

## 11. FURTHER STATUTORY AND GENERAL INFORMATION

### 11.1 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 in the Company. 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.
- (iii) No Directors and eligible employees of AWC Group has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of the Company or its Subsidiaries.
- (iv) There are no restrictions on the transfer of the Shares of the Company, except as otherwise required by law.
- (v) A director is not required to hold any qualification shares in the Company.
- (vi) Save as disclosed in Section 2.1 of this Prospectus, no ordinary shares or debentures of the Company and its Subsidiaries have been issued or proposed to be issued as partly or fully paid-up for cash or otherwise than for cash within the two(2) years preceding the date of this Prospectus.

### 11.2 Articles of Association

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

- **Transfer of Securities**

#### Article 31 – Transfer in writing

Subject to the provisions of these Articles, the Act, the Central Depositories Act and the Rules (with respect to transfer of a deposited security) all transfers of securities shall be in writing in the form prescribed and approved by the Exchange, or such form as may from time to time, be prescribed under the Act or approved by the Exchange, or such relevant authorities of the stock exchanges on which the Company's securities are listed. All transfers of Deposited Securities shall be effected in accordance with the Rules.

#### Article 32 - Transfer

The transfer of any listed securities or class of listed securities of the Company which have been deposited with the Central Depository, shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding sections 103 and 104 of the Act, but subject to section 107C(2) of the Act and any exemption that may be made from compliance with section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities.

#### Article 33 – Restricted transferees

Subject to these Articles, there shall be no restriction on the transfer of fully paid securities except where required by law. However, no shares shall in any circumstances be knowingly transferred to any infant, bankrupt or person of unsound mind. In the case of deposited securities, the Central Depository may refuse to register any transfer that does not comply with the Central Depository Act and the Rules.

**11. STATUTORY AND GENERAL INFORMATION (Cont'd)****Article 34 – Suspension closing of registration of instrument**

The Company may pursuant to Section 34 of the Central Depository Act and the Rules request for the Record of Depositors and in this connection, may request for the Record of Depositors as at a specified date. The Company shall give notice to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors.

**Article 36 – Company and directors not liable for registering defective transfer**

Neither the Company nor the directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares by registered members apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to Company or the directors or other officers be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee be set aside, and notwithstanding that the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee and/or particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors administrators and assignees alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

**Article 35 – Renunciation by allottee**

Nothing in these Articles shall preclude the directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

- **Remuneration of Directors**

**Article 112 – Fees of directors**

The fees of the directors shall from time to time be determined by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provided) be divisible among the directors as they may agree, or failing agreement, equally, except that any director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled to rank in such division for a proportion of the fees related to the period during which the director has held office provided always that :-

- (i) Fees payable to non-executive directors shall be by a fixed sum, and not by a commission on or a percentage of profits or revenue. Salaries payable to executive directors may not include a commission on or percentage of revenue.
- (ii) The directors may also 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 the directors or general meeting of the Company or in connection with the business of the Company.
- (iii) Any fee paid to an alternate director shall be agreed upon between himself and the director nominating him and shall be paid out of the remuneration of the latter.
- (iv) Fees payable to directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

**11. STATUTORY AND GENERAL INFORMATION (Cont'd)****Article 113 – Reimbursement of expenses**

The directors shall be entitled to be re-imbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the directors or of any committee of the directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as directors.

If by any arrangement with the directors, any directors shall perform or render any special duties or services outside his ordinary duties as a director in particular without limiting to the generality of the foregoing if any director being willing shall be called upon to perform extra services or to make any special excursions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member or a committee of directors, the directors may pay him extra remuneration, in addition to his director's fees.

- **Voting and Borrowing Powers of Directors**

**Article 116 – Power of directors to borrow and issue debentures**

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

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.

The directors shall cause a proper register to be kept in accordance with Section 115 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 108 of the Act in regard to the registration of mortgages and charges therein specified and otherwise.

**Article 131 – Power to vote in some instances**

A director may vote in respect of :-

- (i) 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
- (ii) 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 a deposit of a security.

- **Changes in capital and variations of class rights**

**Article 56 – Repayment of preference shares by special resolution**

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

**11. STATUTORY AND GENERAL INFORMATION (Cont'd)****Article 57 – Variation of class rights**

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one third (1/3) of the issued shares of the class and that any holder may demand in a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply.

**Article 58 – Ranking of class rights**

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

**Article 59 – Power to increase capital**

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

**Article 60 – New shares subject to provisions herein**

Except so far as otherwise provided by the condition of issue, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company. All new shares shall be subject to the provisions herein contained with reference to allotments, the payment of calls and instalments, transmissions, forfeiture, lien or otherwise and shall also be subject to the Rules.

**Article 61 – Power to cancel divide consolidate shares**

The Company may by ordinary resolution from time to time :-

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; or
- (b) sub-divide its existing shares, or any of them into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provision of the Act, and so that in the sub-division the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived. Any resolution whereby any share is sub-divided may determine 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, capital, voting or otherwise over the others or any other of such shares; or
- (c) cancel any shares not taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

**11. STATUTORY AND GENERAL INFORMATION (Cont'd)****Article 62 – Power to reduce share capital**

The Company may by special resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner authorised and subject to any conditions prescribed by the Act.

**11.3 Directors and major shareholders**

- (i) The names, addresses and occupation of the Directors of AWC are set out in 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) There are no existing or proposed service contracts (other than employment contracts) between the Directors and the Company or its subsidiary companies, excluding contracts expiring, or terminable by the employing company without payment or compensation (other than statutory compensation) within one(1) year.
- (iv) No Director, senior executive officer or person nominated to become a Director or senior executive officer is or was involved in the following events:-
  - (a) a petition under bankruptcy or insolvency laws filed against such person or any partnership in which he was or is a partner or any corporation of which he was or is a director or key personnel;
  - (b) a conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
  - (c) the subject of any order, judgment 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 or engaging in any type of business activity or practice.
- (v) Based on the proforma financial year ended 31 December 2002, the remuneration payable to the directors of AWC for services in all capacities to the Company and its subsidiaries company was about RM130,000. For the current financial year ended 30 June 2003, the estimated remuneration paid to the Directors is approximately RM60,000. The details of the aggregate remuneration are as follows: -

<b>Directors' emoluments (RM)</b>	<b>-----No. of Directors-----</b>	
	<b>Year ended 31.12.02</b>	<b>Year ended 30.06.03</b>
0 – 50,000	-	-
50,001 – 100,000	-	1
Above 100,000	1	-
	<b>1</b>	<b>1</b>

**[The rest of this page is intentionally left blank]**

**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

- (vi) According to the Register of Directors' shareholdings of AWC as at 27 July 2003, the beneficial interests of the directors in the shares of the Company are as follows:-

	Before Restricted Offer for Subscription and Offer for Subscription				After Restricted Offer for Subscription and Offer for Subscription			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Krishnan Menon	-	-	-	-	-	-	-	-
Nordin bin Abu Bakar	-	-	-	-	-	-	-	-
Dato' Ir. Lee Peng Joo	-	-	#13,745,333	6.65	-	-	#14,139,333	6.18
Dato' Kalimullah bin Masheerul Hassan	-	-	-	-	-	-	-	-
Datuk Nasir bin Safar	-	-	-	-	-	-	-	-
Lee Peng Kuan	-	-	#13,745,333	6.65	-	-	#14,139,333	6.18

# Deemed interested by virtue of his substantial interest in PJI Holdings Berhad, which in turn has 100% shareholding in PJISB

- (vii) According to the Register of Major shareholders of AWC as at 27 July 2003, the major shareholders of AWC and their respective direct and indirect interests in the shares of the Company before and after the Restricted Offer for Subscription and Offer for Subscription are as follows:-

	Before Restricted Offer for Subscription and Offer for Subscription				After Restricted Offer for Subscription and Offer for Subscription			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
AKN Capital	22,376,250	10.83	-	-	23,457,776	10.26	-	-
K-Capital	81,442,083	39.42	-	-	83,776,559	36.63	-	-
LCB	19,890,000	9.63	-	-	20,461,000	8.95	-	-
PJISB	13,745,333	6.65	-	-	14,139,333	6.18	-	-
Cytech Strategic Sdn Bhd	-	-	*19,890,000	9.63	-	-	*20,461,000	8.95
Chin Kuet Lee	-	-	#19,890,000	9.63	-	-	#20,461,000	8.95
Lum Weng Loy	-	-	*19,890,000	9.63	-	-	*20,461,000	8.95
Dato' Ahmad Kabeer bin Mohamed Nagoor	-	-	^103,818,333	50.25	-	-	^107,234,335	46.89
Ooi Boon Leong	-	-	^22,376,250	10.83	-	-	^23,457,776	10.26
Musa bin Zainuddin	-	-	@81,442,083	39.42	-	-	@83,776,559	36.63
Dato' Hj Mat Yasir bin Juli	-	-	@81,442,083	39.42	-	-	@83,776,559	36.63
PJI Holdings Berhad	-	-	**13,745,333	6.65	-	-	**14,139,333	6.18
Dato' Ir. Lee Peng Joo	-	-	##13,745,333	6.65	-	-	##14,139,333	6.18
Lee Peng Kuan	-	-	##13,745,333	6.65	-	-	##14,139,333	6.18
Dato' Abdul Rashid bin Ahmad	-	-	##13,745,333	6.65	-	-	##14,139,333	6.18
Datin Rohani binti Romly	-	-	##13,745,333	6.65	-	-	##14,139,333	6.18
Rezal Zain bin Abdul Rashid	-	-	##13,745,333	6.65	-	-	##14,139,333	6.18
Yap Mei Leng	-	-	##13,745,333	6.65	-	-	##14,139,333	6.18
Lee Peng Seng	-	-	##13,745,333	6.65	-	-	##14,139,333	6.18
Geh Yean Chang	-	-	##13,745,333	6.65	-	-	##14,139,333	6.18
Geh Yean Hor	-	-	##13,745,333	6.65	-	-	##14,139,333	6.18
Apex Term Sdn Bhd	-	-	##13,745,333	6.65	-	-	##14,139,333	6.18
Aplink Enterprise Sdn Bhd	-	-	##13,745,333	6.65	-	-	##14,139,333	6.18

^ Deemed interested by virtue of his substantial shareholdings in AKN Capital and K-Capital

^^ Deemed interested by virtue of his substantial shareholdings in AKN Capital

\* Deemed interested by virtue of its substantial shareholdings in LCB

# Deemed interested by virtue of his substantial shareholdings in Cytech Strategic Sdn Bhd

@ Deemed interested by virtue of his substantial shareholdings in K-Capital

\*\* Deemed interest by virtue of its 100% shareholdings in PJISB

**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

*## Deemed interested by virtue of his/its substantial shareholdings in PJI Holdings Berhad, which in turn has 100% interest in PJISB*

- (viii) None of the Directors or major shareholders of the Company has any interests, direct or indirect, in other businesses and corporations quoted and unquoted on a recognized stock exchange carrying on a similar trade as the Company or any of its Subsidiaries.
- (ix) Save as disclosed below, none of the Directors or experts has any interest, direct or indirect, in the promotion of or in any assets which have, within the two (2) years immediately preceding the date of this Prospectus, been acquired or proposed to be acquired or disposed or proposed to be disposed of or leased or proposed to be leased to the Company or its Subsidiaries or any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company and its subsidiaries taken as a whole:-

On 27 June 2003, AWC completed the following acquisitions:-

- (a) the entire issued and paid-up share capital of AWSB comprising 3,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM40,365,250 satisfied by the issuance of 67,275,417 new Shares in AWC, at an issue price of RM0.60 per Share;
- (b) the entire issued and paid-up share capital of AWFm comprising 600,000 shares of RM1.00 each for a purchase consideration of RM8,500,000 satisfied by the issuance of 14,166,667 new Shares in AWC, at an issue price of RM0.60 per Share;
- (c) 85% of the issued and paid-up share capital of M&C(M) comprising 1,700,000 shares of RM1.00 each for a purchase consideration of RM25,359,750 satisfied by the issuance of 42,266,250 new Shares in AWC, at an issue price of RM0.60 per Share;
- (d) 49% of the issued and paid-up share capital of M&C(S) comprising 245,000 shares of SGD1.00 each for a purchase consideration of RM4,165,000 satisfied by the issuance of 6,941,667 new Shares in AWC, at an issue price of RM0.60 per Share;
- (e) the entire issued and paid-up share capital of KPSB comprising 300,000 shares of RM1.00 each for a purchase consideration of RM13,520,000 satisfied by the issuance of 22,533,333 new Shares in AWC, at an issue price of RM0.60 per Share; and
- (f) the entire issued and paid-up share capital of GGLN comprising 100,000 shares of RM1.00 each for a purchase consideration of RM12,750,000 satisfied by the issuance of 21,250,000 new Shares in AWC, at an issue price of RM0.60 per Share.

The interests of the directors and major shareholders of the Company in the aforesaid transactions are as follows:-

<b>Name</b>	<b>Nature of Interest</b>
Dato' Ir. Lee Peng Joo	Director and major shareholder of AWC. He is a major shareholder of PJI Holdings Berhad, which in turn is the major shareholder of PJISB, the vendor of shares in KPSB.
Lee Peng Kuan	Alternate Director and major shareholder of AWC. He is a major shareholder of PJI Holdings Berhad, which in turn is the major shareholder of PJISB, the vendor of shares in KPSB.

**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

<b>Name</b>	<b>Nature of Interest</b>
K-Capital	Major shareholder of AWC. The company was incorporated to hold the shareholdings of Abdul Razak bin Abdul Rahman, Musa bin Zainuddin and Dato' Ahmad Kabeer bin Mohamed Nagoor, who are vendors of shares in AWSB and the shareholdings of Dato' Haji Mat Yasir bin Juli, Abdul Samad bin Mat Taib, Ahmad Bustamam bin Sharif, who are the vendors of shares in AWFm.
AKN Capital	Major shareholder of AWC. The company is the vendor of shares in M&C(M).
LCB	Major shareholder of AWC. The company is the vendor of shares in M&C(M).
PJISB	Major shareholder of AWC. The company is the vendor of shares in KPSB.
Dato' Abdul Rashid bin Ahmad	Major shareholder of AWC. He is a major shareholder of PJI Holdings Berhad, which in turn is the major shareholder of PJISB, the vendor of shares in KPSB.
Datin Rohani binti Romly	Major shareholder of AWC. She is a major shareholder of PJI Holdings Berhad, which in turn is the major shareholder of PJISB, the vendor of shares in KPSB.
Rezal Zain bin Abdul Rashid	Major shareholder of AWC. He is a major shareholder of PJI Holdings Berhad, which in turn is the major shareholder of PJISB, the vendor of shares in KPSB.
Yap Mei Ling	Major shareholder of AWC. She is a major shareholder of PJI Holdings Berhad, which in turn is the major shareholder of PJISB, the vendor of shares in KPSB.
Lee Peng Seng	Major shareholder of AWC. He is a major shareholder of PJI Holdings Berhad, which in turn is the major shareholder of PJISB, the vendor of shares in KPSB.
Geh Yean Chang	Major shareholder of AWC. He is a major shareholder of PJI Holdings Berhad, which in turn is the major shareholder of PJISB, the vendor of shares in KPSB.
Geh Yean Hor	Major shareholder of AWC. He is a major shareholder of PJI Holdings Berhad, which in turn is the major shareholder of PJISB, the vendor of shares in KPSB.
Apex Term Sdn Bhd	Major shareholder of AWC. Apex Term Sdn Bhd is a major shareholder of PJI Holdings Berhad, which in turn is the major shareholder of PJISB, the vendor of shares in KPSB.
Aplink Enterprise Sdn Bhd	Major shareholder of AWC. Aplink Enterprise Sdn Bhd is a major shareholder of PJI Holdings Berhad, which in turn is the major shareholder of PJISB, the vendor of shares in KPSB.

**11.4 General**

- (i) The nature of AWC Group'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

**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

are disclosed in Section 4 of this Prospectus. Other than mentioned in Section 4 of this Prospectus, there is no corporation deemed related AWC by virtue of section 6 of the Companies Act.

- (ii) The time of the opening of the Application Lists is set out in Section 12.1 of this Prospectus.
- (iii) The amount payable in full on application is RM0.60 per Share.
- (iv)
  - (a) Underwriting fees are payable by the Company to the Managing Underwriter and Underwriters mentioned in the Section 2.7 of this Prospectus at the rate of 2.0% of the Offer for Subscription price of RM0.60 per Share on the 5,100,000 Subscription Shares being underwritten. A management fee of 1.0% is payable to the Managing Underwriter on the value of the underwritten Shares;
  - (b) Placement fees of RM40,000 being the administration charges is payable by the Company to AmMerchant Bank as the placement agent;
  - (c) Brokerage at the rate of 1% of the Offer for Subscription price of RM0.60 per share is payable by the Company in respect of successful applications bearing the stamp of AmMerchant Bank, member companies of the KLSE, members of the Association of Merchant Banks in Malaysia, members of the Association of Banks in Malaysia or MIH; and
  - (d) Expenses incidental to the listing and quotation of the entire issued and paid-up share capital of the Company on the KLSE amounting to approximately RM2,500,000 will be borne by the Company.
- (v) Save as disclosed in paragraph (iv) 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 director, proposed director, promoter or expert is or are entitled to receive any such payment.
- (vi) 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.
- (vii) Save for M&C(S), which was incorporated in Singapore, the AWC Group has not established a place of business outside Malaysia.
- (viii) Except as disclosed in Sections 1.5 and 3 of this Prospectus, the directors are not aware of any 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 AWC Group.
- (ix) Except as disclosed in Section 3 and Section 8.3 of this Prospectus, the financial conditions and operations of AWC Group are not affected by any of the following:-
  - (a) Known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in AWC Group's liquidity increasing or decreasing in any material way;
  - (b) Material commitments for capital expenditure;
  - (c) Unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from operations; and
  - (d) Known trends or uncertainties that have had or will have a material favourable or unfavourable impact on revenues or operating income.

**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

As far as the directors are aware and except as disclosed in Section 3 this Prospectus, AWC Group is not vulnerable to any specific factors or events of a particular nature other than those normal commercial risks experienced during the course of business.

- (x) As at the date of this Prospectus, the Company and its Subsidiaries do not have any convertible debt securities.
- (xi) The name and address of the Auditors and Reporting Accountants of the Company are as set out in Corporate Information Section of this Prospectus.
- (xii) The manner in which copies of this Prospectus together with the official Application Forms and envelopes may be obtained is set out in Section 12 of this Prospectus.

**11.5 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 AWC Group within the two (2) years preceding the date of this Prospectus:-

- (i) Stakeholder Agreement between AWC, the Vendors of GGLN and Raslan Loong, the stakeholder dated 24 July 2003, whereby Raslan Loong agrees to act as a stakeholder in relation to such number of AWC Shares and/or shares quoted on the KLSE which are required to be deposited by the Vendors of GGLN pursuant to the profit warranty as contained in the SSA referred to in item (x) below;
- (ii) An Underwriting Agreement between the Company and the Managing Underwriters and Underwriters dated 17 July 2003 for the underwriting of 5,100,000 Shares at an underwriting commission of 2.0% of the subscription price of RM0.60 per Share and a management fee of 1.0% of the subscription price of RM0.60 per Share is payable to the Managing Underwriter;
- (iii) Seven(7) separate sale and purchase agreements all dated 29 November 2002 between Citibank Berhad (Assignee), Success Charade (M) Sdn Bhd (Vendor/Assignor) and AWC (Purchaser) in relation to the acquisitions of properties erected on H.S. (D) 88660 P.T. No. 13638 Mukim Damansara, Daerah Petaling, Negeri Selangor, known as Parcel Nos. S25-7 (Level 7), S25-6 (Level 6), S25-5 (Level 5), S25-3A (Level 3A), S25-3 (Level 3), S25-2 (Level 2) and S25-1 (Level 1), all forming part of Block S25, Subang Business Centre for total purchase consideration of RM2,178,900 in cash. As at the date of this prospectus, the Deeds of Assignments in respect of the said properties have not been perfected;
- (iv) A Master Agreement between all Vendors of the Acquiree Companies, AWC, TCHB, TCSB, TCTSB and TCESB dated 31 July 2002 in relation to the Corporate and Debt Restructuring Scheme. The consideration of the mutual promises and undertakings contained in the Master Agreement is the agreement of each of the Vendors of the Acquiree Companies and AWC to be bound by the terms and to perform the obligations which are binding on them in the Master Agreement and to take such steps and do all acts and things so as to effect the Corporate and Debt Restructuring Scheme;
- (v) A conditional SSA between AWC (Purchaser) and the Vendors of AWSB dated 31 July 2002 for the acquisition of 3,000,000 shares of RM1.00 each in AWSB (representing 100% issued and paid-up share capital of the company) by AWC from the Vendors of AWSB for a purchase consideration of RM40,365,250 wholly satisfied by the issue of 67,275,417 new Shares in AWC, at an issue price of RM0.60 per Share. The Acquisition of AWSB was completed on 27 June 2003;
- (vi) A conditional SSA between AWC (Purchaser) and the Vendors of AWFM dated 31 July 2002 for the acquisition of 600,000 shares of RM1.00 each in AWFM (representing 100% issued and paid-up share capital of the company) by AWC from the Vendors of AWFM for a purchase consideration of RM8,500,000 wholly satisfied by the issue of 14,166,667 new Shares in AWC, at an issue price of RM0.60 per Share. The Acquisition of AWFM was completed on 27 June 2003;

**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

- (vii) A conditional SSA between AWC (Purchaser) and the Vendors of M&C(M) dated 31 July 2002 for the acquisition of 1,700,000 shares of RM1.00 each in M&C(M) (representing 85% issued and paid-up share capital of the company) by AWC from the Vendors of M&C(M) for a purchase consideration of RM25,359,750 wholly satisfied by the issue of 42,266,250 new Shares in AWC, at an issue price of RM0.60 per Share. The Acquisition of M&C(M) was completed on 27 June 2003;
- (viii) A conditional SSA between AWC (Purchaser) and the Vendors of M&C(S) dated 31 July 2002 for the acquisition of 245,000 shares of SGD1.00 each in M&C(S) (representing 49% issued and paid-up share capital of the company) by AWC from the Vendors of M&C(S) for a purchase consideration of RM4,165,000 wholly satisfied by the issue of 6,941,667 new Shares in AWC, at an issue price of RM0.60 per Share. The Acquisition of M&C(S) was completed on 27 June 2003;
- (ix) A conditional SSA between AWC (Purchaser) and the Vendors of KPSB dated 31 July 2002 for the acquisition of 300,000 shares of RM1.00 each in KPSB (representing 100% issued and paid-up share capital of the company) by AWC from the Vendors of KPSB for a purchase consideration of RM13,520,000 wholly satisfied by the issue of 22,533,333 new Shares in AWC, at an issue price of RM0.60 per Share. The Acquisition of KPSB was completed on 27 June 2003;
- (x) A conditional SSA between AWC (Purchaser) and the Vendors of GGLN dated 31 July 2002 for the acquisition of 100,000 shares of RM1.00 each in GGLN (representing 100% issued and paid-up share capital of the company) by AWC from the Vendors of GGLN for a purchase consideration of RM12,750,000 wholly satisfied by the issue of 21,250,000 new Shares in AWC, at an issue price of RM0.60 per Share. The Acquisition of GGLN was completed on 27 June 2003; and
- (xi) A SSA between AWSB (purchaser) and Tan Say Huat (Vendor) dated 26 July 2002 for the acquisition of 300,000 shares of RM1.00 each in M&C(M) (representing 15% issued and paid-up share capital of the company) by AWSB from the Vendor for a cash purchase consideration of RM3,900,000. The acquisition was completed on 31 August 2002.

**11.6 Material Agreements**

Save as disclosed below, there is no other subsisting material agreements entered into by AWC Group:-

- (i) A letter of award dated 10 July 2003 from Universiti Tenaga Nasional Sdn Bhd ("UTN") to AWFM for cleaning services at UTN's buildings. Under the agreement, AWFM is to provide a performance bond of RM37,458.50 per annum;
- (ii) Purchase order to M&C(M) dated 10 June 2003 from IT Partners (Malaysia) Sdn Bhd to provide BAS for the project to design, build and complete a laboratory, research and office at Lot PT 12058, Flagship Zone, Cyberjaya, Mukim Dengkil, Daerah Sepang, Selangor. Expected date of delivery not stated on purchase order;
- (iii) Letter of award dated 9 May 2003 to KPSB from UE Construction Sdn Bhd ("Main Contractor") for the design, construction and completion of office buildings and interior design works for the government on Lot 2M10 and 2M11 Precinct 2 (Phase 2) at the Federal Government Administrative Centre, Putrajaya. The value of the contract is RM29,200,000;
- (iv) A letter of award dated 18 March 2003 between 3HPArchitects Pte Ltd ("Main Contractor") and M&C(S) ("Sub-Contractor") for the proposed upgrading of facilities management control system for Ngee Ann Polytechnic for a consideration of SGD1,415,370. The total contract period is 44 weeks, commencing on 26 March 2003 and shall be completed on 27 January 2004. Under the terms of the letter of award, the liquidated damages is SGD600 per day and M&C(S) is to provide a performance bond equivalent to 5% of the contractual sum;

**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

- (v) Purchase order dated 17 March 2003 from Dai-Dan Co., Ltd for the supply and delivery of Valves and Fittings to Dai Dan Co Ltd for Unimas Sarawak project for a consideration of RM1,170,000. The delivery of goods is on a progressive basis from April 2003 till the completion of Dai-Dan Co., Ltd's project, which completion is expected to be in year 2004. Under the terms of the purchase order, the goods are subject to twelve(12) months defects liability period;
- (vi) Letter of award dated 11 February 2003 between Santarli Construction Pte Ltd ("Contractor") and M&C(S) ("Sub-Contractor") for the design, supply, installation, testing, commissioning and maintenance of the BAS for the proposed New Columbarium and Crematorium Complex Project at Mandai Road for a consideration of SGD398,000 to be completed by 27 January 2004. Under the terms of the sub-contract, the defect liability period is twelve(12) months upon completion or the issue of a final completion certificate or the discharge of M&C(S)'s obligation;
- (vii) Distribution Agreement dated 1 February 2003 between OKM Valve (M) Sdn Bhd ("the Company") and M&C(S) ("the Distributor") for the sole and exclusive distribution of OKM range of butterfly valves (seven models) in the air conditioning & building services industry in Singapore. The duration of the distribution agreement shall commence on the date of the agreement and shall be renewed for one year;
- (viii) Purchase order dated 13 January 2003 from Zenith Engineering & Trading Sdn Bhd ("Zenith") for the supply of one(1) lot of Valves and other accessories to Zenith for Putrajaya project at Lot 4G3 and Lot 4G4 for a consideration of RM624,023 to be supplied by 30 March 2003. Under the terms of the purchase order, M&C(M) is to provide a twenty-four(24) months warranty period against any manufacturing defects;
- (ix) Letter of award dated 8 January 2003 between Projek Hospital Temerloh Sdn Bhd and M&C(M) for the design, construction, equipping and commissioning and maintenance of the BAS for Temerloh Hospital in Pahang for a consideration of RM2,065,000 to be completed by 7 September 2004. Under the terms of the letter of award, M&C(M) is to provide a performance bond equivalent to 5% of the contractual sum and the defect liability period is twenty-four(24) months upon completion;
- (x) Letter of award dated 21 October 2002 between TAJUL LandArt and GGLN in relation to landscape works at Sunway Damansara Section 11 for a consideration of RM1,141,551.70 to be completed in stages, Parcel 1B by 29 November 2002, Parcel 1C by 7 October 2003 and Parcel 1A by 6 December 2003. In accordance to the terms and condition of the letter of award, GGLN is to provide maintenance work for a period of twelve(12) months from the date of certificate of practical completion and it is also liable for loss of plants through vandalism, theft and damages by persons working on the site;
- (xi) Letter of acceptance of Tender dated 7 October 2002 between the Government, JKR Malaysia and AWFM to manage and operate the Federal Government quarters. AWFM is liable for and shall indemnify the Government against any damage, loss in respect of personal injury or death arising out of or in the course of execution of the services provided that the damage or loss is due to negligence, omission or breach of contract by AWFM or persons for whom AWFM is responsible. Indemnities given by AWFM shall not be defeated or reduced by reason of negligence of the Government in failing to supervise AWFM's work methods or to ensure proper performance;
- (xii) A sub-contract letter of award to KPSB dated 30 August 2002 from PJISB to supply, deliver, install, test and commission low voltage installation for the Ambulatory Care Centre at Tengku Ampuan Rahimah Hospital for a consideration of RM4,370,000. There is also a maintenance period of 24 months from the date of handing over of site;
- (xiii) An agreement dated 10 June 2002 between the Universiti Teknologi Malaysia ("UTM") and AWFM for inspection, servicing, corrective and breakdown maintenance of air-conditioning service in UTM, Skudai Johor. Under the agreement, AWFM is to provide a performance bond of RM60,024.15 per annum and it is also required to take up a public liability policy for a sum of up to RM250,000;

**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

- (xiv) Sub-contract dated 15 May 2002 between Grandprop Sdn Bhd and GGLN in relation to landscape works for the housing estate at Bandar Mahkota Cheras at the contract sum of RM950,000. GGLN is to provide a guarantee for a period of nine(9) months from the date of completion that the species, colour and variety of all plants material are as specified in the contract. In addition, GGLN also guaranteed the whole of the installation against defects, weakness, deterioration, defective of all hard landscape materials or workmanship for a period of twelve(12) months from the date of practical completion of the works. This project has been completed;
- (xv) Distributorship agreement between Zoysian (Malaysia) Sdn Bhd and GGLN granted to GGLN by a letter dated 22 August 2001 making GGLN exclusive distributors for Zoysian in the Selangor and Wilayah Persekutuan area;
- (xvi) Sub-contract dated 31 March 2001 between Dragages Singapore Pte Ltd ("Contractor") and M&C(S) ("Sub-Contractor") for the design, supply, delivery, installation, testing, commissioning and maintenance of the HAS for the Equatorial Condominium Project ("sub-contract works");
- (xvii) Distribution Agreement dated 5 March 2001 between Lutron Electronics Co Inc (USA) ("Manufacturer") and M&C(S) ("Distributor") for the distribution of Grafik Eye Products in Singapore. The duration of the Agreement is two years from the date of the Agreement;
- (xviii) Distribution Agreement dated 1 February 2002 between OKM Valve (M) Sdn Bhd ("the Company") and M&C(M) ("the Distributor") for the sole and exclusive distribution of OKM range of butterfly valves (seven models) in the air conditioning & building services industry in Malaysia. The duration of the distribution agreement shall commence on the date of the agreement and shall be renewed for one year;
- (xix) Distribution Agreement dated 1 January 2001 between TAC Control Pte Ltd (Singapore) ("the Manufacturer") and M&C(M) ("the Distributor") for the distribution of building management systems in Malaysia. The distribution agreement is subject to yearly review;
- (xx) Distribution Agreement dated 1 January 2001 between TAC Control Pte Ltd (Singapore) ("the Manufacturer") and M&C(S) ("the Distributor") for the distribution of building management systems in Singapore. The distribution agreement is subject to yearly review;
- (xxi) Distribution Agreement dated 1 January 2001 entered between United Straits M&E Sdn Bhd ("the Manufacturer") and M&C(M) ("the Distributor") for the exclusive distribution of M&E Fire Dampers and Motorised Fire Dampers in Malaysia, Brunei and others;
- (xxii) Maintenance Contract dated 31 May 2000 between AWSB and AWFM for the engagement of the services of AWFM in respect of the management, maintenance, upkeep and support services of a government complex located in the Southern Zone, which comprises all the buildings and the compound area within and inclusive of the security fencing and to provide the same services in full compliance with the terms and conditions therein in consideration of a monthly maintenance fee payable by AWSB to AWFM;
- (xxiii) Distribution Agreement dated 1 January 2000 entered between IMI Indoor Climate AB (Sweden)(formerly known as TA Hydronics AB (Sweden)) ("the Manufacturer") and M&C(M) ("the Distributor") for the exclusive distribution of balancing valves & accessories in Malaysia. The distribution agreement is subject to yearly review; and
- (xxiv) Distribution Agreement dated 1 January 2000 entered between IMI Indoor Climate AB (Sweden)(formerly known as TA Hydronics AB (Sweden)) ("the Manufacturer") and M&C(S) ("the Distributor") for the exclusive distribution of balancing valves & accessories in Singapore. The distribution agreement is subject to yearly review.

**11. STATUTORY AND GENERAL INFORMATION (Cont'd)****11.7 Material Litigation**

Neither AWC nor any of its Subsidiaries is engaged in any material litigation, either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position or the business of the Company or any of its Subsidiaries.

**11.8 Public Take-Over Offers**

During the last financial year and the current financial year, there were:-

- (i) No public take-over offers by third parties in respect of the Company and its subsidiaries' shares.
- (ii) No public take-over offers by the AWC Group in respect of other companies' shares.

**11.9 Consents**

- (i). The consent of the Adviser and Managing Underwriter, Underwriters, Solicitors, Principal Bankers, Registrars, Company Secretary and Issuing House to the inclusion in this Prospectus of their names in the context and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The consent of the Auditors and Reporting Accountants for the inclusion in this Prospectus of their name, letters on the estimate and forecast consolidated financial results for the financial year ended 30 June 2003 and financial year ending 30 June 2004 was and on the proforma consolidated balance sheets as at 31 March 2003 and the Accountants' Report in the manner and form in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

**11.10 Documents for Inspection**

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

- (i) Memorandum and Articles of Association of AWC Group;
- (ii) Directors' Report and Accountants' Report as included herein;
- (iii) Auditors' Letters on the estimate and forecast consolidated financial results for the financial year ended 30 June 2003 and financial year ending 30 June 2004 and proforma consolidated balance sheets as at 31 March 2003 of AWC as included herein;
- (iv) The audited accounts of AWC for the past one(1) financial year ended 30 June 2002 and three(3)-months period ended 31 March 2003;
- (v) The audited accounts of AWSB for the past five(5) financial years ended 31 January 2003;
- (vi) The audited accounts of AWFM for the past three(3) financial years ended 31 December 2002 and financial period from 1 January 2003 to 31 March 2003;
- (vii) The audited accounts of M&C(M) for the past five(5) financial years ended 31 December 2002 and financial period from 1 January 2003 to 31 March 2003;
- (viii) The audited accounts of M&C(S) for the past five(5) financial years ended 31 December 2002 and financial period from 1 January 2003 to 31 March 2003;

**11. STATUTORY AND GENERAL INFORMATION (Cont'd)**

- (ix) The audited accounts of GGLN for the past five(5) financial years ended 31 December 2002 and financial period from 1 January 2003 to 31 March 2003;
- (x) The audited accounts of KPSB for the past five(5) financial years ended 30 June 2002 and financials period from 1 July 2002 to 31 December 2002 and 1 January 2003 to 31 March 2003;
- (xi) The material contracts referred to under Section 11.5 above;
- (xii) The material agreements referred to under Section 11.6 above; and
- (xiii) The letters of consent referred to under Section 11.9 above.

**11.11 Responsibility Statements**

- (i) AmMerchant Bank Berhad acknowledges that, to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts about the Restricted Offer for Subscription and the Offer for Subscription and the AWC Group, and is satisfied that the consolidated profit forecast (for which the Directors of the Company are solely responsible) has been stated by the Directors of the Company after due and careful inquiry.
- (ii) This Prospectus has been seen and approved by the Directors and promoters of the Company, 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 the omission of which would make any statement herein false or misleading. The directors hereby accept full responsibility for the profit estimate/forecast included in this prospectus and confirm that the profit estimate/forecast have been prepared based on assumptions made.

**[The rest of this page is intentionally left blank]**