these Articles, the Company shall comply with the provisions of the Central Depositories Act and the Rules in all matters relating to the prescribed securities.*

**Article 14**

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

**Article 75**

*Without prejudice to the rights attached to any existing shares or class of shares, the Company in general meeting may by ordinary resolution increase its capital by the creation of shares of such nominal amounts, and carrying such rights and restrictions, as the resolution specifies provided that where the capital of the Company consists of shares of different monetary denominations, voting rights (if specified in such resolution) shall be prescribed in such a manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.*

**Article 76**

*All new shares shall be subject to the same provisions as to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the existing share capital.*

**13.0 ADDITIONAL INFORMATION (cont'd)****13.3 Directors and Substantial Shareholders**

- (i) The names, addresses and occupations of the Directors of GA Blue are set out under "Corporate Directory" of this Prospectus.
- (ii) A Director is not required to hold any qualification share in the Company or its subsidiary companies unless otherwise so fixed by the Company in general meeting.
- (iii) None of the Directors, senior executive officers or persons nominated to become a Director or senior executive officer of the Company or its subsidiary companies is or was involved in the following events: -
  - (a) a petition under any bankruptcy or insolvency laws filed against such person or any partnership in which he was a partner or any corporation of which he was a Director or senior executive officer;
  - (b) convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
  - (c) that subject of any order, judgement or ruling of any court, tribunal or governmental body of competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business practice or activity.
- (iv) None of the Directors of the Company has any existing or proposed service agreements with the Company or any of its subsidiary companies, which cannot be determined or terminated without payment or compensation other than statutory compensation or salary in lieu of notice.
- (v) For the financial year ended 31 July 2003, the remuneration and fees paid to the Directors of the Company for their services rendered to proforma GA Blue Group was RM507,450. For the financial year ending 31 July 2004, the forecast remuneration and fee to be paid to the Directors of the Company for their services rendered to the GA Blue Group is RM686,000.
- (vi) Save as disclosed in Section 6.1 of this Prospectus, none of the Directors and/or substantial shareholders of GA Blue has any interest, direct or indirect, in the promotion of or in any assets which have been acquired or proposed to be acquired or assets disposed or proposed to be disposed of by or leased or proposed to be leased to the Company or its subsidiary company within the two (2) years immediately preceding the date of this Prospectus or in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company and its subsidiary companies.
- (vii) Save as disclosed in Section 6.2 of this Prospectus, none of the Directors and/or substantial shareholders of the Company has any interest, direct or indirect, in any business carrying on a similar trade as the Company and its subsidiary companies and which is not quoted on a recognised stock exchange.
- (viii) Save as disclosed in Section 6.1 of this Prospectus, there are no contracts or arrangement subsisting at the date of this Prospectus in which the Directors or substantial shareholders of the Company are materially interested and which is significant in relation to the business of the Company and its subsidiary companies.
- (ix) Save as disclosed in Sections 13.3 (x) and (xi) below, none of the Directors or expert has any interest in the promotion of the Public Issue.

**13.0 ADDITIONAL INFORMATION (cont'd)**

- (x) Based on the Register of Substantial Shareholders as at 19 January 2004 (being the latest practicable date prior to the printing of this Prospectus), the direct and indirect interests of the substantial shareholders (with not less than 5% shareholding) in the issued and paid-up share capital of the Company before and after the Public Issue are as follows:-

Substantial Shareholder	<----- Before the Public Issue ----->				<----- After the Public Issue ----->			
	<----- Direct ----->		<----- Indirect ----->		<----- Direct ----->		<----- Indirect ----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Kan Ah Chun	23,295,398	28.41	-	-	23,295,398	23.30	-	-
Yeap Beow Chong	23,295,398	28.41	-	-	23,295,398	23.30	120,000 <sup>†</sup>	0.12
Saffie Bin Bakar	21,245,400	25.91	-	-	21,245,400	21.26	-	-
Lim Tiam Eng	-	-	23,295,398*	28.41	120,000 <sup>^</sup>	0.12	23,295,398*	23.30

Notes:-

- # Deemed interested by virtue of the shares to be held by his wife, Lim Tiam Eng, based on the assumption she subscribes in full to her allocation under the Public Issue Shares reserved for eligible Directors and employees of the GA Blue Group.
- \* Deemed interested by virtue of the shares held by her husband, Yeap Beow Chong.
- ^ Based on the assumption she subscribes in full for her allocation under the Public Issue Shares reserved for eligible Directors and employees of the GA Blue Group.

- (xi) Based on the Register of Directors' Shareholdings as at 19 January 2004 (being the latest practicable date prior to the printing of this Prospectus), the direct and indirect interests of the Directors in the issued and paid-up share capital of the Company before and after the Public Issue are set out below:-

Director	<----- Before the Public Issue ----->				<----- After the Public Issue ----->			
	<----- Direct ----->		<----- Indirect ----->		<----- Direct ----->		<----- Indirect ----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Kan Ah Chun	23,295,398	28.41	-	-	23,295,398	23.30	-	-
Yeap Beow Chong	23,295,398	28.41	-	-	23,295,398	23.30	120,000 <sup>†</sup>	0.12
Yeoh Yeow Cheang	-	-	-	-	160,000 <sup>^</sup>	0.16	-	-
Saffie Bin Bakar	21,245,400	25.91	-	-	21,245,400	21.26	-	-
Ooi Siew Kim	-	-	-	-	80,000 <sup>^</sup>	0.08	-	-
Loh Chye Teik	-	-	-	-	80,000 <sup>^</sup>	0.08	-	-

Notes:-

- # Deemed interested by virtue of the shares to be held by his wife, Lim Tiam Eng, based on the assumption she subscribes in full to her allocation under the Public Issue Shares reserved for eligible Directors and employees of the GA Blue Group.
- ^ Based on the assumption they subscribe in full for their allocations under the Public Issue Shares reserved for eligible Directors and employees of the GA Blue Group.

**13.0 ADDITIONAL INFORMATION (cont'd)**

- (xii) No Director was granted or had exercised any option to subscribe for securities of the Company or any of its subsidiary companies during the last financial year ended 31 July 2003.
- (xiii) All the Public Issue Shares being issued by the Company are subject to the terms and conditions of this Prospectus.

**13.4 General Information**

- (i) The nature of the Company's business and the names of all corporations which are deemed to be related to the Company by virtue of Section 6 of the Companies Act, 1965 is disclosed in Section 4.0 of this Prospectus.
- (ii) The time of the opening and closing of the Application is set out in Section 2.1 of this Prospectus.
- (iii) The amount payable in full on application for the Public Issue is RM0.75 per share.
- (iv) As at 19 January 2004 (being the latest practicable date prior to the printing of this Prospectus), the Company and its subsidiary companies do not have any convertible debt securities.
- (v) The expenses and commission payable by the Company are as follows:-
  - (a) Underwriting commission is payable by the Company to the Managing Underwriter and the several Underwriters mentioned herein at a rate of 1.25% of the issue price of RM0.75 per share on the total number of shares underwritten as stated in Section 2.10 of this Prospectus. In addition, the Managing Underwriter will receive a managing underwriter's commission payable by the Company at the rate of 0.25% of the Public Issue price of RM0.75 per share in respect of the entire 8,800,000 Public Issue Shares which available for the subscription by the Malaysian Public.
  - (b) Placement fees shall be payable by the Company to the Placement Agent at the rate of 0.75% of the Public Issue price of RM0.75 per share on the total number of 4,000,000 Public Issue Shares which are placed out to identified investors.
  - (c) Brokerage is payable by the Company at the rate of 1.00% of the issue price of RM0.75 per share in respect of successful applications bearing the stamp of MIMB, member companies of the MSEB, members of the Association of Merchant Banks in Malaysia, members of the Association of Banks in Malaysia or MIDFCCS.
  - (d) Save for paragraphs (a), (b) and (c) above, there is no amount paid within the two (2) years immediately preceding the date hereof or is payable by the Company or its subsidiary companies as commission, placement fees, discount, brokerage or other special terms for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or debentures of the Company or its subsidiary companies and no Director, proposed Director, promoter or expert is or are entitled to receive any such commission.
  - (e) Save as disclosed above, no commission, placement fees, discount, brokerage or other special terms have been granted within the two (2) preceding years immediately preceding the date of this Prospectus in connection with the sale or issue of any shares of the Company or its subsidiary companies.
- (vi) Estimated expenses incidental to the listing of and quotation for the entire issued and paid-up share capital of the Company on the Second Board of the MSEB amounting to approximately RM1,300,000 shall be borne by the Company.
- (vii) Save for the Directors' remuneration paid to a Promoter as a Director and other related-party transactions as disclosed in Section 6.1.3 in this Prospectus, no amount or benefit has been paid or given within the two (2) years immediately preceding the date hereof, nor is it intended to be so paid or given, to any promoter.



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**13.0 ADDITIONAL INFORMATION (cont'd)**

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- (viii) The name and address of the Auditors are set out under "Corporate Directory" of this Prospectus.
- (ix) The Company has not established a place of business outside Malaysia.
- (x) No property has been acquired or is proposed to be acquired by the Company or any of its subsidiary companies in contemplation of the Public Issue.
- (xi) Save for the 5,000,000 Public Issue Shares reserved for the eligible Directors, employees and persons who contributed to the success of the GA Blue Group, there is presently no other schemes for or involving the employees in the share capital of the Company or its subsidiary companies.
- (xii) Save for the Public Issue pursuant to this Prospectus, 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.
- (xiii) The manner in which copies of this Prospectus together with the official Application Forms and envelopes may be obtained is set out in Section 14.2 of this Prospectus.

**13.5 Financial Conditions and Operations**

- (i) Save as disclosed in the consolidated profit forecast and assumptions of the Group in Section 8.5 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 or its subsidiary companies.
- (ii) The Directors of the Company are not aware of any specific factors or events, which could result in the vulnerability of the operations of the Group.
- (iii) Save as disclosed in this Prospectus, the financial conditions and operations of the Company and its subsidiary companies are not affected by any of the following:-
  - (a) known trends or known demands, commitments, events or uncertainties that will result in or that 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 Company or the Group;
  - (c) known trends or uncertainties that have or that the Company or the Group reasonably expects to have a material favourable or unfavourable impact on the revenue or operating income of the Company or the Group; and
  - (d) material commitments for any capital expenditure.

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**13.0 ADDITIONAL INFORMATION (cont'd)****13.6 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 and/or its subsidiary companies during the two (2) years immediately preceding the date of this Prospectus:-

- (i) A Joint Venture Agreement dated 10 June 2002 between LKH and U-Like Footwear Corporation, LKH Import & Export, Multi Trade Marketing and Marco Polo Footwear Marketing collectively referred to as LKH Group whereby a Newco (now LKH) will be formed to purchase assets from LKH group for a total consideration of RM459,535.30 of which RM150,000 is to be satisfied by the issuance of 150,000 new shares in newco (now LKH) in the name of Len Lip Fong (the registered owner of LKH group) and the newco (now LKH) shall acquire all stocks of All Denim for a total consideration of RM319,785.60.
- (ii) A Share Sale Agreement dated 1 October 2002 between GA Blue and Kan Ah Chun, Yeap Beow Chong, Lim In Foo, Kang Chiu Yee, Chong Ik Poh, Yeap Kian Keong, Tan Chooi Kim @ Yeap Chuan Joo, Saffie Bin Bakar, Rithauddin Hussein Jamalattiff Bin Jamaluddin, Anual Bin Hassan and Zora Binti Zainal Abidin for the acquisition of the entire issued and paid-up share capital of GBC comprising 2,200,000 ordinary shares of RM1.00 each by GA Blue for a purchase consideration of RM42,306,986 based on the audited consolidated NTA of GBC as at 31 July 2002 to be satisfied by an issue of 40,999,998 new ordinary shares of RM1.00 each in GA Blue at an issue price of approximately RM1.03 per ordinary share of RM1.00 each.
- (iii) A Share Sale Agreement dated 1 December 2003 between GA Blue and GBC for the acquisition of the entire issued and paid-up share capital of GBC's subsidiary companies, namely All Denim, Delison, Evatech and its wholly-owned subsidiary companies i.e. Lensan, Topchamp, Twin Access and Uni Jeans, 60% equity interest of LKH and 51% equity interest of Starix to GA Blue for a total cash consideration of RM15,998,623 based on the respective companies audited NTA as at 31 July 2003 except for Evatech where the purchase consideration was based on the proforma consolidated NTA as at 31 July 2003 and Lensan where the purchase consideration was based on the share capital acquired as it has a negative shareholders' funds as at 31 July 2003.
- (iv) Underwriting Agreement dated 18 December 2003 between GA Blue and the Underwriters as set out under the Corporate Directory of this Prospectus for the underwriting of 8,800,000 Public Issue Shares available for application by the Malaysian Public and 5,000,000 Public Issue Shares available for application by the eligible Directors, employees and persons who have contributed to the success of the GA Blue Group for an underwriting commission of 1.25% and a managing underwriter's commission of 0.25% of the Public Issue price of RM0.75 per share.
- (v) A Sale and Purchase Agreement dated 28 August 2003 between Twin Access and Mun Sai Cheong & Chong Mee Man for the acquisition of a piece of leasehold land (known as PT 1509 H.S. (D) 115855, Mukim Bandar Sunway, District of Petaling and State of Selangor) together with a shop lot erected thereon (23, Jalan PJS 11/8, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan) for a purchase consideration of RM1.625 million.

**13.7 Material Litigation**

As at 19 January 2004 (being the latest practicable date prior to the printing of this Prospectus), neither the Company nor any of its subsidiary companies are engaged in any material litigation either as plaintiff or defendant and the Directors of GA Blue are not aware of any proceedings pending or threatened against the Company or its subsidiary companies or of any fact likely to give rise to any proceedings which might materially or adversely affect the position or business of the Company or its subsidiary companies.

**13.0 ADDITIONAL INFORMATION (cont'd)****13.8 Material Agreements**

Saved for the subsisting material contracts as disclosed in Section 13.6 of the Prospectus and as disclosed below, there are no other subsisting material agreements which have been entered into by the Company and its subsidiary companies.

**(i) Insurance Policy**

The Group has purchased material insurance policies from Hong Leong Assurance Bhd dated 13 January 2004, 14 January 2004 and 15 January 2004 for the coverage period from 1 January 2004 to 31 December 2004 for an aggregate sum insured of RM28.35 million for the insurance coverage of the following:-

- (a) Fire for stocks and furniture and fittings of GBC and Twin Access, stocks for Topchamp, factory buildings, machinery and stocks for Evatech and Uni Jeans;
- (b) Burglary for stocks, machinery and furniture and fittings of GBC, and stocks of Topchamp and Twin Access;
- (c) Group personal accident for the staff of GBC, Topchamp and Twin Access; and
- (d) Boiler and pressure vessel of Uni Jeans.

**(ii) Licence Agreements**

- (a) Trade Mark Licence and Technical Assistance Agreement dated 1 January 2000 between Twin Access and Lois Trade Mark Co. Ltd. which gives Twin Access the right to use and to sublicense the use of the Industrial Rights of the Products, as well as the rights to use and to sublicense the trade marks and to manufacture Lois products in accordance with the specifications and techniques and other "know-how" developed by Lois Trade Mark Co. Ltd., its affiliates and/or subsidiary companies in consideration of Twin Access paying periodic royalty to Lois Trade Mark Co. Ltd.. The duration of the agreement is for 4 years effective as of the date of execution of the said agreement. Subsequently, the licence agreement shall be automatically renewable, for another two terms of 2 years each unless either party gives a 4 months' notice prior to the expiry of each term to terminate the agreement.
- (b) Licence Contract Agreement dated 28 July 2000 between Topchamp ("Licensee") and Mustang Bekleidungswerke GmbH & Co ("Licensor") whereby the Licensor grants the Licensee an exclusive license in Malaysia, Singapore and Brunei, the trademarks for the duration of the agreement and for manufacturing, selling and advertising the goods in accordance with the provisions of the agreement in consideration of the Licensee paying the royalty to the Licensor. The agreement is effective from 1 January 2001 to 31 December 2005. Subsequently, the agreement shall run for an indefinite period until termination by either party with six (6) months' notice.

**(iii) Distribution and Third Party Manufacturing Agreement**

Distribution and Third-party Manufacturing Agreement dated 1 January 2000 made between Twin Access ("Licensee") and Lois Trade Mark Co. Ltd for the exclusive right and authority to use trade marks in the manufacture, distribution and sale of the product (Product(s) means all items of footwear manufactured under the instruction for orders or the Licensee labeled under the trade marks) in various countries including Malaysia for a period of 4 years. Thereafter the agreement shall be automatically renewed for a period of two years and subsequent two year period provided neither party has notified the other party, within four months prior to the end of the initial period or any subsequent terms, of its intention not to renew the Agreement for any subsequent terms.

**13.0 ADDITIONAL INFORMATION (cont'd)****13.9 Public Take-Overs**

None of the following has occurred in the last financial year and during the current financial year up to 19 January 2004, (being the latest practicable date prior to the printing of this Prospectus):-

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

**13.10 Consents**

- (i) The written consents of the Adviser and Managing Underwriter, Company Secretaries, Underwriters, Principal Bankers, Solicitors for the Adviser, Solicitors for the Due Diligence Exercise, Share Registrars and the Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consents of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name, Accountants' Report and letters relating to the consolidated profit forecast for the year ending 31 July 2004 and proforma consolidated balance sheets as at 31 July 2003 in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (iii) The written consent of the Valuers to the inclusion in this Prospectus of their names and letters relating to the valuation of the GA Blue Group's properties in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (iv) The written consent of the Independent Business and Market Research Consultant to the inclusion in this Prospectus of its name in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

**13.11 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 12 months from the date of this Prospectus:-

- (i) Memorandum and Articles of Association of the Company and its subsidiary companies;
- (ii) The Reporting Accountants' Letters relating to the consolidated profit forecast for the financial year ending 31 July 2004 and the proforma consolidated balance sheets as at 31 July 2003 included in Sections 8.5 and 8.9 respectively of this Prospectus;
- (iii) The Accountants' Report and Directors' Report included in Sections 9.0 and 12.0 respectively of this Prospectus;
- (iv) The audited accounts/ financial statements of:-
  - (a) GA Blue for the financial period from 31 January 2002 (date of incorporation) to 31 July 2002 and the financial year ended 31 July 2003;
  - (b) GBC for the 5 financial years ended 31 July 1999 to 2003;
  - (c) All Denim for the financial year ended 31 December 1999, the 7-month period ended 31 July 2000 and the 3 financial years ended 31 July 2001 to 2003;
  - (d) Delison for the financial period from 2 April 2002 (date of incorporation) to 31 July 2002 and the financial year ended 31 July 2003;

**13.0 ADDITIONAL INFORMATION (cont'd)**

- (e) Evatech for the financial period from 24 December 1998 (date of incorporation) to 31 December 1999, the 7-month period ended 31 July 2000 and the 3 financial years ended 31 July 2001 to 2003;
- (f) Lensan for the financial period from 13 May 2002 (date of incorporation) to 31 July 2002 and the financial year ended 31 July 2003;
- (g) Topchamp for the 2 financial years ended 31 December 1999 to 2000, the 7-month period ended 31 July 2001 and the 2 financial years ended 31 July 2002 to 2003;
- (h) Twin Access for the financial period from 26 August 1998 (date of incorporation) to 31 December 1999, the 7-month period ended 31 July 2000 and the 3 financial years ended 31 July 2001 to 2003;
- (i) Uni Jeans for the 5 financial years ended 31 July 1999 to 2003;
- (j) LKH for the financial period from 29 May 2002 (date of incorporation) to 31 July 2002 and the financial year ended 31 July 2003;
- (k) Starix for the financial period from 14 June 2002 (date of incorporation) to 31 July 2002 and the financial year ended 31 July 2003;
- (l) Lu Fa for the 3 financial years ended 31 January 1999 to 2001, the 6-month period ended 31 July 2001 and the 2 financial years ended 31 July 2002 to 2003;
- (m) Quangcin for the 2 financial years ended 30 June 1999 to 2000, the 13-month financial period ended 31 July 2001 and the 2 financial years ended 31 July 2002 to 2003;
- (v) The Valuation Certificate as included in Section 11.0 of this Prospectus together with the Valuation Reports as referred to herein;
- (vi) Summary Independent Business and Market Research Consultants' Report as included in Section 10.0 of this Prospectus and the full Independent Business and Market Research Consultants' Report dated 26 September 2002.
- (vii) The material contracts referred to in Section 13.6 of this Prospectus;
- (viii) The material agreements referred under Section 13.8 of this Prospectus; and
- (ix) The letters of consent referred to under Section 13.10 of this Prospectus.

**13.12 Responsibility Statements**

- (i) MIMB 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 about the Public Issue and the GA Blue Group, and are satisfied that the consolidated profit forecast for the financial year ending 31 July 2004 (for which the Directors are solely 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 Accountant.
- (ii) This Prospectus has been seen and approved by the Directors and Promoters of GA Blue and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm having made all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statement, or other facts, the omission of which, would make any statement in this Prospectus false or misleading. The Directors hereby accept full responsibility and confirm that the profit forecast have been prepared based on the assumptions made.