

**11. VALUATION CERTIFICATE**  
*(Prepared for inclusion in the Prospectus)*



**MOHD AZMI ARIFFIN**  
FRICS FISM Dip. P.A. (M)  
Registered Valuer

**S. GOPALA KRISHNAN SMS DJK**  
FRICS FISM ARVA  
Registered Valuer

**AZMI & CO**  
AZMI & CO SDN BHD  
[27155-D]

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One Ampang Avenue, 68000 Ampang  
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Our Reference : SC 0021/04 – SC 0025/04 & SC 0028/04/SGK

Your Reference :

**23 SEP 2004**

The Board of Directors  
Progressive Impact Corporation Sdn Bhd  
Tingkat 2,  
No. 19, Jalan Astaka U8/84  
Bukit Jelutong Business & Technology Centre  
40150 Shah Alam  
SELANGOR DARUL EHSAN

Dear Sirs,

Re: Proposed Listing of Progressive Impact Corporation Sdn Bhd

- (1) No. 21, Jalan Astaka U8/84, Bukit Jelutong Business and Technology Centre, Section U8, 40150 Shah Alam, Selangor Darul Ehsan.
- (2) No. 19, Jalan Astaka U8/84, Bukit Jelutong Business and Technology Centre, Section U8, 40150 Shah Alam, Selangor Darul Ehsan.
- (3) No. 9, Jalan Astaka U8/84, Bukit Jelutong Business and Technology Centre, Section U8, 40150 Shah Alam, Selangor Darul Ehsan.
- (4) No. 19, Jalan Kencana Mas 1/1, Tebrau Business Park, Taman Daya, 81100 Johor Bahru, Johor Darul Takzim.
- (5) No. 18, Jalan Liku 8/B, Section 8, 40000 Shah Alam, Selangor Darul Ehsan.
- (6) Lot No. P.T. 7605, Mukim of Lumut, District of Manjung, State of Perak Darul Ridzuan.

In accordance with your instructions, this valuation certificate has been prepared for inclusion in the prospectus to be issued in conjunction with the proposed listing of Progressive Impact Corporation Sdn Bhd on the Second Board of Bursa Malaysia Securities Berhad.

We are pleased to confirm that we have valued the subject properties vide our report and valuation bearing reference nos: SC 0021/04 – SC 0025/04 & SC 0028/04/SGK dated 4 February 2004 for purposes of submission to the Securities Commission for public listing purposes.

The inspection of the subject properties was carried out on between 12 to 28 January 2004 for the purpose of ascertaining the nature of the general location, access, topography and neighbourhood. In the case of buildings and improvements, internal and external inspections were carried out and details that are visible from inspection such as brief specifications were noted. The material date of valuation of the subject properties is taken as follows:

**11. VALUATION CERTIFICATE (Cont'd)**

<u>No.</u>	<u>Property</u>	<u>Material Date of Valuation</u>
1.	No. 21, Jalan Astaka U8/84, Bukit Jelutong Business and Technology Centre, Section U8, 40150 Shah Alam, Selangor Darul Ehsan.	13 January 2004
2.	No. 19, Jalan Astaka U8/84, Bukit Jelutong Business and Technology Centre, Section U8, 40150 Shah Alam, Selangor Darul Ehsan.	13 January 2004
3.	No. 9, Jalan Astaka U8/84, Bukit Jelutong Business and Technology Centre, Section U8, 40150 Shah Alam, Selangor Darul Ehsan.	13 January 2004
4.	No. 19, Jalan Kencana Mas 1/1, Tebrau Business Park, Taman Daya, 81100 Johor Bahru, Johor Darul Takzim.	12 January 2004
5.	No. 18, Jalan Liku 8/B, Section 8, 40000 Shah Alam, Selangor Darul Ehsan.	13 January 2004
6.	Lot No. P.T. 7605, Mukim of Lumut, District of Manjung, State of Perak Darul Ridzuan.	28 January 2004

The basis of valuation for the subject properties is the Market Value. The term 'Market Value' is defined in the Malaysian Valuation Standards (MVS) 1 as 'the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The valuation has been carried out based on the Securities Commission's Guidelines on Asset Valuations and Malaysian Valuation Standards prescribed by the Board of Valuers, Appraisers & Estates Agents, Malaysia.

The summary of property information, property description and market value of the subject properties are as follows:



No.	Summary of property identification, property description and market value	
1.	<b>A. Property Identification</b>	
	Ref No.	SC 0021/04/SGK
	Title Details	GRN 58855 for Lot No. 64269 (Formerly known as H.S.(D) 142756 for Lot No. P.T. 17701), Mukim of Damansara, District of Petaling, State of Selangor Darul Ehsan.
	Property Interest	3-storey semi-detached factory building
	Address	No. 21 Jalan Astaka U8/84, Bukit Jelutong Business & Technology Centre, Section U8, 40150 Shah Alam, Selangor Darul Ehsan.
	Location of Property	The subject property is located within the Bukit Jelutong Business & Technology Centre, approximately 2 km. Northeast of Shah Alam City and 35 km. Southwest from Kuala Lumpur City Centre.
	Tenure	Freehold
	Category of Land Use	Industry
	Express Condition	Industry
	Registered Proprietor	Progressive Impact Corporation Sdn. Bhd.
	Joint Venture Interest	Nil
	Restriction in Interest	Nil
	Encumbrances	Charged to Malayan Banking Berhad vide Presn. Nos 12633/2004 and 12634/2004 dated 9 March 2004.
	Caveat	Nil

## 11. VALUATION CERTIFICATE (Cont'd)



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<b>B. General Description of Property</b>		
Land Description	The subject property is a parcel of industrial land with a land area of 23,847 sq. ft. (2,215.43 sq. m.). The lot is rectangular in shape with a frontage of 119 feet (36.27 m.) onto Jalan Astaka U8/84.	
Building Description	The subject property was built in 1998 and has a gross floor area as follows: Office Area                    1,524.76 sq. m. Warehouse Area <u>430.04 sq. m.</u>  1,954.80 sq. m. or 21,042 sq. ft.	
Land Area	23,847 sq. ft. (2,215.43 sq. m.)	
Building Floor Area	Gross Floor Area        21,042 sq. ft. (1,954.80 sq. m.)	
Existing Use	Office Area/Warehouse	
Planning Details	Industrial	
Material Contraventions of Building Extension	Nil	
Documents Verified	i) Copy of title certified by Land Registry. ii) Copy of Sale and Purchase Agreement certified by owner. iii) Copy of Certificate of Fitness certified by owner. iv) Copy of Certificate of Renovation Cost certified by owner.	
<b>C. Market Value</b>		
Date of Valuation	13 January 2004	
Method of Valuation	Comparable & Income Method of Valuation	
Sources of Information	Jabatan Penilaian & Perkhidmatan Harta	
Assumptions	Nil	
Valuations	Property	Market Value
	Lot No.            : 64269 Mukim            : Damansara District          : Petaling State             : Selangor Darul Ehsan Land Area       : 23,847 sq. ft. Tenure           : Freehold Building         : 3-storey semi-detached factory : with a Gross Floor Area of 21,042 sq. ft.	RM5.0 million



No.	Summary of property identification, property description and market value	
1.	<b>A. Property Identification</b>	
	Ref No.	SC 0022/04/SGK
	Title Details	GRN 58856 for Lot No. 64270 (Formerly known as H.S.(D) 142757 for Lot No. P.T. 17702), Mukim of Damansara, District of Petaling, State of Selangor Darul Ehsan.
	Property Interest	3-storey semi-detached factory building
	Address	No. 19 Jalan Astaka U8/84, Bukit Jelutong Business & Technology Centre, Section U8, 40150 Shah Alam, Selangor Darul Ehsan.
	Location of Property	The subject property is located within the Bukit Jelutong Business & Technology Centre, approximately 2 km. Northeast of Shah Alam City and 35 km. Southwest from Kuala Lumpur City Centre
	Tenure	Freehold
	Category of Land Use	Industry
	Express Condition	Industry
	Registered Proprietor	Progressive Impact Corporation Sdn. Bhd.
	Joint Venture Interest	Nil
	Restriction in Interest	Nil
	Encumbrances	Charged to Malayan Banking Berhad vide Presn. Nos. 12638/2004 and 12639/2004 dated 9 March 2004.
	Caveat	Nil

## 11. VALUATION CERTIFICATE (Cont'd)



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<b>B. General Description of Property</b>		
Land Description	The subject property is a parcel of industrial land with a land area of 16,954 sq. ft. (1,575.04 sq. m.). The lot is rectangular in shape with a frontage of 98 feet (29.87 m.) onto Jalan Astaka U8/84.	
Building Description	The subject property was built in 1998 and has a gross floor area as follows: Office Area            1,094.73 sq. m. Warehouse Area <u>337.97 sq. m.</u>  1,432.70 sq. m. or 15,422 sq. ft.	
Land Area	16,954 sq. ft. (1,575.05 sq. m.)	
Building Floor Area	Gross Floor Area    15,422 sq. ft. (1,432.70 sq. m.)	
Existing Use	Office Area/Warehouse	
Planning Details	Industrial	
Material Contraventions of Building Extension	Nil	
Documents Verified	i) Copy of title certified by Land Registry. ii) Copy of Sale and Purchase Agreement certified by owner. iii) Copy of Certificate of Fitness certified by owner. iv) Copy of Certificate of Renovation Cost certified by owner.	
<b>C. Market Value</b>		
Date of Valuation	13 January 2004	
Method of Valuation	Comparable & Income Method of Valuation	
Sources of Information	Jabatan Penilaian & Perkhidmatan Harta	
Assumptions	Nil	
Valuations	Property	Market Value
	Lot No.            : 64270 Mukim            : Damansara District          : Petaling State             : Selangor Darul Ehsan Land Area       : 16,954 sq. ft. Tenure           : Freehold Building         : 3-storey semi-detached factory with a Gross Floor Area of 15,422 sq. ft.	RM3.8 million

## 11. VALUATION CERTIFICATE (Cont'd)



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No.	Summary of property identification, property description and market value	
1.	<b>A. Property Identification</b>	
	Ref No.	SC 0023/04/SGK
	Title Details	GRN 58861 for Lot No. 64275 (Formerly known as H.S.(D) 142762 for Lot No. P.T. 17707), Mukim of Damansara, District of Petaling, State of Selangor Darul Ehsan.
	Property Interest	3-storey semi-detached factory building
	Address	No. 9 Jalan Astaka U8/84, Bukit Jelutong Business & Technology Centre, Section U8, 40150 Shah Alam, Selangor Darul Ehsan.
	Location of Property	The subject property is located within the Bukit Jelutong Business & Technology Centre, approximately 2 km. Northeast of Shah Alam City and 35 km. Southwest from Kuala Lumpur City Centre.
	Tenure	Freehold
	Category of Land Use	Industry
	Express Condition	Nil
	Registered Proprietor	Highlands and Lowlands Berhad
	Beneficial Owner	ALS Technichem (M) Sdn. Bhd., a subsidiary of Progressive Impact Corporation Sdn. Bhd. [Sale and Purchase Agreement dated 24 April 2000 between Guthrie Property Development Holding Sdn. Bhd. (the "Vendor") and ALS Technichem (M) Sdn. Bhd. (the "Purchaser").]
	Joint Venture Interest	Nil
	Restriction in Interest	Nil
	Encumbrances	Nil
	Caveat	Nil

## 11. VALUATION CERTIFICATE (Cont'd)



AZMI &amp; CO

<b>B. General Description of Property</b>		
Land Description	The subject property is a parcel of industrial land with a land area of 16,954 sq. ft. (1,575.05 sq. m.). The lot is rectangular in shape with a frontage of 98 feet (29.87 m.) onto Jalan Astaka U8/84.	
Building Description	The subject property was built in 2000 and has a gross floor area as follows: Office Area            1,094.73 sq. m. Warehouse Area        337.97 sq. m.  1,432.70 sq. m. or 15,422 sq. ft.	
Land Area	16,954 sq. ft. (1,575.05 sq. m.)	
Building Floor Area	Gross Floor Area    15,422 sq. ft. (1,432.70 sq. m.)	
Existing Use	Office Area/Warehouse/Laboratory	
Planning Details	Industrial	
Material Contraventions of Building Extension	Nil	
Documents Verified	i) Copy of title certified by Land Registry. ii) Copy of Sale and Purchase Agreement certified by owner. iii) Copy of Certificate of Fitness certified by owner. iv) Copy of Certificate of Renovation Cost certified by owner.	
<b>C. Market Value</b>		
Date of Valuation	13 January 2004	
Method of Valuation	Comparable & Income Method of Valuation	
Sources of Information	Jabatan Penilaian & Perkhidmatan Harta	
Assumptions	Nil	
Valuations	Property	Market Value
	Lot No. : 64275 Mukim : Damansara District : Petaling State : Selangor Darul Ehsan Land Area : 16,954 sq. ft. Tenure : Freehold Building : 3-storey semi-detached factory with a Gross Floor Area of 15,422 sq. ft.	RM3.2 million





No.	Summary of property identification, property description and market value	
1.	<b>A. Property Identification</b>	
	Ref No.	SC 0024/04/SGK
	Title Details	PN 9529 for Lot No. 42270, Mukim of Tebrau, District of Johor Bahru, State of Johor Darul Takzim.
	Property Interest	3-storey shop office
	Address	No. 19, Jalan Kencana Mas 1/1, Tebrau Business Park, Taman Daya, 81100 Johor Bahru, Johor Darul Takzim.
	Location of Property	The subject property is located within the Tebrau Business Park, approximately 7 km. North of Johor Bahru city centre.
	Tenure	Freehold
	Category of Land Use	Building
	Express Condition	(i) Tanah ini hendaklah digunakan untuk sebuah Kedai/Pejabat yang digunakan sebagai perniagaan /pejabat, dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan. (ii) Segala kekotoran dan pencemaran akibat daripada aktiviti ini hendaklah disalurkan/dibuang ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa Berkenaan. (iii) Segala dasar dan syarat yang telah ditetapkan dan dikuatkuasakan dari semasa ke semasa oleh Pihak Berkuasa Berkenaan hendaklah dipatuhi.
	Registered Proprietor	Perbadanan Kemajuan Ekonomi Negeri Johor
	Beneficial Owner	Progressive Impact Corporation Sdn. Bhd. [Sale and Purchase Agreement dated 22 April 2002 between Johor Corporation Berhad (the "Vendor") and Progressive Impact Corporation Sdn. Bhd. (the "Purchaser").]
	Joint Venture Interest	Nil
	Restriction in Interest	Tuan tanah selepas Perbadanan Kemajuan Ekonomi Negeri Johor tidak boleh menjual, memajak, mencagar, menggadaikan ataupun memindahmilik tanah ini dengan apa cara sekalipun, termasuk dengan cara menggunakan segala surat perjanjian yang bertujuan untuk melepaskan/menjual tanah ini tanpa kebenaran Penguasa negeri. Tuan tanah selepas Perbadanan Kemajuan Ekonomi Negeri Johor hanya dibenarkan menggadaikan /mencagar tanahnya sekali sahaja kepada Kerajaan atau Badan-Badan Berkanun atau mana-mana Bank yang berdaftar di Malaysia atau Syarikat-Syarikat Kewangan yang berdaftar di Malaysia. Tuan tanah apabila hendak menggadaikan atau mencagarkan tanahnya bagi kali yang kedua dan berikutnya hendaklah terlebih dahulu mendapat kebenaran Penguasa Negeri.
	Encumbrances	Nil
	Caveat	Nil

## 11. VALUATION CERTIFICATE (Cont'd)



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<b>B. General Description of Property</b>		
Land Description	The subject property is an intermediate terraced commercial lot with a land area of 1,650 sq. ft. (153 sq. m.). The lot is rectangular in shape with a frontage of 22 feet (6.706 m.) onto Jalan Kencana Mas 1/1.	
Building Description	The subject property was built in 2001 and has a gross floor area as follows:  Ground Floor                      149.71 sq. m. 1st Floor                              151.10 sq. m. 2nd Floor <u>151.10 sq. m.</u>  451.91 sq. m. or 4,864 sq. ft.	
Land Area	1,650 sq. ft. (153 sq. m.)	
Building Floor Area	Gross Floor Area              4,864 sq. ft. (451.91 sq. m.)	
Existing Use	Shop office (Commercial)/Laboratory	
Planning Details	Commercial	
Material Contraventions of Building Extension	Nil	
Documents Verified	i) Copy of title certified by owner. ii) Copy of Sale and Purchase Agreement certified by owner. iii) Copy of Certificate of Fitness certified by owner.	
<b>C. Market Value</b>		
Date of Valuation	12 January 2004	
Method of Valuation	Comparable & Income Method of Valuation	
Sources of Information	i) Jabatan Penilaian & Perkhidmatan Harta ii) WTW Property Market Report 2003 iii) KGV Lambert Smith Research Reports 2002 & 2003	
Assumptions	Nil	
Valuations	Property	Market Value
	Lot No. : 42270 Mukim : Tebrau District : Johor Bahru State : Johor Darul Takzim Land Area : 1,650 sq. ft. Tenure : Freehold Building : 3-storey shop office with a Gross Floor Area of 4,864 sq. ft.	RM440,000



No.	Summary of property identification, property description and market value	
1.	<b>A. Property Identification</b>	
	Ref No.	SC 0025/04/SGK
	Title Details	H.S.(D) 120004 for Lot No. P.T. 1322, Town of Shah Alam, District of Petaling, State of Selangor Darul Ehsan.
	Property Interest	2-storey shophouse
	Address	No. 18 Jalan Liku 8/B, Section 8, 40000 Shah Alam, Selangor Darul Ehsan.
	Location of Property	The subject property is located within Section 8, Town of Shah Alam, approximately 30 km. on the Southwest from Kuala Lumpur City Centre.
	Tenure	99 years Leasehold (expiring on 6 September 2097)
	Category of Land Use	Building
	Express Condition	Bangunan Perniagaan
	Registered Proprietor	Progressive Impact Corporation Sdn Bhd
	Joint Venture Interest	Nil
	Restriction in Interest	Tanah yang diberi milik ini tidak boleh dipindahmilik, dipajak dan digadai melainkan dengan kebenaran Pihak Berkuasa Negeri.
	Encumbrances	Charged to Public Bank Berhad vide Presn. No. 27342/2002 dated 8 May 2002.
	Caveat	Nil

## 11. VALUATION CERTIFICATE (Cont'd)



AZMI &amp; CO

<b>B. General Description of Property</b>		
Land Description	The subject property is an intermediate terraced commercial lot with a land area of 1,650 sq. ft. (153.29 sq. m.). The lot is rectangular in shape with a frontage of 22 feet (6.706 m.) onto Jalan Liku 8/B.	
Building Description	The subject property was built in 1993 and has a gross floor area as follows:  Ground Floor            153.29 sq. m. 1st Floor <u>153.29 sq. m.</u>  306.58 sq. m. or 3,300 sq. ft.	
Land Area	1,650 sq. ft. (153.29 sq. m.)	
Building Floor Area	Gross Floor Area    3,300 sq. ft. (306.58 sq. m.)	
Existing Use	Shophouse (Commercial)	
Planning Details	Commercial	
Material Contraventions of Building Extension	Nil	
Documents Verified	i) Copy of title certified by Land Registry. ii) Copy of Certificate of Fitness certified by owner.	
<b>C. Market Value</b>		
Date of Valuation	13 January 2004	
Method of Valuation	Comparable & Income Method of Valuation	
Sources of Information	Jabatan Penilaian & Perkhidmatan Harta	
Assumptions	Nil	
Valuations	Property	Market Value
	Lot No.        : P.T. 1322 Town         : Shah Alam District      : Petaling State         : Selangor Darul Ehsan Land Area    : 1,650 sq. ft. Tenure        : 99 years Leasehold Building      : 2-storey shophouse with a Gross Floor Area of 3,300 sq. ft.	RM350,000



No.	Summary of property identification, property description and market value	
1.	<b>A. Property Identification</b>	
	Ref No.	SC 0028/04/SGK
	Title Details	H.S.(D) 9844 for Lot No. P.T. 7605, Mukim of Lumut, District of Manjung, State of Perak Darul Ridzuan.
	Property Interest	Agricultural land
	Address	Kampung Telaga Nenas, Ayer Tawar, Manjung, Perak Darul Ridzuan.
	Location of Property	The subject property is located within Kampung Telaga Nenas, approximately 40 km. on the North of Seri Manjung town.
	Tenure	30 years Leasehold (expiring on 2 December 2026)
	Category of Land Use	Agriculture
	Express Condition	Ternakan Air Crustaceans-Udang
	Registered Proprietor	Progressive Impact Corporation Sdn Bhd
	Joint Venture Interest	Nil
	Restriction in Interest	Tanah ini tidak boleh dipindah milik atau dipajak tanpa kebenaran Menteri Besar Perak.
	Encumbrances	Charged to Public Bank Berhad vide Presn. No. 57300/2001 dated 7 December 2001.
	Caveat	Nil

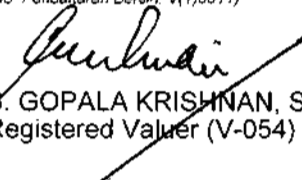
## 11. VALUATION CERTIFICATE (Cont'd)



AZMI &amp; CO

B. General Description of Property		
Land Description	The subject property is a parcel of interior agricultural land with a land area of 9.1054 hectares (22.50 acres). The lot is irregular in shape, fairly even contour and is level with the road.	
Building Description	Single-storey semi-permanent house was built in 2000 and has a gross floor area of 2,300 sq. ft.	
Land Area	9.1054 hectares (22.50 acres)	
Building Floor Area	Gross Floor Area      2,300 sq. ft. (213.67 sq. m.)	
Existing Use	Agriculture vacant land	
Planning Details	Agriculture	
Material Contraventions of Building Extension	Nil	
Documents Verified	Copy of title certified by owner.	
C. Market Value		
Date of Valuation	28 January 2004	
Method of Valuation	Comparable Method of Valuation	
Sources of Information	i) Jabatan Penilaian & Perkhidmatan Harta ii) Majlis Daerah Manjung	
Assumptions	Nil	
Valuations	Property	Market Value
	Lot No.       : P.T. 7605 Mukim         : Lumut District       : Manjung State          : Perak Darul Ridzuan Land Area     : 22.50 acres Tenure         : 30 years Leasehold Building      : Single-storey semi-permanent house with a Gross Floor Area of 2,300 sq. ft.	RM500,000

Yours faithfully  
 AZMI & CO SDN. BHD. (77155-D)  
 (No. Pendaftaran Bersiri: V(1)0011)

  
 S. GOPALA KRISHNAN, SMS, PJK, FRICS, FISM, ARVA  
 Registered Valuer (V-054)

**12. DIRECTORS' REPORT**

*(Prepared for inclusion in the Prospectus)*

**PROGRESSIVE IMPACT CORPORATION BERHAD**

(203352-V)

**23 SEP 2004**

**Registered Office:**

No. 19, 2<sup>nd</sup> Floor,  
Jalan Astaka U8/84, Bukit Jelutong  
Business & Technology Centre  
40150 Shah Alam  
Selangor Darul Ehsan

The Shareholders of  
**PROGRESSIVE IMPACT CORPORATION BERHAD ("PIC")**

Dear Sir/Madam,

On behalf of the Board of Directors, I wish to report after due enquiry that between the period from 31 May 2004 (being the date to which the last audited accounts of the Company and its subsidiaries ("Group") has been made up) to date hereof (being a date not earlier than 14 days before the issuance of this Prospectus), that: -

- (a) the business of the Group has, in opinion of the Directors, been satisfactorily maintained;
- (b) in opinion of the Directors, no circumstances have arisen since to the last audited accounts of the Group which have adversely affected the trading or the value of the assets of the Group;
- (c) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in Section 9.4 of this Prospectus, no contingent liabilities have arisen by reason of any guarantees or indemnities given by the Group;
- (e) in the opinion of the Directors, they are not aware of since the last audited accounts of the Group where, any default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings; and
- (f) save as disclosed in the "Proforma Consolidated Balance Sheets" and the "Accountants' Report" of this Prospectus, there have been no changes in the published reserves or any unusual factors affecting the profits of the Group since the last audited accounts of the Group.

Yours faithfully,

For and on behalf of the Board of Directors

**PROGRESSIVE IMPACT CORPORATION BERHAD**

  
**HASSAN BIN HUSSAIN**  
Director

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## 13. GENERAL INFORMATION

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### 13.1 SHARE CAPITAL

- (i) No shares will be allocated 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.
- (iii) As at the date 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.
- (iv) Save as disclosed in Sections 1.8, 2.1, 4.1.2, 4.1.3 and 4.5 of this Prospectus, no shares, debentures, warrants, options, convertible securities or uncalled capital 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 from the date thereof.
- (v) Save for the IPO Shares reserved for the Directors, eligible employees and business associates of the Group as disclosed in Section 2.3 and 4.1.3 of this Prospectus, there is currently no other scheme for or involving the Directors or employees of the Company or its subsidiaries.
- (vi) As at this date hereof, the Company does not have any outstanding convertible debt securities, options, warrants or uncalled capital.

### 13.2 ARTICLES OF ASSOCIATION

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

#### **TRANSFER AND TRANSMISSION OF SECURITIES**

##### Article 29

The transfer of any listed securities or class of listed securities of the Company which have been deposited with the Bursa Depository shall be by way of book entry by the Bursa 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 the listed securities.

##### Article 30

Subject to these Articles, the Act, the Central Depositories Act and the Rules (with respect to transfer of deposited security), the instrument of transfer 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, in respect thereof. All transfer of deposited securities shall be effected in accordance with the Act, the Central Depositories Act and the Rules.



**13. GENERAL INFORMATION (Cont'd)**

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Article 31

Subject to these Articles, the Act, the Central Depositories Act and the Rules (with respect to transfer of Deposited Security), the Directors may in their absolute discretion and without assigning any reason thereof, decline to register any transfer of shares which are not deposited with the Bursa Depository. The registration of any transfer shall be suspended when the register of transfer is closed under Article 33.

Article 32

Subject to the provisions of the Act, the Central Depositories Act and the Rules, all dealings in respect of deposited securities shall only be effected by the beneficial owners of such deposited securities or an authorised nominee, as the case may be. A Depositor shall not withdraw the securities which have been deposited with a Bursa Depository except in such manner as may be specified in the Rules.

Article 33

The Register of Members may be closed at such time and for such period as the Directors may from time to time determine PROVIDED ALWAYS that they shall not be closed for more than thirty (30) days in any year. Any notice of intention to fix a books closing date and the reason there for shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Securities Exchange, such notice shall state the books closing date, which shall be at least twelve (12) clear market days after the date of notification to the Securities Exchange, 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 with the Rules to issue the appropriate Record of Depositors.

Article 34

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

**REMUNERATION OF DIRECTORS**

Articles 92

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) the fees payable to the Directors shall from time to time be determined by a resolution of the Company in general meeting, PROVIDED ALWAYS that such fees 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;
- (b) save as provided in Article 92(a) hereof, an executive Director shall, subject to the terms of any agreement (if any) entered into in any particular case, receive such remuneration as the Directors may determine. All remuneration, other than the fees provided for in Article 92(a) hereof, payable to the non-executive Directors shall be determined by a resolution of the Company in general meeting;

**13. GENERAL INFORMATION (Cont'd)**

- (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 Directors may not include a commission on or percentage of turnover; and
- (e) any fee paid to an Alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 93

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 Board Meetings of the Company.

Article 118

The remuneration of Executive Director and/or Managing Director shall from time to time be fixed by the Directors, and may be by way of fixed salary, or commission or participation in profits of the Company or by any or all of these mode or otherwise as may be expedient but shall always be subject to the provisions of any contract between him or them and the Company.

**VOTING AND BORROWING POWERS OF DIRECTORS**

Article 97

Subject to the provisions in the Act and the Listing Requirements, the Directors may exercise all the powers of the Company to borrow 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, or its subsidiaries or of an unrelated third party.

Article 113

A Director shall not deliberate and vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly personal 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.

Article 114

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.

**13. GENERAL INFORMATION (Cont'd)**

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**CHANGES IN CAPITAL**

Article 56

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) 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; and
- (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 57

The Company may 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 authorisation, and consent required by law.

**13.3 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

- (i) The names, addresses and occupations of the Directors are set out in the Corporate Information Section 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) Save as disclosed in Section 2.8 and 13.4, no commission, discounts, brokerages or other special terms have been paid, granted or are payable by the company or its subsidiaries within the two (2) years immediately preceding the date of this Prospectus for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Shares in or debentures of the Company or its subsidiaries or in connection with the issue or sale of any capital of the company or any of its subsidiaries and no Directors, proposed Directors, Promoters or expects is or are entitled to receive any such payment.
- (iv) Other than salary and employment related benefits payable to Directors as set out in Section 5.2.3 of 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.

Save and except for the remuneration payable to the Promoters as Directors of the Company and as detailed in Section 5.2.3 (all of which is disclosed in this Prospectus), no other amounts or benefits are paid or intended to be paid or given to any Promoter within two (2) years preceding the date of this Prospectus.

**13. GENERAL INFORMATION (Cont'd)**

- (v) Save as disclosed in Section 7 of this Prospectus, none of the other Directors and/or Substantial Shareholders of PIC has interest in any subsisting contract or arrangement, which is significant in relation to the business of the Company and the Group taken as a whole.
- (vi) The Substantial Shareholders of PIC and their respective direct interests based on the Register of Members of PIC as at 31 August 2004 (being the latest practicable date prior to the printing of this Prospectus) and their respective indirect interests before and after the IPO are as follows: -

Substantial Shareholders	Before the IPO *				After the IPO ^			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
ZKSB	49,045,674	56.37	-	-	38,745,674	41.22	-	-
Haji Zaid bin Haji Abdullah	25,695,710	29.54	<sup>(1)</sup> 49,045,674	56.37	19,055,710	20.27	<sup>(1)</sup> 39,065,674	41.56
Hajjah Zaidah binti Mohd Salleh	-	-	<sup>(2)</sup> 74,741,384	85.91	320,000	0.34	<sup>(2)</sup> 57,801,384	61.49
Hassan bin Hussain	8,700,000	10.00	-	-	8,200,000	8.72	-	-

Notes: -

(1) Deemed interested by virtue of his substantial shareholding in ZKSB and his spouse's direct shareholding in PIC.

(2) Deemed interested by virtue of her substantial shareholding in ZKSB and being the spouse of Haji Zaid bin Haji Abdullah.

\* Upon completion of the Disposals, Revaluation, Bonus Issue, Rights Issue and Share Split.

^ Assuming full subscription of Shares made available to them via the Public Issue.

- (vii) The Directors and their respective direct interests based on the Register of Directors' Shareholdings as at 31 August 2004 (being the latest practicable date prior to the printing of this Prospectus) and their respective indirect interests before and after the IPO are as follows: -

Directors	Before the IPO *				After the IPO ^			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
Haji Zaid bin Haji Abdullah	25,695,710	29.54	<sup>(1)</sup> 49,045,674	56.37	19,055,710	20.27	<sup>(1)</sup> 39,065,674	41.56
Hajjah Zaidah binti Mohd Salleh	-	-	<sup>(2)</sup> 74,741,384	85.91	320,000	0.34	<sup>(2)</sup> 57,801,384	61.49
Hassan bin Hussain	8,700,000	10.00	-	-	8,200,000	8.72	-	-
Dato' Mohamed bin Hashim	-	-	-	-	150,000	0.16	-	-
Emeritus Professor Dato' Dr. Mohd Sham bin Mohd Sani	-	-	-	-	150,000	0.16	-	-
Lee Weng Chong	-	-	-	-	150,000	0.16	-	-

Notes: -

(1) Deemed interested by virtue of his substantial shareholding in ZKSB and his spouse's direct shareholding in PIC.

(2) Deemed interested by virtue of her substantial shareholding in ZKSB and being the spouse of Haji Zaid bin Haji Abdullah.

**13. GENERAL INFORMATION (Cont'd)**

- ^ Assuming full subscription of Shares made available to them via the Public Issue.  
 \* Upon completion of the Disposals, Revaluation, Bonus Issue, Rights Issue and Share Split.

- (viii) Save as disclosed in Sections 3(n), 13.3(vi) and 13.3(vii) of this Prospectus, the Directors and Substantial Shareholders are not aware of any persons who are able, directly or indirectly, jointly or severally, to exercise control over the Company and its subsidiaries.
- (ix) Except as disclosed in Section 3 of this Prospectus, the Directors are not aware of any other material information including trading factors or risks not mentioned elsewhere in this Prospectus which are unlikely to be known or anticipated by the general public and which would materially affect the profits of the Group.

**13.4 MATERIAL CONTRACTS**

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

- (i) Letter of offer dated 28 October 2002 from the Solicitors of Dato' Dr. A Bakar bin Jaafar for the sale of 39,474 ordinary shares of RM1.00 each ("Sale Shares") in ASMA to PIC for the consideration of RM1,987,515.90. The transaction was completed on 5 February 2003 and the Sale Shares have been transferred to PIC;
- (ii) Letter dated 12 February 2004 from PIC for the sale of 1,750,629 ordinary shares of RM1.00 each amounting to 80% of the issued and paid up share capital of PI Tech and 770,398 ordinary shares of RM1.00 each amounting to 77.04% of the issued and paid up share capital of PI Trading Sdn Bhd to ZKSB for the sum of RM1,228,002.00 and RM0.80 respectively which has been duly accepted by ZKSB. The sale and purchase transaction is conditional upon the approval of SC for the Listing;
- (iii) Letter dated 12 February 2004 from PIC for the sale of 437,657 ordinary shares of RM1.00 each amounting to 20% of the issued and paid-up share capital of PI Tech and 192,599 ordinary shares of RM1.00 each amounting to 19.26% of the issued and paid up share capital of PI Trading Sdn Bhd to Hassan bin Hussain for the sum of RM307,000 and RM0.20 respectively which has been duly accepted by Hassan bin Hussain. The sale and purchase transaction is conditional upon the approval of SC for the Listing;
- (iv) Letter dated 12 February 2004 from PIC for the sale of 3,340,002 ordinary shares of RM1.00 each amounting to 91.4% of the issued and paid-up share capital of Progressive Impact Aquaculture Sdn Bhd to PI Trading Sdn Bhd for the sum of RM1,670,001 which has been duly accepted by PI Trading Sdn Bhd. The sale and purchase transaction is conditional upon the approval of SC for the Listing. However, the parties have via a letter dated 2 August 2004 revoked this sale;

**13. GENERAL INFORMATION (Cont'd)**

- (v) Letter of offer dated 12 February 2004 from PIC to PI Tech for the disposal of the following companies:-

	Name of Company	No. of Shares	%	Purchase Price RM
1.	Foxboro	2,550	51.00	983,698
2.	PI-CSE Systems & Engineering (M) Sdn Bhd	150,000	30.00	150,000
3.	EPS Systems & Engineering Sdn Bhd	600,500	100.00	202,698
4.	Metronic Impact Sdn Bhd	59,999	60.00	59,999
5.	PI Styrol Block Sdn Bhd	70,002	70.00	1.00
6.	PI Cak Sdn Bhd	55,001	55.00	1.00
7.	Kajicuaca Malaysia Sdn Bhd	400,000	80.00	1.00

The sale and purchase transaction is conditional upon the approval of SC for the Listing. Pursuant to a letter dated 19 February 2004 ("Supplemental Letter"), the parties have agreed to vary the terms and conditions for disposal of PIC's shareholding in Foxboro. The parties have agreed that the disposal of Foxboro is no longer subject to the approval of SC for the Listing. On 7 July 2004, the disposal of PI-CSE Systems & Engineering (M) Sdn Bhd to PI Tech was completed.

However, the parties (i.e. PIC and PI Tech) have via a letter dated 2 August 2004 agreed that the disposals of the following companies be revoked :-

No.	Name of Company	No. of Shares	%
1.	EPS Systems & Engineering Sdn Bhd	600,500	100
2.	Metronic Impact Sdn Bhd	59,999	60
3.	PI Styrol Block Sdn Bhd	70,002	70
4.	PI Cak Sdn Bhd	55,001	55
5.	Kajicuaca Malaysia Sdn Bhd	400,000	80

- (vi) Two letters of offer dated 2 August 2004 from PIC to ZKSB and Hassan bin Hussain respectively for the disposal of the following companies:-

No.	Name of Company	ZKSB			HASSAN BIN HUSSAIN		
		No. of Shares	%	Purchase Price RM	No. of Shares	%	Purchase Price RM
1.	EPS Systems & Engineering Sdn Bhd	480,400	80.00	162,158.00	120,100	20.00	40,540.00
2.	Metronic Impact Sdn Bhd	47,999	48.00	47,999.00	12,000	12.00	12,000.00
3.	PI Styrol Block Sdn Bhd	56,002	56.00	0.80	14,000	14.00	0.20
4.	PI CAK Sdn Bhd	44,001	44.00	0.80	11,000	11.00	0.20
5.	Kajicuaca Malaysia Sdn Bhd	320,000	64.00	0.80	80,000	16.00	0.20
6.	Progressive Impact Aquaculture Sdn Bhd	2,672,002	73.12	1,336,001.00	668,000	18.28	334,000.00
<b>TOTAL</b>				<b>1,546,160.40</b>			<b>386,540.60</b>

Further, in the letter dated 2 August 2004 from PIC to ZKSB for the disposal of the abovementioned companies, all rights, title and interest in respect of the patent pertaining to UI No. MY 107508-A for "A Method for Construction of Embankment Using Expandable Polystyrene" and MY 107509-A for "Expandable Polystyrene Blocks For Use as Fill Material In Construction of Embankment" granted by the Intellectual Property Corporation of Malaysia (IPCM), where these rights, title and interest will be assigned directly to EPS Systems & Engineering Sdn Bhd;

**13. GENERAL INFORMATION (Cont'd)**

- (vii) Letter dated 2 August 2004 from PIC to rent to Progressive Impact Aquaculture Sdn Bhd leasehold land described as Lot No. P.T. 7605, Mukim of Lumut, District of Manjung, State of Perak Darul Ridzuan at a monthly rental of RM1,900.00 for the period commencing from 2 August 2004 and ending on 2 December 2026;
- (viii) International Distribution Agreement dated 8 May 2003 ("IDA") between Teledyne Advanced Pollution Instrumentation Inc. ("Manufacturer") and PIC whereby the Manufacturer appoints PIC on "an exclusive" basis for 2 years during the term of this IDA as its authorised distributor to solicit orders for all of the products of the Manufacturer existing as of the date of the IDA ("Products") to and from any purchasers whose principal place of business is located in the country of Malaysia ("Territory") and whose principal business of or regulatory activity is in one or more of the market segments as set out therein. An Amendment Notice to the IDA was signed between the parties on 5 August 2004 whereby PIC is now to solicit orders for all TAPI (defined therein) branded products and all PIC private label branded products of the Manufacturer (set out as Exhibit C thereto);
- (ix) Sale and Purchase Agreement dated 22 April 2002 between PIC ("Purchaser") and Johor Corporation for the purchase of a piece of land held under PN 9529 Lot 42270 in the Mukim of Tebrau, District of Johor together with a three storey shop/office erected thereon for the purchase price of RM457,300;
- (x) Termination Agreement dated 29 December 2003 between PIC, Bovar International Ltd ("BIL") and ASMA whereby the parties agree to terminate the Shareholders Agreement dated 17 July 1997 upon the completion of the sale and purchase of BIL's shares in ASMA to QURSB pursuant to the Sale and Purchase Agreement dated 9 October 2003 between BIL and QURSB;
- (xi) Termination Agreement dated 29 December 2003 between Bovar Environmental ("BE") and ASMA whereby the parties have agreed to terminate the Equipment Purchase Agreement dated 19 September 1995 and Technical Services Agreement dated 14 April 1995, both made between them, upon completion of the sale of 263,158 ordinary shares of RM1.00 each in ASMA by BIL to QURSB;
- (xii) Termination Agreement dated 29 December 2003 between Bovar Asia Pacific Sdn Bhd ("BAP") and ASMA whereby the parties have agreed to terminate the Management Services Agreement dated 14 April 1995 made between them, upon completion of the sale of 263,158 ordinary shares of RM1.00 each in ASMA by BIL to QURSB;
- (xiii) Sale and Purchase Agreement dated 9 October 2003 between BIL, BE and BAP and QURSB for the sale of 263,153 ordinary shares of RM1.00 in ASMA for a sale consideration of CAN\$6,000,000. The transaction was completed on 29 December 2003; and
- (xiv) Underwriting Agreement dated 13 August 2004 between the Company, Offerors, the Managing Underwriter and Underwriters for the underwriting of 4,000,000 new PIC Shares available for application by the Malaysian Public and 3,000,000 new PIC Shares available for application by the directors, eligible employees and business associates of the PIC Group as well as the 2,000,000 Offer Shares available for application by the Malaysian Public and 16,000,000 to identified places.

**13. GENERAL INFORMATION (Cont'd)****13.5 MATERIAL AGREEMENTS**

Save as disclosed hereunder, there are no other material agreements (including informal arrangements or understandings), as at 31 August 2004, being the latest practicable date prior to the printing of the Prospectus, which have been entered into by PIC and its subsidiaries that are in subsistence :-

- (i) Concession Agreement relating to environmental monitoring & data management activities of the Jabatan Alam Sekitar ("Concession Agreement") dated 14 April 1995 between the Government of Malaysia ("Government") and ASMA to set forth the respective rights of the parties in order to implement the privatisation of the environmental monitoring and data management services in Malaysia. The purpose of this Concession Agreement is to document the arrangements between ASMA and the Government in respect of the privatisation of air and water quality monitoring within Malaysia, the establishing of a national, comprehensive environmental monitoring program for Malaysia and the collection, interpretation, processing and dissemination by ASMA of environmental data collected within Malaysia. Pursuant to the Concession Agreement, ASMA has been granted -
1. the exclusive right to operate the manual ambient monitoring program for a term of twenty (20) years from 14 April 1995 ("Effective Date") and may be extended for an additional five (5) year period at the option of the Government subject to the terms and conditions to be agreed upon by the parties;
  2. the exclusive right to provide ambient air and water quality measurement monitoring services in respect of the Government national monitoring network for a term of twenty (20) years from the Effective Date and may be extended for an additional five (5) year period at the option of the Government subject to the terms and conditions to be agreed upon by the parties;
  3. the exclusive right to supply source emission testing services for inventory tests of emission sources for five (5) years from the Effective Date;
  4. the first right to supply continuous stack emission and continuous water discharge monitors as requested by the Government at a price to be agreed to by all parties.
  5. the exclusive right for the collection, management and dissemination of environment monitoring and analytical data which is generated in Malaysia by or on behalf of a third party under a requirement of the DOE or by the Government or under compulsion of law, without limitation, data generated from air and water monitoring, but shall exclude data generated by or on behalf of a third party for its own informational purposes and not under order or compulsion of law ("Environmental Data"), for a term of twenty (20) years from the Effective Date and may be extended for an additional five (5) year period at the option of the Government subject to the terms and conditions to be agreed upon by the parties.



**13. GENERAL INFORMATION (Cont'd)**

The following are the salient terms and conditions of the Concession Agreement between ASMA and the Government of Malaysia:-

ARTICLE	CONDITIONS
3.1	<p>Privatization</p> <p>It is the purpose of this Agreement to document the arrangements between ASMA and the Government in respect of the privatisation of air and water quality monitoring within Malaysia, the establishing of a national, comprehensive environmental monitoring program for Malaysia and the collection, interpretation, processing and dissemination by ASMA of Environmental Data collected within Malaysia.</p>
4.3	<p>Concession</p> <p>ASMA shall have the exclusive right to operate the Manual Ambient Monitoring Program for a term of twenty (20) years from the Effective Date. At the end of the term and each extension thereof, the duration of this exclusive right may be extended for an additional five (5) year period at the option of the Government, such option to be exercised by the Government in writing no later than 180 days prior to the end of the then current term, provided however that ASMA is willing to continue to operate the Manual Ambient Monitoring Program and is in agreement with the Government on the fee payable to ASMA during the extended term</p>
4.5	<p>Payment</p> <p>In consideration of ASMA conducting the Manual Ambient Monitoring Program, the Government shall pay to ASMA, within thirty (30) days of Delivery, the monthly fees set forth in Schedule A thereto in respect of each monitoring site. Fee increases shall be in accordance with Article 11 thereof</p>
5.1	<p>Monitoring Facilities</p> <p>ASMA shall design, construct, operate and maintain AQM Stations and WQM Stations necessary to conduct ambient air and water quality monitoring at the locations and in respect of the parameters set forth in Schedule C thereof</p>
5.5	<p>Term</p> <p>It is acknowledge that ambient air and water quality measurement services shall be provided to the Government in order to establish a national network of automated ambient air and water monitoring stations. ASMA shall have the exclusive right to provide these monitoring services in respect of the Government national monitoring network. ASMA shall have the exclusive right to supply the requisite AQM Stations and WQM Stations and to provide such monitoring service for a term of twenty (20) years from the Effective Date. At the end of the term and each extension thereof, the duration of this exclusive right may be extended for an additional five (5) year period at the option of the Government, such option to be exercised by the Government not later than 180 days prior to the expiration of the then current term, provided however that ASMA is willing to continue to supply AQM Stations and WQM Stations and is in agreement with the Government on the fees payable to ASMA during the extended term in respect of such stations.</p>
5.7	<p>Payment</p> <p>The fees payable to ASMA in respect of each AQM Station and WQM Station shall be determined in accordance with the pricing set forth in Schedule D thereto. Such fees shall be payable by the Government within thirty (30) days of Delivery. Such fees shall be subject to adjustment in accordance with Article 11 thereof.</p>

**13. GENERAL INFORMATION (Cont'd)**

ARTICLE	CONDITIONS
5.8	<p>Performance Penalty</p> <p>The fee payable to ASMA pursuant to clause 5.7 shall be subject to a performance penalty as set out below.</p> <p>Where the quantity of data for a given parameter is less than eighty five (85) percent of the Available Hours during a given month the monthly fee payable for that parameter shall not be payable to ASMA and in addition ASMA shall provide to the DOE, service for that parameter at no charge to the DOE for a further period of one month. Where ASMA notifies the DOE that it is in a performance default situation that must be remedied by methods not within ASMA's control there shall be no penalty other than the loss of the monthly fee attributable to that parameter. Where the cause of the performance default is found to be due to the interruption or inadequate (brown out) supply of power to the monitoring station ASMA shall not be in default and the performance penalty shall not apply.</p>
6.1	<p>Testing Services</p> <p>For a period of five (5) years from and after the Effective Date, the Government shall exclusively use the services of ASMA to supply source emission testing services for inventory tests of emission sources.</p>
6.4	<p>Payment</p> <p>The payments to ASMA by the Government in respect of source emission monitoring services provided pursuant to this Article 6 shall be in accordance with the schedule set forth in Schedule E thereto. Such payment shall be subject to adjustment in accordance with Article 11 thereof.</p>
7.1	<p>Supply of Equipment</p> <p>Throughout the concession term set forth in clause 7.2, ASMA shall have the first right to supply continuous stack emission monitors ("CSEMs") and continuous water discharge monitors ("CWDMs") as requested by the Government at a price to be agreed to by all parties. In the event that ASMA declines to supply equipment, the Government shall permit other suppliers to supply such equipment</p>
7.2	<p>Concession Term</p> <p>ASMA shall maintain its right pursuant to clause 7.1 for a period of five (5) years or until such time as is required for ASMA to supply ten (10) CSEM installations and ten (10) CWDM installations.</p>
8.1	<p>Data Centre</p> <p>ASMA shall, at its own expense and immediately following the Effective Date, commence development of an environmental data centre in Kuala Lumpur, Malaysia for the collation, management and dissemination of Environmental Data (the "Environmental Data Centre"). ASMA shall have the exclusive right to operate and maintain the Environmental Data Centre for a term of twenty (20) years from the Effective Date. At the end of the term and each extension thereof, the duration of such exclusive right may be extended for an additional five (5) year period at the option of the Government, such option to be exercised by the Government no later than 180 days prior to the expiration of the then current term, provided however that ASMA is willing to continue to operate the Environmental Data Centre and is in agreement with the Government on the fee payable to ASMA during the extended term.</p>
8.6	<p>Payment</p> <p>Payments to ASMA for the receipt, compilation and dissemination of Environmental Data from the Environmental Data Centre shall be in accordance with Schedule F thereto. Such payment shall be subject to adjustment in accordance with Article 11 thereof.</p>

**13. GENERAL INFORMATION (Cont'd)**

ARTICLE	CONDITIONS
8.7	<p>Revenue sharing</p> <p>ASMA shall pay to the Government fifty (50) percent of all revenue in excess of RM1,500,000 per calendar year that is derived from the sale of Raw Data and Standard Reports and from Subscriber, Sponsor and Environews fees. Such payment to the Government shall be accounted for and paid on a calendar year.</p>
13.26	<p>Termination by the Government</p> <p>If:-</p> <ul style="list-style-type: none"> <li>(a) ASMA is in breach on any of its material obligation under this Agreement and, in the case of a breach capable of being remedied, the Government has given notice to ASMA requiring ASMA to remedy that breach within a period of three months after the date of giving such notice and ASMA fails to remedy that breach within such period; or</li> <li>(b) ASMA goes into compulsory or voluntary liquidation (otherwise than for the purpose of reconstruction, amalgamation or other similar purpose not involving the realization of assets); or</li> <li>(c) ASMA's assets which are material to the performance of this Agreement are taken in execution; or</li> <li>(d) ASMA becomes insolvent or compounds or makes similar arrangements with its creditors; or</li> <li>(e) ASMA does any act frustrating its ability to perform its obligation under this Agreement; or</li> <li>(f) ASMA has in the opinion of the Government abandoned the performance of its obligations under this Agreement</li> </ul> <p>The Government may terminate this Agreement by giving 180 days notice to that effect to ASMA</p>
13.27	<p>Consequences of Termination</p> <p>If this Agreement is terminated in accordance with clause 13.25</p> <ul style="list-style-type: none"> <li>(a) The Government may, but shall be under no obligation to, purchase any equipment at that time owned by ASMA on such terms as may be agreed by the parties thereto;</li> <li>(b) The Government may itself carry on, or may procure some other person or persons to carry on ASMA's obligations under this Agreement</li> <li>(c) The government may make demands at any time in accordance with the terms and any other rights it might have under this Agreement</li> <li>(d) The Government may make demands from ASMA in order to reimburse itself for any costs and expenses which it might incur in arranging for some other person or persons to carry on ASMA's obligations after the termination of this Agreement .</li> </ul>
13.28	<p>Option on Expiration or Termination</p> <p>Upon the expiration or termination of any or all of the occasions by the Government to ASMA under this Agreement, the Government may exercise an option to purchase all of the equipment and facilities used by ASMA exclusively in the performance of this Agreement from ASMA at a price and under conditions to be agreed between the Government and ASMA</p> <p>All equipment and facilities sold by ASMA to the Government pursuant to clause 13.27 shall be sold on an "as-is, where-is" basis, provided however that in the event any such equipment of facilities are located on sites which will continue to be operated by ASMA, ASMA shall make arrangement for delivery of such equipment to the nearest Government field office.</p>

**13. GENERAL INFORMATION (Cont'd)**

- (ii) Shareholders Agreement dated 3 February 1997 ("First Shareholders Agreement") between PUNB and Ahmad Fuad bin Md. Nor, Rasal Keluarga Sdn. Bhd., Haji Md Nor Bin Haji Abdullah, Ahmad Rafai bin Abdullah, Haji Zaid bin Haji Abdullah, ZKSB, Kal Yadaiin Sdn Bhd, Khalijah bt Mohd Salleh and Ahmad Ridzwan bin Mohd Salleh ("Existing Shareholders") where the parties intends to regulate their rights duties and obligations in the conduct of the business and affairs of PIC on the terms and conditions as set out in the Second Shareholders Agreement. The First Shareholders Agreement has been revoked save and except for PUNB's rights stipulated in Article VII and Section 8.01 to Section 8.03 of the First Shareholders Agreement wherein Section 8.01 states that PUNB shall not for a period of five (5) years from the date of the First Shareholders Agreement dispose of the Subscription Shares and any shares converted from the Loan Stocks to any party except to ZKSB upon the terms and conditions as set out therein;
- (iii) Shareholders Agreement dated 10 December 1998 ("Second Shareholders Agreement") between PNS and Haji Zaid bin Haji Abdullah ("Proponent") and Ahmad Rafa'i bin Abdullah, Md Nor bin Abdullah, ZKSB, Rasal Keluarga sdn Bhd, Ahmad Fuad bin Md Nor, Kal-Yadaiin Sdn Bhd, Khalijah bt Mohd Salleh, Ahmad Ridzwan bin Mohd Salleh ("Existing Shareholders") and PUNB where the parties intends to regulate their rights duties and obligations in the conduct of the business and affairs of PIC on the terms and conditions as set out in the Second Shareholders Agreement. Pursuant to the Second Shareholders Agreement, PNS has granted to the Proponent a call option and the Proponent has granted to PNS a put option with respect to 6,956,083 shares for period of five (5) years from the date of the First Shareholders Agreement with an option at PNS' sole discretion to extend for a further period of three (3) years or upon the initial public offering of PIC's shares whichever is the earlier. The buy back price of the shares is subject to the terms and conditions set out therein;
- (iv) Joint Venture Agreement dated 3 December 1997 ("JVA") among PIC, Australian Laboratory Services Pty Ltd (ALS Australia), Yeoh Guan Huah and Mohd Zahari bin Abu Bakar where the parties intends to regulate their rights duties and obligations in the conduct of the business and affairs of ALS on the terms and conditions as set out in the JVA;
- (v) Service Agreement dated 15 December 2003 ("Service Agreement") between ZKSB and PIC whereby PIC has agreed to appoint and ZKSB has agreed to accept the appointment to provide the following services at the fees and charges as set out therein :-
- (a) to formulate the Group's long-term business strategy;
  - (b) to assist in securing and negotiating business contracts for the Group;
  - (c) to source new business joint ventures which would be beneficial to the Group;
  - (d) to source new business joint ventures which would be beneficial to the Group;
  - (e) to source for new customers and contracts for the Group; and
  - (f) to oversee the corporate planning requirements for the Group

(collectively referred to as "Services")

The Service Agreement shall take effect from 1 January 1996 and shall remain in force until it is mutually agreed in writing by both parties to terminate the Service Agreement;

**13. GENERAL INFORMATION (Cont'd)**

- (vi) Management Services Agreement dated 14 April 1996 ("MSA") between PIC and ASMA whereby ASMA has agreed to retain PIC to provide management services to ASMA upon the terms and conditions as set out therein. The MSA shall take effect from 14 April 1995 and shall expire on 13 April 2014 unless earlier terminated pursuant to the terms therein;
- (vii) Technical Services Agreement dated 4 July 1996 ("TSA") between PIC and ASMA whereby ASMA has agreed to retain PIC to provide certain technical services to ASMA upon the terms and conditions set out therein. The TSA shall take effect from 14 April 1995 and shall expire on 13 April 2014 unless earlier terminated pursuant to the terms therein;
- (viii) Maintenance Agreement dated 9 February 2004 and 23 July 2004 between Emerson Network Power (Malaysia) Sdn Bhd ("Emerson") and ASMA whereby Emerson agrees to provide maintenance services in respect of equipment or other manufactured products, equipment and features identified in the Maintenance Agreement. The Maintenance Agreement shall be effective from the date of the Maintenance Agreement and will continue until terminated by either party or upon the termination by Emerson due to the default by ASMA in accordance to the terms and conditions as set out therein;
- (ix) Letter dated 26 August 2004 from PIC ("Landlord") agreeing to renew the tenancy with ASMA ("Tenant") for the building known as No.19, Jalan Astaka U8/84, Bukit Jelutong Business & Technology Centre, 40150 Shah Alam for a period of another three (3) years (1 September 2004 – 31 August 2007) at monthly rental of RM22,018;
- (x) Understanding between PI Tech and ASMA whereby PI Tech will obtain the services of ASMA to perform island monitoring work for DOE as and when PI Tech is appointed to carry the work for DOE. In consideration of the PI Tech appointing ASMA to carry out the works, ASMA will pay to PI Tech 5% of the contract sum as agreed commission. The current project undertaken by ASMA for PI Tech is for the sum of RM2.17 million;
- (xi) Tenancy agreement dated 1 February 2004 between PIC and Foxboro whereby PIC has agreed to let and Foxboro has agreed rent the ground floor and first floor of the building situated at No. 21, Jalan Astaka U8/84, Bukit Jelutong Business & Technology Centre, 40150 Shah Alam, Selangor, Malaysia for a period of three (3) years commencing from 1 August 2001 for a sum of RM28,157 per month. Foxboro is given an option to extend the tenancy for a further term of three (3) years upon the expiry of the initial period at a rental based on the prevailing market rate that is agreeable by the parties. The parties have via a Letter dated 26 August 2004 renewed the tenancy for a further period of 3 years from 1 August 2004 to 31 July 2007;
- (xii) Memorandum of Agreement dated 6 August 2003 between ASMA and Spatialworks Sdn Bhd ("Spatialworks") for the development of Putrajaya Lake and Wetlands Management and Operational System ("PLWMOS") whereby ASMA has appointed Spatialworks as the system developer. ASMA and Spatialworks will share the profits obtained from the development of the PLWMOS in accordance to the terms of the Agreement;
- (xiii) Supplemental agreement dated 17 February 2004 between PIC and ASMA in respect of the increase in the annual management fees payable to PIC. The amount payable has been increased from RM250,000 per annum to RM500,000 per annum;

**13. GENERAL INFORMATION (Cont'd)**

- (xiv) Supplemental agreement dated 17 February 2004 between PIC and ASMA in respect of the increase in technical fees payable to PIC. The amount payable has been increased from RM100,000 per annum to RM250,000 per annum; and
- (xv) Details of the insurance policies undertaken by the PIC Group are set out below :-

Company	Insurance company	Nature of assets insured/ Situation of risk	Policy type/Policy no	Period	Limit/Sum Insured
PIC	Takaful Nasional Bhd	Employees of PIC	Group Term Life / TKG 0442	1 December 2003 - 30 November 2004	RM4,500,000
PIC	Takaful Nasional Bhd	Employees of PIC	Group hospitalisation and surgical / TKH 0130	1 December 2003 - 30 November 2004	Plan A: RM55,000 Plan B: RM35,000 Plan C: RM25,000
PIC	Takaful Nasional Bhd	No. 19 Jalan Astaka U8/84, Bukit Jelutong, Business & Technology Centre, 40150 Shah Alam	Fire and peril for office building / AFR 04023565-34	1 September 2004 - 31 August 2005	RM2,400,000
PIC	Takaful Nasional Bhd	No. 18 Jalan Liku 8/B, Section 8, 40000 Shah Alam	Fire and peril for shoptlot / AFR-04016338-74	1 September 2004 - 31 August 2005	RM230,000
PIC	American Home Assurance Company - Malaysia (AIG)	2 <sup>nd</sup> Floor, 19 and 21 Jalan Astaka U8/84 Bukit Jelutong Business & Technology Centre, 40150 Shah Alam	Electronic equipment / EEI 85 55501171	25 March 2004 - 25 March 2005	RM97,358.21
PIC	Takaful Ikhlas Sdn Bhd	2 <sup>nd</sup> Floor, 19 and 21 Jalan Astaka U8/84 Bukit Jelutong Business & Technology Centre, 40150 Shah Alam	Fire - material damage /HOFFR04100115	18 June 2004 - 17 June 2005	RM709,209
PIC	Takaful Nasional Bhd	No. 21 Jalan Astaka U8/84 Bukit Jelutong Business & Technology Centre, 40150 Shah Alam	Fire - On building / AFR 04023109-34	01/07/2004 - 30/06/2005	RM 3,200,000
PIC	Takaful Nasional Bhd	No. 19, Jalan Kencana Mas 1/1, Tebrau Business Park, 81100 Johor Bahru, Johor Darul Takzim	Fire - On Building / FAP/03/01146/B04	03/10/2003 to 02/10/2004	RM 457,300
ASMA	Allianz Life Insurance Malaysia Berhad	Hospitalisation & surgical for staff & family	Group Hospital and Surgical /P1181	1 May 2004 - 30 April 2005	Managers and above : RM 50,000/yr  Others: RM 30,000/yr
ASMA	Takaful Nasional Bhd	i) movable & immovable item at HQ & site offices ii) Stocks	Fire / AFR-04022463-74	1 February 2004 - 31 January 2005	RM 660,000
ASMA	Takaful Nasional Bhd	Furniture & Fittings & Mobile items - HQ & Site Office	All Risks / DAR-50013553-74	1 May 2004 - 30 April 2005	RM140,000
ASMA	Takaful Nasional Bhd	On liability to third parties	Public Liability / DPL-52660990-74	1 May 2004 - 30 April 2005	RM1,000,000
ASMA	Takaful Nasional Bhd	All employees	Employer's Liability / DEL-51500354-74	1 May 2004 - 30 April 2005	RM2,800,000

## 13. GENERAL INFORMATION (Cont'd)

Company	Insurance company	Nature of assets insured/ Situation of risk	Policy type/Policy no	Period	Limit/Sum Insured
ASMA	Takaful Nasional Bhd	All computer related equipments (stations & HQ)	Computer insurance / ECI-70400501-74	1 May 2004 – 30 April 2005	RM1,320,000
ASMA	Takaful Nasional Bhd	All employees	Group Personal Accident / CGA-41007235-74	1 May 2004 – 30 April 2005	RM8,386,929
ASMA	Takaful Iklas Sdn Bhd	All employees	Group term life / GTT00013	1 May 2004 – 30 April 2005	Individual Limit
ALS	American International Assurance (AIA)	No.19 Jalan Kencana Mas 1/1, Tebrau Business Park Taman Daya, 81100 Johor Bahru	Commercial and Industrial Fire Insurance/I550016065	30 January 2004 – 29 January 2005	RM580,000
ALS	AIA	No.9 Jalan Astaka U8/84 Section U8, Bukit Jelutong 40150 Shah Alam, Selangor	Commercial and Industrial Fire Insurance / I550015354	18 December 2003 – 17 December 2004	RM3,450,000
ALS	AIA	No.9 Jalan Astaka U8/84 Section U8, Bukit Jelutong, 40150 Shah Alam	All Risk Insurance / I550015367	18 December 2003 – 17 December 2004	RM50,776
ALS	AIA	All employees	PA Insurance/PA Group Care Policy / P559900952	1 June 2004 – 1 May 2005	RM 80,000 / staff
ALS	AIA	Dr.Chin Teen Teen	Travel PA (International) – cover accidental, hospital income, travel inconveniences / P556252223	26 February 2004 – 26 February 2005	RM300,000
ALS	AIA	Dr. Chin Teen Teen	Exelcare Hospitalization Cashless Scheme / W557980738	14 February 2004 – 14 February 2005	Total Claim RM 400,000 (Max)
ALS	AIA	No.9 Jalan Astaka U8/84, Section U8, Bukit Jelutong Shah Alam	Burglary and Robbery Insurance (Money in transit) I550017284	18 December 2003 – 17 December 2004	RM 11,500
ALS	AIA	BFA 1737	Motor Insurance Policy / M553495476	1 August 2004 – 31 July 2005	RM16,000
ALS	AIA	WGM 8506	Motor Insurance Policy / M553510173	4 November 2004 – 3 November 2005	RM30,000
ALS	AIA	Dr. Chin Teen Teen	Comprehensive Personal Accident Cover / W558125149	22 May 2004 – 22 May 2005	RM40,000

## 13. GENERAL INFORMATION (Cont'd)

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### 13.6 MATERIAL LITIGATION

Save as disclosed below, as at 31 August 2004, being the latest practicable date to the printing of the Prospectus, neither PIC nor any of its subsidiary are engaged in any material litigation and arbitration, either as plaintiff or defendant, which has a material effect on the financial position of PIC or its subsidiary and the Directors do not know of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of PIC or its subsidiary and associated companies: -

- (a) PIC has a filed a summons against JC Creative Sdn Bhd via Summons No. 4-52-435-2001 in the Shah Alam Session Courts claiming from JC Creative Sdn Bhd for the refund of the sum of RM67,500 being deposit for payment for rental of shoplots. PIC declined to move into the shoplot in view that the premises is not suitable for rental as usage of gas tanks in the shop lot is not allowed. The hearing was fixed on 18 February 2004 for oral submission and the Court's decision will be obtained on 2 March 2004. The court has fixed the above matter for full trial on 3 August 2004 and 4 August 2004. The matter has been further postponed to 7 February 2005 and 8 February 2005.

### 13.7 GENERAL INFORMATION

During the last financial year and the current financial year to date, 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.

### 13.8 CONSENTS

The written consent of the Adviser and Managing Underwriter, Underwriter, Auditor and Reporting Accountant, Valuer, Company Secretaries, Principal Bankers, Solicitors, Registrar and 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.

The written consent of the Auditor and Reporting Accountant to the inclusion in this Prospectus of their names, Accountants' Report and letters relating to the consolidated profit forecast for the financial year ending 31 December 2004 and the proforma consolidated balance sheets as at 31 May 2004 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.

The written consent of the Valuers to the inclusion in this Prospectus of their names 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.



**13. GENERAL INFORMATION (Cont'd)**

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**13.9 DOCUMENTS FOR INSPECTION**

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

- (a) The Memorandum and Articles of Association of the Company;
- (b) The material contracts and material agreements referred to in Section 13.4 and Section 13.5 of this Prospectus respectively;
- (c) The Directors' Report and Accountants' Report as included herein;
- (d) The Reporting Accountants' letters relating to the Consolidated Profit Forecast for financial year ending 31 December 2004 and Proforma Consolidated Balance Sheets as at 31 May 2004 as included herein;
- (e) The valuation certificate prepared by Messrs Azmi & Co Sdn Bhd as included herein;
- (f) The audited financial statements of PIC and its subsidiaries for the past five (5) financial years ended 31 December 2003 and 5 months period ended 31 May 2004;
- (g) The writ and cause papers in respect of the material litigation and arbitration referred to in Section 13.6 of this Prospectus; and
- (h) The letters of consent referred to in Section 13.8 of this Prospectus.

**13.10 RESPONSIBILITY STATEMENTS**

- (i) This Prospectus has been seen and approved by the Directors, Promoters of the Company 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 other material facts the omission of which would make any statement herein misleading. The Directors hereby accept full responsibility for the profit forecast included in this Prospectus and confirm that the profit forecast has been prepared based on the assumptions made.
- (ii) AmMerchant Bank acknowledges that based on all available information, to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts about the IPO, and is satisfied that the consolidated profit forecast for the financial year ending 31 December 2004 (for which the Directors are solely responsible), prepared for inclusion in the Prospectus have been stated by the Directors after due and careful inquiry and reviewed by the Reporting Accountants.