
15. STATUTORY AND OTHER INFORMATION

15.1 Share Capital

- (i) Save for the new Mithril Shares to be issued in the event of the conversion of the RCSLS, ICULS, RCULS and ICCPS, and the exercise of the Warrants B, no shares will be allotted or issued on the basis of this Prospectus later than twelve (12) months after the date of the issue of this Prospectus.
- (ii) There are no founder, management or deferred shares in the Company. There are two (2) classes of shares in the Company, namely ordinary shares of RM1.00 each, all of which rank pari passu with one another and the irredeemable convertible cumulative preference shares, all of which rank in priority to the ordinary shares of RM1.00 each, in respect of return of capital on liquidation or otherwise for the par value of the irredeemable convertible cumulative preference shares plus any arrears in dividends, whether declared or not, provided that there shall be no further rights to participate in the surplus assets of the Company.
- (iii) Save as disclosed in Sections 3.6.3, 3.7, 5.2, 5.3 and the new Mithril Shares to be issued pursuant to the ESOS, no shares, debentures, warrants, options, convertible securities or uncalled capital of Mithril and its subsidiary companies have been issued or are proposed to be issued as fully or partly paid-up in cash or otherwise, within the two (2) years proceeding the date of this Prospectus.
- (iv) Save for the ESOS for eligible directors and employees of the Mithril group, there is currently no other scheme for or involving the directors and employees of the Mithril Group in the share capital of the Company or its subsidiary companies.
- (v) Save for the RCSLS, ICULS and RCULS as disclosed in Section 5.3 of this Prospectus, the Mithril Group will not be issuing any other convertible debt securities pursuant to the Restructuring Exercise.

15.2 Articles of Association

The following provisions are reproduced from the Company's Articles of Association which comply with the Listing Requirements of MSEP:

15.2.1 Transfer of Securities

The provisions of the Company's Article of Association in respect of the arrangements for transfer of the securities and restrictions on their free transferability are as follows:

(i) Articles of Association of the Company***Article 23 – Transfer of securities***

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

15. STATUTORY AND OTHER INFORMATION (Cont'd)

(ii) Companies Act, 1965

The provisions within the Act on the transferability of securities are as follows:

Section 103 – Instrument of transfer

- (1) Notwithstanding anything in its articles a company shall not register a transfer of shares or debentures unless a proper instrument of transfer in the prescribed form has been delivered to the company, but this subsection shall not prejudice any power to register as a shareholder or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.
- (1A) Nothing in this section shall be construed as affecting the validity of any instrument which would be effective to transfer shares or debentures apart from this section; and any instrument purporting to be made in any form which was common or usual in use, or in any other form authorised or required for that purpose apart from this section before the commencement of this Act, shall be sufficient, whether or not it is completed in accordance with the prescribed form, if it complies with the requirements as to execution and contents which apply to a transfer.

Provided that a company shall be precluded from registering a transfer of shares or debentures, the title of which is evidenced by a certificate that is issued on or after the date of coming into operation of this subsection unless a proper instrument of transfer in the prescribed form has been delivered to the company.

Section 107C – Transfer of securities is by way of book entry

- (1) On or after the coming into operation of this section, the transfer of any securities or class of securities of a company whose securities or any class of whose securities have been deposited with a central depository shall be by way of book entry by the central depository in accordance with the rules of the central depository and, notwithstanding Sections 103 and 104, such company shall be precluded from registering and effecting any transfer of securities.
- (2) Subsection (1) shall not apply to a transfer of securities to a central depository or its nominee company.

(iii) Rules of MCD

The Rules of MCD on the transferability of securities are as follows:

Rule 8.01 (2) – Rejection of transfer

The Central Depository may, in its absolute discretion, reject a transfer request made by a depositor thereunder, where the reason for the said transfer does not fall within any of the approved reasons stipulated under Rule 8.03(1)(c).

15. STATUTORY AND OTHER INFORMATION (Cont'd)

Rule 8.05A – Transfer from the principal or nominee account

Transfers made by the authorised depository agent from the agent's principal or nominee account shall be subject to the Rules in this Chapter.

Rule 9.03(2) – Documents to lodge

It shall be the responsibility of the authorised depository agent, in processing the transfer between two securities accounts belonging to different depositors (hereinafter the transfer is referred to as "the inter-account transfer"), to check and ensure the completeness, accuracy and/or genuineness of the documents lodged as follows:

- (a) the prescribed Form FTF010 (request for ordinary transfer of securities form) or Form FTF015 (request for express transfer of securities form) fully and properly completed in triplicate;
- (b) the Transferring Depositor has executed the Transferor portion on the said form duly witnessed by another person (other than the depositor's spouse);
- (c) the Transferring Depositor has stated his reason for the transfer and that the reason is or are amongst any of the approved reasons as stated herein below:
 - (i) transmission and transfer of securities arising from the provisions of any written law or an order of court of competent jurisdiction;
 - (ii) rectification of errors;
 - (iii) pledge, charge or mortgage;
 - (iv) mandatory offer pursuant to the provisions of the Malaysian Code on Take-Overs and Mergers 1998;
 - (v) any other circumstances as deemed fit by the Central Depository after consultation with the Securities Commission;
- (d) documents to support the reason for the transfer; and
- (e) such other accompanying documents duly processed in such manner as the Central Depository may from time to time determine in its Procedures Manual.

15. STATUTORY AND OTHER INFORMATION (Cont'd)**(iv) Listing Requirements of MSEB**

The provisions of the Listing Requirements of MSEB on the transferability of securities are as follows:

Clause 7.13 – Transfers of securities

The transfer of any securities or class of securities of the company, shall be by way of book entry by the Central Depository in accordance with the Rules of the Central Depository and, notwithstanding Sections 103 and 104 of the Companies Act, 1965, but subject to subsection 107C(2) of the Companies Act, 1965 and any exemption that may be made from compliance with subsection 107C(1) of the Companies Act, 1965, the company shall be precluded from registering and effecting any transfer of securities.

Clause 7.14 – Transmission of securities from Foreign Register

(1) Where:

- (a) the securities of a company are listed on an Approved Market Place; and
- (b) such company is exempted from compliance with Section 14 of the Securities Industry (Central Depositories) Act, 1991 or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules of the Central Depository in respect of such securities,

such company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the company in the jurisdiction of the Approved Market Place (hereinafter referred to as "the Foreign Register"), to the register of holders maintained by the registrar of the company in Malaysia (hereinafter referred to as "the Malaysian Register") provided that there shall be no change in the ownership of such securities.

(2) For the avoidance of doubt, no company which fulfils the requirements of subparagraphs (1)(a) and (b) above shall allow any transmission of securities from the Malaysian Register into the Foreign Register.

15.2.2 Remuneration of Directors

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

Article 84 – Remuneration of Directors

- (a) The remuneration of the Directors shall from time to time be determined by the Company in General Meeting. That remuneration shall be deemed to accrue from day to day. Remuneration paid by the Company to the alternate shall be deducted from the Director nominating him. 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 and General Meeting of the Company or in connection with the business of the Company.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

- (b) Fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover.
- (c) Salaries payable to executive Directors may not include a commission on or percentage of turnover.

Article 85 – Increase in Directors' fees

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.

Article 86 – Remunerations for extra services

If any Director being willing and having been called upon to do so by the other Directors shall render or perform special or extraordinary services or travel or reside abroad for any business or purposes on behalf of the Company, he shall be entitled to receive such sum as the Directors may think fit for expenses and also such remuneration as the Directors may think fit, either as a fixed sum or as percentage of profits or otherwise but not a commission on or percentage of turnover and such remuneration may, as the directors shall determine, be either in addition to or in substitution for any other remuneration he may be entitled to receive, and the same shall be charged as part of the ordinary working expenses of the Company.

15.2.3 Voting and Borrowing Power of Directors

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

Article 91 – Power of Director to borrow and issue debenture

- (a) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge any of the Company or the subsidiaries 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 a related third party only.
- (b) In accordance with Section 132C of the Act and Chapter 10 of the Listing Requirements of MSEB, the Directors shall not acquire or dispose of an undertaking or property of a substantial value or dispose of a substantial portion of the Company's main undertaking or property without the approval of the Company in General Meeting.

Article 101 – Chairman casting vote

Subject to these Articles questions arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes the Chairman of the meeting shall have a second or casting vote except where only two Directors are competent to vote on the question at issue, or are the quorum present at the meeting.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

Article 103 – Directors' interest

A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has directly or indirectly a personal interest.

Article 105 – Directors' interest

A Director may vote and be counted in a quorum at a meeting 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.

15.2.4 Changes in Capital and Variation of Class Rights

The provisions in the Company's Articles of Association of the Company as to changes in the share capital and variation of class rights, which are as stringent than those required by law, are as follows:

Article 4 – Power to issue shares

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, but subject to the Act and to these Articles, shares in the Company may be issued by the Directors and any such shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Directors, subject to any ordinary resolution of the Company, determine. No shares shall be issued at a discount except in compliance with the provisions of the Act.

Provided that:

- (a) The Company shall not issue any shares which will have the effect of giving a controlling interest to any person, company or syndicate without prior approval of shareholders in General Meeting.
- (b) Every issue of shares or options to employees and/or directors shall be approved by shareholders in general meeting and such approval shall specifically detail the amount of shares or options to be issued to each Director. Only Directors holding office in an executive capacity shall participate in such an issue of shares. However, non-executive Directors may subscribe for shares issued or offered pursuant to a public issue as public offer.
- (c) The total nominal value of issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time.
- (d) The rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

- (e) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith but in no respect in priority thereto.
- (f) Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports, audited accounts, balance sheets, and attending General Meeting of the Company but shall not have the right to vote at the said meetings save for the purposes of reducing the share capital of the Company, or proposal to wind up the Company or during the winding up of the Company or sanctioning a sale of the whole of the Company's property, business and undertaking of the Company or where the proposition to be submitted to the meeting directly affects their rights and privileges attached to the share, or when the dividend on the preferences shares is in arrears and remain unpaid for a period of more than six (6) months.
- (g) The Company must ensure that all new issues of securities for which listing is sought are made by way of crediting the securities accounts of the allottees with such securities save and except where it is specifically exempted from compliance with Section 38 of the SICDA in which event it shall so similarly be exempted from compliance with this requirement. For this purpose, the Company must notify the Central Depository of the names of the allottees and all such particulars required by the Central Depository to enable the Central Depository to make the appropriate entries in the securities accounts of such allottees.
- (h) Subject to the provisions of the Act and the requirements of the Stock Exchange and/or any other relevant authority, the Company may purchase its own shares. Any ordinary shares in the Company so purchased by the Company shall be dealt with as provided by the provisions of the Act and the requirements of the Stock Exchange and/or any other relevant authority.
- (i) The preference shareholders shall be entitled to a return of capital in preference to holders of ordinary shareholders when the Company is wound up.

Article 7 – Modification of rights of different classes of shares

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths 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 the class. To every such separate General Meeting the provisions of these Articles relating to the 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 of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. PROVIDED ALWAYS that where the necessary majority is not obtained at the meeting, consent in writing if obtained from members holding at least three-fourth (3/4) of the issued shares of that class within two (2) months from the date of the separate general meeting shall have the force and validity of a resolution duly carried by vote in person or by proxy. The special rights attached to any class of shares having preferential rights shall not unless expressly provided by the terms of issue thereof 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 all respect *pari passu* therewith but in no respect in priority thereto. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

15.3 Directors and Substantial Shareholders

- (i) The names, addresses and professions of the Directors of the Company are set out in Section 1 of this Prospectus;
- (ii) A Directors of the Company is not required to hold any qualification shares in the Company unless otherwise so fixed by the Company at General Meeting;
- (iii) The direct and indirect interests of the Substantial Shareholders of Mithril in the Company after the Rights Issue, the RCSLS Issue and the ICULS Issue are set out in Section 7.2 of this Prospectus;
- (iv) The direct and indirect interests of the Directors in the Company after the Rights Issue, the RCSLS Issue and the ICULS Issue are set out in Section 7.3 of this Prospectus;
- (v) None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in any business carrying on a similar trade as that of Mithril and/or its subsidiaries;
- (vi) Save as disclosed in this Prospectus, none of the Directors are aware of any material information including trading factors or risks which is unlikely to be known or anticipated by the general public and which could materially affect the profits of Mithril and its subsidiaries;
- (vii) Save as disclosed in this Prospectus, none of the Directors or Substantial Shareholders of Mithril have any interest in any contract or arrangement which is significant in relation to the business of the Mithril Group subsisting at the date to the Mithril Group;
- (viii) Save as disclosed in this Prospectus, none of the Directors or Substantial Shareholders of Mithril have any interest, direct or indirect, in the promotion of, or in any material assets, within the two (2) years preceding the date of this Prospectus, acquired or disposed of by or leased to, or proposed to be acquired or disposed of by or leased to the Mithril;
- (ix) No option to subscribe for securities of the Company or any of its subsidiaries was granted to or exercised by any Directors during the last financial year;
- (x) Save as disclosed in Section 7.1 of this Prospectus, the Directors are not aware of any persons who are able, directly and indirectly, jointly or severally, to exercise control over the Company;
- (xi) No Director, key management personnel, key technical personnel or senior executive officer of the Group is or has been involved in any of the following events (whether in or outside Malaysia):
 - (a) a petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he is or was a partner or any corporation of which he is or was a director or key personnel;
 - (b) conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; and
 - (c) the subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or governmental body temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

15.4 General

- (i) The nature of Mithril Group's business is described in Section 5.5 of this Prospectus. Other than mentioned in Section 5.4 of this Prospectus, there is no corporation which is deemed to be related to Mithril by virtue of Section 6 of the Act.
- (ii) The underwriting fees payable for the Rights Issue, the RCSLS Issue and the ICULS Issue, the cost of the Acquisitions of MAAKK 1, MAA Kuching and Saferay of approximately RM133 million and the estimated listing expenses of approximately RM3.0 million will be borne by the Company.
- (iii) Save as disclosed in (ii) above, no commissions, discounts, brokerages or other special terms have been paid or is payable by the Company or its subsidiaries within two (2) years immediately preceding the date of this Prospectus in connection with the issue or sale of any capital of the Company or its subsidiary companies.
- (iv) During the last financial year and the current financial year up to the date of this Prospectus, there were no:
 - a. public takeover offers by third parties in respect of the Company's shares; and
 - b. public takeover offers by the Company in respect of other companies shares.
- (v) The name and address of the Auditors and Reporting Accountants of the Company are set out in Section 1 of this Prospectus.
- (vi) No amount or benefit has been paid or given within the two (2) preceding years of the date hereof, nor is it intended to be so paid or given, to any promoter.
- (vii) Save as disclosed in this Prospectus, the financial performance, position and operations of Mithril and its subsidiaries are not affected by any of the following:
 - a. known trends, demands, commitments, events or uncertainties that have had or that the Mithril Group reasonably expects to have, a material favourable or unfavourable impact on the financial performance, position and operations of the Group;
 - b. other materials commitments for capital expenditure;
 - c. unusual or infrequent events or transaction or any significant economic changes that have materially affected the financial performance, position and operations of the Group; and
 - d. known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.
- (viii) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 16 of this Prospectus.
- (ix) The date and time of the opening of the Application Lists of the Rights Issue, the RCSLS Issue and the ICULS Issue is set out in Section 16.1 of this Prospectus.
- (x) The Rights Issue is allotted on the basis of forty (40) Rights Shares for every one (1) Mithril Share held after the Scheme of Arrangement at an entitlement date which is at 5.00pm on 11 March 2004. The Mithril Shares issued pursuant to the Debt Settlement are not entitled to the Rights Issue.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

Should any fractional entitlement arise from the Rights Issue, it will be dealt with, in such manner as the Directors in their absolute discretion think expedient and in the interest of the Company.

(xi) The details of the Substantial Shareholders and Directors of Mithril and their shareholdings in Mithril are as follows:

Name	Nationality / Place of Incorporation	Shareholdings before the Rights Issue, the RCCLS Issue and the ICULS Issue		Shareholdings after the Rights Issue, the RCCLS Issue and the ICULS Issue					
		Direct No. of Mithril Shares held (‘000)	%	Indirect No. of Mithril Shares held (‘000)	%	No. of Mithril Shares held (‘000)	%		
MAAH	Malaysia	35,258	45.45	6,714 ¹	8.65	35,258	45.45	6,714 ¹	8.65
MAA	Malaysia	3,879	5.00	-	-	3,879	5.00	-	-
Pengurusan Danaharta Nasional Berhad	Malaysia	13,480	17.38	-	-	13,480	17.38	-	-
Y.M. Tunku Yahaya @ Yahya bin Tunku Abdullah	Malaysian	-	-	41,972 ²	54.10	-	-	41,972 ²	54.10
Yeoh Hong Hwang	Malaysian	-	-	-	-	-	-	-	-
Razman Hafidz bin Abu Zarim	Malaysian	-	-	-	-	-	-	-	-
Yeo Took Keat	Malaysian	-	-	-	-	-	-	-	-
Dato' Narayanan S/O K.S.A. Narayanan	Malaysian	-	-	-	-	-	-	-	-
Alan Hamzah Sendut	Malaysian	-	-	-	-	-	-	-	-

Notes:

1. Indirect interest held through subsidiary companies, namely MAA and MAA Credit.
2. Indirect interest held through MAAH, MAA and MAA Credit.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

- (xii) Save for the Rights Issue, the shares to be issued pursuant to the conversion of the RCSLS, ICULS, RCULS and ICCPS, the shares to be issued pursuant to the exercise of the Warrants B and the shares to be issued pursuant to the ESOS scheme, there is no intention on the part of the Directors of Mithril to issue any part of the authorised but unissued share capital of Mithril as at the date of this Prospectus.
- (xiii) The SC had vide its letter dated 24 December 2002, approved the ESOS scheme of Mithril Berhad, whereby the Company is allowed to allot up to 10% of the issued and paid-up share capital of Mithril at any one point in time during the existence of the ESOS scheme.

15.5 Material Contracts**Mithril**

Save as disclosed below, Mithril and its subsidiary companies have not entered into any material contracts (not being contracts entered into in the ordinary course of business) for the two (2) years immediately preceding the date of this Prospectus:

- (i) On 20 March 2002, a Supplemental Joint Venture Agreement was entered into between Majlis Bandaraya Johor Baru ("MBJB") and Tetap Kurnia Sdn Bhd ("TKSB"), (a wholly owned subsidiary of Tajo) to vary certain terms in the Privatisation Agreement entered into by the same parties on 30 April 1992. The Supplemental Joint Venture Agreement also notes the release of Bumiputra allocation units to be sold to the public. Vacant possession of 7 (seven) units of these lots will be delivered to MBJB as part of the final settlement by TKSB to MBJB;
- (ii) Sale and purchase agreement dated 7 June 2002 entered into between Mr. Ong Kah Huat and Mr. Cheong Chee Yun, Tajo and Mithril, whereby Mithril will acquire the entire shareholdings of Saferay comprising of 1,200,000 ordinary shares for a consideration of RM48,000,000. The RM48,000,000 will be satisfied in the following manner:
- (a) RM17,500,000 in cash; and
- (b) RM30,500,000 in redeemable convertible unsecured loan stocks;
- (iii) Sale and purchase agreement dated 7 June 2002 entered into between MAA, Tajo and Mithril, whereby Mithril will acquire 29 subsidiary parcels of commercial/office space together with 195 units of basement carpark bays located within a 11-storey office building with 3-basement carpark known as "Menara MAA" located in Kota Kinabalu for a cash consideration of RM70,000,000. The acquisition will form an integral part of Tajo's Proposed Restructuring Exercise;
- (iv) Sale and purchase agreement dated 7 June 2002 entered into between MAA, Tajo and Mithril, whereby Mithril will acquire 8 subsidiary parcels of commercial/office space forming part of a 11-storey office building with basement carpark and open-air carpark known as "Menara MAA" located in Kuching for a cash consideration of RM23,100,000. The acquisition will form an integral part of Tajo's Proposed Restructuring Exercise;
- (v) Sale and purchase agreement dated 7 June 2002 entered into between MAA, Tajo and Mithril, whereby Mithril will acquire 5 pieces of freehold land together with a 13-storey office building erected upon known as "Menara MAA" located in Penang for a cash consideration of RM47,300,000. The acquisition will form an integral part of Tajo's Proposed Restructuring Exercise;
- (vi) Sale and purchase agreement dated 7 June 2002 entered into between Tokojaya, Tajo and Mithril, whereby Mithril will acquire 16 subsidiary parcels of commercial/office space together with 47 units of basement carpark bays located within a 11-storey office building with 3-basement carpark known as "Menara MAA" located in Kota Kinabalu for RM14,500,000. The RM14,500,000 will be satisfied in the following manner:
- (a) RM10,000,000 in Mithril Shares; and
- (b) RM4,500,000 in redeemable convertible unsecured loan stocks;

15. STATUTORY AND OTHER INFORMATION (Cont'd)

- (vii) Supplemental agreement dated 9 August 2002 entered into between MAA, Tajo and Mithril, whereby the Vendor extends the fixed term lease period from 3 years, in the sale and purchase agreement for MAAKK 1, dated 7 June 2002, to 5 years, with an option to renew;
- (viii) Supplemental agreement dated 9 August 2002 entered into between MAA, Tajo and Mithril, whereby the Vendor extends the fixed term lease period from 3 years, in the sale and purchase agreement for MAA Kuching, dated 7 June 2002, to 5 years, with an option to renew;
- (ix) Supplemental agreement dated 9 August 2002 entered into between Tokojaya, Tajo and Mithril, whereby the Vendor agrees to provide security for the total rental of 3 years. The security provided totals to RM3,480,000 for 3 years. This agreement is supplemental to Sale and Purchase Agreement for MAAKK2 dated 7 June 2002; and
- (x) Supplemental agreement dated 9 August 2002 entered into between MAA, Tajo and Mithril, whereby the vendor extends the fixed term lease period from 3 years, in the sale and purchase agreement for MAA Penang, dated 7 June 2002, to 5 years, with an option to renew.
- (xi) Debt Settlement and Restructuring Agreement dated 30 September 2003 entered into between the Scheme Creditors, Tajo and Mithril, whereby the Scheme Creditors agree to participate in the Debt Settlement of Tajo;
- (xii) Trust Deed dated 16 February 2004 entered into between Mithril and the Trustee to constitute the RCSLS;
- (xiii) Trust Deed dated 16 February 2004 entered into between Mithril and the Trustee to constitute the ICULS;
- (xiv) Trust Deed dated 25 February 2004 entered into between Mithril and the Trustee to constitute the RCULS as purchase consideration for the proposed acquisition of Saferay;
- (xv) Deed of Assignment dated 25 February 2004 entered into between MAA and Mithril, whereby MAA assigned absolutely all its rights, title, interests and benefit in and to 29 subsidiary parcels of commercial/office space together with 195 units of basement carpark bays within a 11-storey office building with 3 basement carpark known as Menara MAA located in Kota Kinabalu, to Mithril pursuant to the sale and purchase agreement dated 7 June 2002;
- (xvi) Security Deed of Assignment dated 25 February 2004 entered into between Mithril and the Trustee, whereby Mithril assigned absolutely all its rights, title, interests and benefit in and to all the subsidiary parcels of commercial/office space situated within 8 levels forming part a 12-level office building with an open air carpark known as Menara MAA located in Kuching, to the Trustee as security for the repayment of the amounts due under the RCSLS;
- (xvii) Security Deed of Assignment dated 25 February 2004 entered into between Mithril and the Trustee, whereby Mithril assigned absolutely all its rights, title, interests and benefit in and to 29 subsidiary parcels of commercial/office space together with 195 units of basement carpark bays within a 11-storey office building with 3 basement carpark known as Menara MAA located in Kota Kinabalu, to the Trustee as security for the repayment of the amounts due under the RCSLS;
- (xviii) Underwriting Agreement dated 16 February 2004 entered into between Mithril and MIDF Sisma Securities Sdn Bhd, whereby MIDF Sisma Securities Sdn Bhd have agreed to underwrite the RCSLS at an underwriting commission of 2.5% of the underwritten RCSLS ;
- (xix) Underwriting Agreement dated 16 February 2004 entered into between Mithril and MIDF Sisma Securities Sdn Bhd, whereby MIDF Sisma Securities Sdn Bhd have agreed to underwrite the ICULS at an underwriting commission of 2.5% of the underwritten ICULS
- (xx) Underwriting Agreement dated 16 February 2004 entered into between Mithril and Avenue Securities Sdn Bhd, whereby Avenue Securities Sdn Bhd has agreed to underwrite the Rights Shares at an underwriting commission of 2.5% of the underwritten Rights Shares;
- (xxi) Depository and Paying Agency Agreement dated 25 February 2004 entered into between Mithril, the Trustee, Bank Negara Malaysia and PMBB, whereby Mithril appoints Bank Negara Malaysia as the depository and paying agent for the RCULS

15. STATUTORY AND OTHER INFORMATION (Cont'd)

- (xxii) Deed Poll dated 18 December 2003 entered into by Mithril to constitute the issuance of Warrants A;
- (xxiii) Deed Poll dated 26 January 2004 entered into by Mithril to constitute the issuance of Warrants B;
- (xxiv) Lease Agreement dated 25 February 2004 entered into between Mithril and MAA, whereby Mithril agrees to lease to MAA 29 subsidiary parcels of commercial/office space together with 195 units of basement carpark bays within a 11-storey office building with 3 basement carpark known as Menara MAA located in Kota Kinabalu; and
- (xxv) Lease Agreement dated 25 February 2004 entered into between Mithril and MAA, whereby Mithril agrees to lease to MAA all the subsidiary parcels of commercial/office space situated within 8 levels forming part a 12-level office building with an open air carpark known as Menara MAA located in Kuching.

On 26 March 2003, it was announced that the vendors of MAA Penang and MAAKK 2 (which entered into agreements with Tajo/Mithril on 7 June 2002 and 9 August 2002 as mentioned in notes (v), (vi), (ix) and (x) above) have decided not to proceed with the injection of the said properties as part of the Proposed Restructuring Exercise.

Saferay

Saferay has not entered into any material contracts (not being contracts entered into in the ordinary course of business) for the two (2) years immediately preceding the date of this Prospectus.

15.6 Material Litigations**Mithril**

Save as disclosed below, Mithril and its subsidiary companies are not involved in any material litigations, claims or arbitration, either as plaintiff or defendant, and the Directors of Mithril do not know of any proceedings pending or threatened or of any material fact likely to give rise to any proceedings which may materially or adversely affect the position or business of Mithril and its subsidiary companies:

**(i) BSN Merchant Bank Berhad -vs- Tajo Berhad
Kuala Lumpur High Court Suit No. D1-22-716-1999**

BSN Merchant Bank Berhad ("BSN Merchant") ("Plaintiff") has commenced an action against Tajo ("Defendant") vide Civil Suit No. D1-22-716-1999 dated 17 March 1999 for the sum of RM5,231,114.92 plus interest.

This was a claim made against the Defendant based on a revolving credit that was granted by the Plaintiff vide their letter of offer dated 22 October 1996 for a principal amount of RM5,000,000.00.

A Memorandum of Appearance was filed by the solicitors acting for Tajo on 12 May 1999 and a summons-in-chambers was filed on 16 June 1999 for an application pursuant to Order 14 Rules of the High Court 1980 being an application for summary judgment. This application was fixed for hearing 2 November 1999.

However an application to amend the said application was made by the Plaintiff and order in terms was granted for the amendment. The hearing of the amended Order 14 application was fixed for 5 July 2000 which was postponed to 9 October 2000.

In the interim, BSN Merchant had vide its letter dated 1 July 2000 agreed to participate in Tajo's Proposed Debt Restructuring Scheme in which the amount due and owing to BSN Merchant shall be converted into loan stock and equity in Tajo.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

An order for extension of time to convene the Creditors meeting has been obtained by Tajo on 28 June 2000 at Kuala Lumpur High Court vide Originating Summons No. D2-2-346-99. The said order has been valid for 6 months and has expired on 2 October 2000 before which the creditors meeting was convened on 15 August 2000.

Tajo in its letter dated 16 August 2000 has confirmed that BSN Merchant has approved Tajo's Proposed Debt Restructuring Scheme.

An application for Stay of Proceedings via summons in chambers was been filed into court on 30 June 2000 for stay of the proceedings against Tajo by BSN Merchant and this application was fixed for hearing on 8 December 2000.

However, a Notice of Discontinuance has been filed in by the Plaintiff's solicitors on 7 September 2000 upon the instructions of the Plaintiff to withdraw all proceedings against the Defendant in view of the Plaintiff's acceptance of the Proposed Debt Restructuring Scheme. We are still awaiting the extraction of the sealed fair order of the same.

BSN Merchant vide their letter to Tajo dated 27 January 2003, agreed to participate in Proposed Restructuring Exercise which was submitted to the Securities Commission on 10 August 2002.

On 30 September 2003, BSN Merchant together with the Scheme Creditors of Tajo Group had entered into a Debt Settlement and Restructuring Agreement ("DSA") with Tajo and Mithril. The settlement date as per the DSA is no later than 31 March 2004. Based on this, there is no impending legal action that is foreseen against Tajo in this respect.

**(ii) HSBC Bank Malaysia Berhad –vs- Alpha Glow Sdn Bhd & Tajo Berhad
Kuala Lumpur High Court Suit No. D1-22-1020-1999**

Hong Kong Bank Malaysia Berhad ("HSBC") ("Plaintiff") has commenced an action against Alpha Glow Sdn Bhd ("AGSB") ("1st Defendant") and Tajo ("2nd Defendant") (collectively referred to as the "Defendants") vide Kuala Lumpur High Court Civil Suit No. D1-22-1020-1999.

The Writ of Summons and Statement of Claim has been filed against the Defendants on 12 April 1999 for two (2) bank loan facilities granted by HSBC to AGBS for the sum of RM735,428.74 and RM174,530.64. A memorandum of appearance was filed on 12 May 1999.

The claim made against 1st Defendant was pursuant to the letter of offer signed on 23 March 1998 as the principal borrower and the 2nd Defendant as the guarantor to this loan facility. The 1st Defendant is the subsidiary of the 2nd Defendant.

Accordingly, both parties have agreed to negotiate and pending the outcome of the negotiation. The solicitors for AGBS had applied to court to discharge themselves as solicitors and order in terms was granted on 29 January 2001. The order has been duly served on both parties. Parties are currently in negotiation on terms of settlement.

As to date, still awaiting for the outcome of the aforesaid negotiations.

HSBC vide their letter to Tajo dated 23 December 2002, had agreed to participate in the Proposed Restructuring Exercise which was submitted to the Securities Commission on 10 August 2002.

On 30 September 2003, HSBC together with the Scheme Creditors of Tajo Group had entered into a DSA with Tajo and Mithril. The settlement date as per the DSA is no later than 31 March 2004. Based on this, there is no impending legal action that is foreseen against Tajo in this respect.

15. STATUTORY AND OTHER INFORMATION (Cont'd)**(iii) Notice of Demand under Section 218 of the Companies Act 1965 for the sum of RM3,224,653.41 due and owing to AmBank Berhad as at 31/10/1998**

AmBank Berhad ("AmBank") has issued a letter of demand to Tajo on 17-11-1998 for the sum of RM3,224,653.41 being the amount due and owing by Tajo to AmBank pursuant to a Revolving Credit Facility by AmBank to Tajo. As to date there has been no legal action commenced against Tajo.

AmBank has vide its letter dated 25 October 1999 agreed to participate in Tajo's Proposed Debt Restructuring Scheme in which the amount due and owing to AmBank shall be converted into loan stock in Tajo.

Subsequently, on 25 September 2002 AmBank gave their approval-in-principle to participate in the revised Proposed Debt Restructuring Exercise of Tajo.

On 30 September 2003, AmBank together with the Scheme Creditors of Tajo Group had entered into a DSA with Tajo and Mithril. The settlement date as per the DSA is no later than 31 March 2004. Based on this, there is no impending legal action that is foreseen against Tajo in this respect.

(iv) Claim against Tajo Berhad by Pacific Bank Berhad

Pacific Bank Berhad ("PBB") has issued a letter of demand to Tajo on 5 May 1999 for the amount of RM210,861.07 recalling the overdraft facility granted by PBB to Tajo and also for the payment of the sum of RM262,000.00 being cash cover for the bank guarantee facility granted by PBB.

PBB has vide its letter dated 23 June 1999 agreed to participate in Tajo's Proposed Debt Restructuring Scheme in which the amount due and owing to PBB will be converted into loan stock and equity in Tajo.

On 9 October 2000, PBB has through its solicitors agreed to stay any legal action that has been commenced against Tajo until completion of the Proposed Scheme of Arrangement.

Subsequently to the above, PBB had merged with Malayan Banking Berhad ("Maybank"). On 7 October 2002 Maybank gave their approval-in-principle to participate in the revised Proposed Debt Restructuring Exercise of Tajo. The approval includes the debt owed by Tajo to PBB.

On 30 September 2003, PBB together with the Scheme Creditors of Tajo Group had entered into a DSA with Tajo and Mithril. The settlement date as per the DSA is no later than 31 March 2004. Based on this, there is no impending legal action that is foreseen against Tajo in this respect.

(v) Revolving Credit Facility of RM2,000,000-00 granted to Tajo Berhad by Bumiputra-Commerce Bank Berhad

Bumiputra-Commerce Bank Berhad (formerly known as Bank of Commerce (M) Berhad) ("BCB") has through its solicitors on 31 May 1999 issued a letter of demand to Tajo for the sum of RM2,086,037.85 being the sum due and owing by Tajo pursuant to the Revolving Credit Facility granted by BCBB.

No legal action has been commenced as yet pending the outcome of the Proposed Debt Restructuring Scheme. On 30 August 2000, BCBB has through its solicitors agreed not to pursue any legal proceedings against Tajo.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

Subsequently, on 28 December 2002 BCB gave their approval in principal to participate in the revised Proposed Debt Restructuring Exercise of Tajo.

On 30 September 2003, BCB together with the Scheme Creditors of Tajo Group had entered into a DSA with Tajo and Mithril. The settlement date as per the DSA is no later than 31 March 2004. Based on this, there is no impending legal action that is foreseen against Tajo in this respect.

(vi) Solicitors' Opinion

It is in the opinion of Tajo's Solicitors that the claims and/or the prospective claims that are made against Tajo have merit as it is mainly for credit facilities granted to Tajo and/or its subsidiaries. The parties thus far have managed to negotiate the claims made during the creditors meeting duly convened on 15 August 2000 and the Plaintiffs have expressed their willingness to settle this matter amicably by participating in the Proposed Debt Restructuring Scheme for the benefit of all parties concerned and are awaiting sanctioning of the same upon which Tajo would then be free from any legal implications.

Saferay

Saferay is not involved in any material litigations, claims or arbitration, either as plaintiff or defendant, and the Directors of Saferay do not know of any proceedings pending or threatened or of any material fact likely to give rise to any proceedings which may materially or adversely affect the position or business of Saferay.

15.7 Material Agreements**Mithril**

Mithril Group has not entered into any material agreements at the date of this Prospectus.

Saferay

Saferay has not entered into any material agreements at the date of this Prospectus.

15.8 Consents

- (i) The written consents of the Solicitors, Registrars, Issuing House, Adviser, Underwriters, Valuers, Rating Agency, Trustee and Principal Banker to the inclusion in this Prospectus of their name in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consent of the Reporting Accountants to the inclusion in this Prospectus of its names, Accountants' Report and Letters relating to the Consolidated Profit Forecast for the financial year ending 31 December 2004 and Proforma Consolidated Balance Sheets as at 30 September 2003 in the manner and form in which they are contained in this Prospectus has been given before the issue of this Prospectus and have not subsequently been withdrawn.

15.9 Documents for Inspection

Copies of the following documents will be available for inspection at the registered office of Mithril at Suite 17.05 (B), 17th Floor, Menara MAA, No. 12 Jalan Dewan Bahasa, 50460 Kuala Lumpur during normal business hours from Monday to Friday (except for public holidays) for a period of twelve (12) months from the date of this Prospectus:

- (i) Memorandum and Articles of Association of Mithril
- (ii) Memorandum and Articles of Association of Saferay;

15. STATUTORY AND OTHER INFORMATION (Cont'd)

- (iii) Audited financial statements of Mithril from date of incorporation (19 April 2002) to 30 September 2003;
- (iv) Audited financial statements of Tajo Group for the past five (5) years ended 31 December 2002 and the nine (9) months ended 30 September 2003;
- (v) Accountants' Report of Saferay for the past five (5) years ended 30 April 2003 and five (5) months ended 30 September 2003;
- (vi) Consolidated Profit Forecast of Mithril for the financial year ending 31 December 2004 together with the Auditors' Letter thereon;
- (vii) Proforma Consolidated Balance Sheets of Mithril as at 30 September 2003 together with the Auditors' Letter thereon;
- (viii) Directors' Report of Mithril;
- (ix) Directors' Report on Saferay;
- (x) The valuer's certificate;
- (xi) The valuation reports dated 30 May 2002 and 18 June 2002 prepared by Messrs. Firdaus & Associates in relation to the MAAKK 1 Acquisition and MAA Kuching Acquisition;
- (xii) Deed Poll on Warrants B;
- (xiii) Trust Deeds and security documents in relation to the ICULS, RCULS and RCSLS respectively;
- (xiv) The Underwriting Agreements in relation to the ICULS and RCSLS respectively;
- (xv) The letters of consent referred to in Section 15.7 of this Prospectus;
- (xvi) The material contracts referred to in Section 15.5 of this Prospectus; and
- (xvii) The writs and cause papers of material litigations referred to in Section 15.6 of this Prospectus.

15.10 Responsibility

PMBB acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue, the RCSLS Issue and the ICULS Issue and the Mithril Group and is satisfied that the consolidated profit forecast of the Mithril Group for the financial year ending 31 December 2004, for which the Directors of Mithril are solely responsible, prepared for inclusion in this Prospectus has been stated by the Directors of Mithril after due and careful enquiry and has been duly reviewed by the Reporting Accountants.

This Prospectus has been seen and approved by the Directors and promoters of Mithril and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.

The Directors of Mithril hereby accept full responsibility for the consolidated profit forecast included in this Prospectus and confirm that the consolidated profit forecast has been prepared based on assumptions made.