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EQUATOR LIFE SCIENCE BERHAD PROSPECTUS



SCIENCE
of LIFE



EQUATOR LIFE SCIENCE BERHAD PROSPECTUS

EQUATOR LIFE SCIENCE BERHAD (Company No: 640850-U)
(Incorporated in Malaysia under the Companies Act, 1965)

PUBLIC ISSUE OF 60,000,000 NEW ORDINARY SHARES OF RM0.10 EACH AT AN ISSUE PRICE OF RM0.50 PER SHARE PAYABLE IN FULL ON APPLICATION COMPRISING:

- 12,000,000 NEW ORDINARY SHARES OF RM0.10 EACH AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 6,000,000 NEW ORDINARY SHARES OF RM0.10 EACH AVAILABLE FOR APPLICATION BY ELIGIBLE DIRECTORS, EMPLOYEES, CUSTOMERS AND SUPPLIERS OF EQUATOR LIFE SCIENCE BERHAD AND ITS SUBSIDIARY COMPANIES; AND
- 42,000,000 NEW ORDINARY SHARES OF RM0.10 EACH AVAILABLE FOR PRIVATE PLACEMENT TO IDENTIFIED INVESTORS

IN CONJUNCTION WITH THE LISTING OF EQUATOR LIFE SCIENCE BERHAD ON THE MESDAQ MARKET OF BURSA MALAYSIA SECURITIES BERHAD (FORMERLY KNOWN AS MALAYSIA SECURITIES EXCHANGE BERHAD)

Adviser, Sponsor, Underwriter and Placement Agent



Avenue Securities Sdn Bhd (682-X)
(A Participating Organisation of Bursa Malaysia Securities Berhad)
(Wholly-Owned Subsidiary of Avenue Capital Resources Berhad)

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" IN SECTION 4.0 HEREOF

This Prospectus is dated 28 April 2005

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF EQUATOR LIFE SCIENCE BERHAD (640850-U) ("EQUATOR" OR "COMPANY") AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE AND/OR MISLEADING STATEMENTS OR OTHER FACTS, THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE AND/OR MISLEADING. THE DIRECTORS HEREBY ACCEPT FULL RESPONSIBILITY FOR THE PROFIT ESTIMATE INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE PROFIT ESTIMATE HAS BEEN PREPARED BASED ON ASSUMPTIONS MADE.

AVENUE SECURITIES SDN BHD (682-X), BEING THE ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT 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 PUBLIC ISSUE OF 60,000,000 NEW ORDINARY SHARES OF RM0.10 EACH IN EQUATOR ("EQUATOR SHARES") AT AN ISSUE PRICE OF RM0.50 PER SHARE ("PUBLIC ISSUE") AND IS SATISFIED THAT ANY PROFIT ESTIMATE (FOR WHICH THE DIRECTORS OF THE COMPANY ARE FULLY RESPONSIBLE), PREPARED FOR INCLUSION IN THIS PROSPECTUS HAS BEEN STATED BY THE DIRECTORS AFTER DUE AND CAREFUL ENQUIRY AND HAS BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

BURSA MALAYSIA SECURITIES BERHAD (FORMERLY KNOWN AS MALAYSIA SECURITIES EXCHANGE BERHAD) ("BURSA SECURITIES") AND THE SECURITIES COMMISSION ("SC") HAVE APPROVED THE PUBLIC ISSUE AND THEIR APPROVALS SHALL NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES AND SC RECOMMEND THE PUBLIC ISSUE.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS. MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

BURSA SECURITIES SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS CORRECTNESS OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE COMPANY OR OF ITS ORDINARY SHARES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE APPLICATION FORM, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANY WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

THE COMPANY IS CLASSIFIED AS SYARIAH-APPROVED BY THE SYARIAH ADVISORY COUNCIL ("SAC") OF THE SC BASED ON THE LATEST 12-MONTH AUDITED FINANCIAL YEAR AND REMAINS VALID FROM THE DATE OF THE ISSUANCE OF THE PROSPECTUS UNTIL THE NEXT SYARIAH COMPLIANCE REVIEW IS UNDERTAKEN BY THE SAC OF THE SC, AND THE NEW STATUS IS RELEASED IN THE UPDATED LIST OF SYARIAH APPROVED SECURITIES EITHER ON THE LAST FRIDAY OF THE MONTH OF APRIL OR OCTOBER.

THE SYARIAH STATUS FOR THIS COMPANY CANNOT BE USED FOR OTHER FUND-RAISING ACTIVITIES.

CHARACTERISTICS OF THE MESDAQ MARKET OF BURSA SECURITIES:

INVESTORS SHOULD BE AWARE THAT MESDAQ IS A DISTINCT MARKET FROM THE MAIN AND SECOND BOARDS IN MANY RESPECTS. IN PARTICULAR, COMPANIES LISTED ON MESDAQ ARE SUBJECT TO DIFFERENT QUANTITATIVE AND QUALITATIVE REQUIREMENTS, WHICH HAVE BEEN PRIMARILY DESIGNED TO ACCOMMODATE HIGH-GROWTH AND/OR TECHNOLOGY COMPANIES.

COMPANIES THAT ARE LISTED ON MESDAQ MAY NOT HAVE AN OPERATING HISTORY OR ANY PROFIT RECORD PRIOR TO LISTING. AS SUCH, WHILE POTENTIAL INVESTMENT RETURNS MAY BE RELATIVELY HIGH, COMPANIES LISTED ON MESDAQ MAY BE OF HIGHER INVESTMENT RISK.

THE REGULATORY PHILOSOPHY UNDERLYING THE MESDAQ MARKET IS THAT THE MARKET SHOULD BE ALLOWED TO DETERMINE THE MERITS OF THE SECURITIES/INSTRUMENTS IN A PARTICULAR COMPANY. HENCE, AS WITH ALL INVESTMENTS, PROSPECTIVE INVESTORS SHOULD BE AWARE OF ALL POTENTIAL RISKS IN INVESTING IN SUCH COMPANIES AND SHOULD MAKE THE DECISION TO INVEST AFTER DUE AND CAREFUL CONSIDERATION BY REFERRING TO, AMONGST OTHERS, THE PROSPECTUS, LATEST FINANCIAL STATEMENTS AND CORPORATE ANNOUNCEMENTS. IN THIS RESPECT, ADVICE FROM A SECURITIES PROFESSIONAL/ADVISER IS STRONGLY RECOMMENDED.

THIS PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM THE BURSA SECURITIES' WEBSITE AT WWW.BURSAMALAYSIA.COM.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for Equator's entire enlarged issued and paid-up share capital on the MESDAQ Market is set out below:

Event	Date
Date of Prospectus	28 April 2005
Opening date of Application for the Public Issue Shares	28 April 2005
Closing date of Application for the Public Issue Shares*	12 May 2005
Event	Tentative Date
Date of balloting of Application for the Public Issue Shares	16 May 2005
Despatch of notices of allotment for the Equator Shares to successful applicants	24 May 2005
Listing of and quotation for Equator's entire issued and paid-up share capital on the MESDAQ Market	25 May 2005

Note:

- * *The Directors and/or Promoters of Equator and the Underwriter/Placement Agent may in their absolute discretion mutually decide to extend the closing date of the application to a further date or dates. Should the closing date of the application be extended, the dates for the balloting, allotment and listing of Equator's entire issued and paid-up share capital on the MESDAQ Market would be extended accordingly. Equator will notify the parties via an advertisement in a widely circulated Bahasa Malaysia and English newspaper in Malaysia if there is an extension of time on the closing date of the application.*

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DEFINITIONS

Except where the context otherwise requires, the following definitions (in alphabetical order) shall apply throughout this Prospectus:

“Act”	:	Companies Act, 1965
“Acquisition of EBSB”	:	Acquisition by Equator of 10,187,800 ordinary shares of RM1.00 each in EBSB (together with its wholly-owned subsidiaries, EPBV and MSB), representing the entire issued and paid-up share capital therein, from the Vendors, for a purchase consideration of RM17,500,798 satisfied by the issuance of 175,007,980 new Equator Shares, at an issue price of RM0.10 per share
“ADA”	:	Authorised Depository Agent
“ADA Code”	:	ADA (Broker) Code
“Application”	:	The application for the Public Issue Shares by way of Application Form or by way of Electronic Share Application
“Application Form(s)”	:	The printed application form(s) for the application for the Public Issue Shares
“ATM”	:	Automated Teller Machine
“Avenue”	:	Avenue Securities Sdn Bhd (682-X)
“Board”	:	Board of Directors
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (<i>formerly known as Malaysia Securities Exchange Berhad</i>) (635998-W)
“CDS”	:	Central Depository System
“Central Depositories Act”	:	Securities Industry (Central Depositories) Act, 1991 or any statutory modification, amendment or re-enactment thereof for the time being in force
“Chiap Hup”	:	Chiap Hup Agriculture Development Sdn Bhd (027059-U)
“China”	:	People’s Republic of China
“DBSB”	:	Dimensi Bakat Sdn Bhd (582633-P)
“Deloitte” or “Reporting Accountants”	:	Deloitte KassimChan (AF 0080)

DEFINITIONS *(cont'd)*

“Depository”	:	Bursa Malaysia Depository Sdn Bhd <i>(formerly known as the Malaysian Central Depository Sdn Bhd (165570-W))</i>
“EBSB”	:	Equator Biotech Sdn Bhd <i>(426721-D)</i>
“Electronic Share Application”	:	Application for the Public Issue Shares through a Participating Financial Institutions’ ATM
“EPBV”	:	Equator Plants B.V. <i>(34104087) (incorporated in The Netherlands)</i> , a wholly-owned subsidiary of EBSB
“EPS”	:	Earnings per share
“Equator” or “Company”	:	Equator Life Science Berhad <i>(640850-U)</i>
“Equator Group” or “Group”	:	Equator and the Subsidiary Companies, collectively
“Equator Share(s)”	:	Ordinary share(s) of RM0.10 each in Equator
“Euro” or “€”	:	The lawful currency of certain members of the European Union including The Netherlands
“FIC”	:	Foreign Investment Committee
“GDP”	:	Gross domestic product
“Increase in Authorised Share Capital”	:	Increase in authorised share capital of Equator from RM100,000 comprising 1,000,000 Equator Shares to RM50,000,000 comprising 500,000,000 Equator Shares to facilitate the increase in issued and paid-up share capital pursuant to the Acquisition of EBSB and the Public Issue
“Infocredit” or “Independent Market Researcher”	:	Infocredit D & B (Malaysia) Sdn Bhd <i>(527570-M)</i>
“Issue Price”	:	Issue price of RM0.50 per Public Issue Share
“JJPSB”	:	Jeo Jeo Plantation Sdn Bhd <i>(654357-K)</i>
“Listing”	:	Admission to the Official List of Bursa Securities and the listing of and quotation for the entire issued and paid-up share capital of Equator of RM23,500,800 comprising 235,008,000 Equator Shares on the MESDAQ Market
“Listing Requirements”	:	Listing Requirements of Bursa Securities for the MESDAQ Market

DEFINITIONS *(cont'd)*

“Listing Scheme”	:	Shareholders’ Arrangements, Increase In Authorised Share Capital, Acquisition of EBSB, Public Issue and Listing, collectively
“MARDI”	:	Malaysian Agricultural Research and Development Institute
“Mazlan” or “Legal Adviser”	:	Mazlan & Associates
“MESDAQ Market”	:	Malaysian Exchange of Securities Dealing and Automated Quotation Berhad
“MIH”	:	Malaysian Issuing House Sdn Bhd (258345-X)
“MSB”	:	Monstera Sdn Bhd (324373-H), a wholly-owned subsidiary of EBSB
“NTA”	:	Net tangible assets
“NTL”	:	Net tangible liabilities
“Participating Financial Institutions”	:	Refers to the participating financial institutions for Electronic Share Application as set out in Section 18.5.2 of this Prospectus
“PAT”	:	Profit after taxation
“PBT”	:	Profit before taxation
“Promoters”	:	Koh Ah Keng, Wang Chi-Ti, Chiap Hup, Max Yang Wen Shiung, DBSB, Koh Yueh Leong, Lin Fu-Mei, Weng Chin-Fan, Hce Hah Chie and Koh Yueh Lai, collectively
“Public”	:	All Malaysian citizens, companies, co-operatives, societies and institutions but excluding Directors of Equator Group, its substantial shareholders and persons connected or associated with them
“Public Issue”	:	Public issue of 60,000,000 new Equator Shares at the Issue Price to the Malaysian Public, eligible Directors, employees, customers and suppliers of the Equator Group and identified investors
“Public Issue Shares”	:	60,000,000 new Equator Shares to be issued pursuant to the Public Issue, subject to the terms and conditions of this Prospectus
“R&D”	:	Research and development
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively

DEFINITIONS *(cont'd)*

“ROC”	:	Registrar of Companies
“Rules”	:	Rules of the Central Depository
“SAC”	:	Syariah Advisory Council
“SC”	:	Securities Commission
“Singapore”	:	Republic of Singapore
“Shareholders’ Arrangements”	:	Shareholders’ Arrangement-I and Shareholders’ Arrangement-II, collectively
“Shareholders’ Arrangement-I”	:	Disposal by Koh Yueh Lai of 549,171 ordinary shares of RM1.00 each in EBSB to Max Yang Wen Shiung for a total cash consideration of RM549,171 or RM1.00 per share
“Shareholders’ Arrangement-II”	:	Disposal by Koh Ah Keng and Hee Hah Chie of 500,000 ordinary shares of RM1.00 each in EBSB respectively to Wang Chi-Ti for a total cash consideration of RM1,000,000 or RM1.00 per share
“sq. m.”	:	Square meter
“Subsidiary Companies”	:	EBSB, EPBV and MSB, collectively
“Titan”	:	Titan Impact Sdn Bhd (367620-M)
“Trident”	:	Trident Aim Sdn Bhd (636021-W)
“Underwriter”	:	Avenue
“UK”	:	United Kingdom
“US”	:	United States of America
“USD”	:	US Dollar
“Vendors”	:	Koh Ah Keng, Wang Chi-Ti, Chiap Hup, Max Yang Wen Shiung, DBSB, Koh Yueh Leong, Lin Fu-Mei, Hee Hah Chie, Koh Yueh Lai, Weng Chin-Fan, Titan and Trident, collectively

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