

**6. INFORMATION ON UDPB GROUP (CONT'D)****Notes:-**

- (a) *The loss for the financial year ended 31 March 1996 was due to the UCorp Group's estates having not reached maturity.*
- (b) *For the financial year ended 31 March 1997, the profit reported was mainly due to the maturity of six (6) estates under the UCorp Group.*
- (c) *The increase in turnover and PBT for the financial years ended 31 March 1998 and 1999 was due to better FFB yield and higher CPO price.*
- (d) *The loss incurred for the five (5) months period ended 31 August 1999 was mainly due to interest expenses and the fall in CPO price.*
- (e) *There were no exceptional and extraordinary items in respect of all the financial years under review.*

**Tekad Murni****i) History and Business Overview**

Tekad Murni was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 24 March 1989 under its present name. It is principally involved in the cultivation of oil palm.

Tekad Murni currently has no employees as it engages the employees of UCorp for its operations. Tekad Murni has no subsidiary or associated companies.

**ii) Share Capital**

The existing authorised share capital is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each of which RM2,554,002 have been issued and fully paid-up comprising 2,554,002 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of Tekad Murni since its incorporation are as follows :-

<b>Date of Allotment</b>	<b>No. of ordinary Shares</b>	<b>Par Value RM</b>	<b>Consideration</b>	<b>Total Issued and Paid-up Share Capital RM</b>
24.03.89	2	1.00	Subscriber's shares	2
16.09.94	2,554,000	1.00	Capitalisation of revaluation reserve and amount due to directors	2,554,002

## 6. INFORMATION ON UDPB GROUP (CONT'D)

## iii) Profit and Dividend

A summary of the audited accounts of Tekad Murni for the past five (5) financial years ended 31 March 1999 and the five (5) months period ended 31 August 1999 is as follows :-

	← Financial Years Ended 31 March →					Five (5) months period ended 31.8.99 RM'000
	1995	1996	1997	1998	1999	
	RM'000	RM'000	RM'000	RM'000	RM'000	
Turnover	-	11	150	591	1,981	753
PBT	-	-	110	431	1,374	486
Less : Taxation	-	-	-	-	-	-
PAT	-	-	110	431	1,374	486
No. of ordinary shares in issue ('000)	2,554	2,554	2,554	2,554	2,554	2,554
Gross EPS (RM)	-	-	0.04	0.17	0.54	* 0.46
Net EPS (RM)	-	-	0.04	0.17	0.54	* 0.46
Gross dividend rate (%)	-	-	-	-	-	-

\* Annualised

## Notes:-

- (a) The increase in turnover for the three (3) financial years ended 31 March 1999 was due to the increase in the yield of FFB produced and CPO price.
- (b) The increase in PBT for the financial years ended 31 March 1998 and 1999 respectively was a result of the increase in the yield of FFB produced and CPO price.
- (c) There were no exceptional and extraordinary items in respect of all the financial years under review.

Puuvun

## i) History and Business Overview

Puuvun was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 18 August 1982 under its present name. It is principally involved in the cultivation of oil palm.

Puuvun currently has no employees as it engages the employees of UCorp for its operations. Puuvun has no subsidiary or associated companies.

## ii) Share Capital

The existing authorised share capital is RM25,000 comprising 25,000 ordinary shares of RM1.00 each of which RM3 have been issued and fully paid-up comprising 3 ordinary shares of RM1.00 each.

## 6. INFORMATION ON UDPB GROUP (CONT'D)

The changes in the issued and paid-up share capital of Puuvun since its incorporation are as follows :-

Date of Allotment	No. of ordinary Shares	Par Value RM	Consideration	Total Issued and Paid-up Share Capital RM
18.08.82	2	1.00	Subscriber's shares	2
13.07.84	1	1.00	Cash	3

### iii) Profit and Dividend

A summary of the audited accounts of Puuvun for the past five (5) financial years ended 31 March 1999 and the five (5) months period ended 31 August 1999 is as follows :-

	← Financial Years Ended 31 March →					Five (5) months period ended 31.8.99
	1995	1996	1997	1998	1999	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	-	-	266	834	1,710	505
Profit/(Loss) Before Taxation	(9)	(1)	182	415	882	154
Less : Taxation	-	-	-	-	-	-
Profit/(Loss) After Taxation	(9)	(1)	182	415	882	154
No. of ordinary shares in issue ('000)	*	*	*	*	*	*
Gross earnings/(loss) per share (RM)	(2,946)	(378)	60,620	138,333	294,000	# 123,200
Net earnings/(loss) per share (RM)	(2,946)	(378)	60,620	138,333	294,000	# 123,200
Gross dividend rate (%)	-	-	-	-	-	-

\* 3 shares

# Annualised

#### Notes:-

(a) The increase in turnover and PBT for the financial years ended 31 March 1998 and 1999 was due to the increase in the yield of FFB produced and CPO price.

(b) There were no exceptional and extraordinary items in respect of all the financial years under review.

### Fasgro

#### i) History and Business Overview

Fasgro was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 31 March 1980 under its present name. In its early years, it was principally involved in the planting of cocoa. On 30 June 1998, it became a wholly-owned subsidiary of UCorp and the plantation has been replanted with oil palm.

## 6. INFORMATION ON UDPB GROUP (CONT'D)

Fasgro currently has no employees as it engages the employees of UCorp for its operations. Fasgro has no subsidiary or associated companies.

### ii) Share Capital

The existing authorised share capital is RM8,000,000 comprising 8,000,000 ordinary shares of RM1.00 each of which RM7,884,000 have been issued and fully paid-up comprising 7,884,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of Fasgro since its incorporation are as follows :-

Date of Allotment	No. of ordinary Shares	Par Value RM	Consideration	Total Issued and Paid-up Share Capital RM
31.03.80	2	1.00	Subscriber's shares	2
10.10.80	134,908	1.00	Bonus issue	134,910
08.03.83	265,090	1.00	Bonus issue	400,000
29.06.98	7,484,000	1.00	Cash	7,884,000

### iii) Profit and Dividend

A summary of the audited accounts of Fasgro for the past four (4) financial years ended 30 June 1998, nine (9) months period ended 31 March 1999 and five (5) months period ended 31 August 1999 is as follows :-

	←—Financial Years Ended 30 June—→				Nine (9) months ended	Five (5) months period ended
	1995	1996	1997	1998	31.3.99	31.8.99
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	946	1,155	605	721	-	-
Profit/(Loss) Before Taxation	(28)	8	(842)	3,615	(4)	(4)
Less : Taxation	-	-	-	-	-	-
Profit/(Loss) After Taxation	(28)	8	(842)	3,615	(4)	(4)
No. of ordinary shares in issue ('000)	400	400	400	7,884	7,884	7,884
Gross earnings/(loss) per share (RM)	(0.07)	0.02	(2.11)	0.46	(0.0005)	* (0.0012)
Net earnings/(loss) per share (RM)	(0.07)	0.02	(2.11)	0.46	(0.0005)	* (0.0012)
Gross dividend rate (%)	-	-	-	-	-	-

\* Annualised

#### Notes:-

(a) The decline in turnover for the financial year ended 30 June 1997 was mainly a result of a fall in the cocoa production. However, the fall in PBT was due to an increase in interest expense.

**6. INFORMATION ON UDPB GROUP (CONT'D)**

- (b) *The increase in PBT for the financial year ended 30 June 1998 was a result of a revaluation surplus.*
- (c) *There has been no turnover for the nine (9) months period ended 31 March 1999 and five (5) months period ended 31 August 1999 as the estate was being replanted with oil palm. The losses incurred during this period was due to administrative expenses incurred including audit fee.*
- (d) *There were no exceptional and extraordinary items in respect of all the financial years under review.*

**Topcrop****i) History and Business Overview**

Topcrop was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 8 November 1979 under its present name. In its early years, it was principally involved in the planting of cocoa. On 30 June 1998, it became a wholly-owned subsidiary of UCorp and the plantation has been replanted with oil palm.

Topcrop currently has no employees as it engages the employees of UCorp for its operations. Topcrop has no subsidiary or associated companies.

**ii) Share Capital**

The existing authorised share capital is RM7,000,000 comprising 7,000,000 ordinary shares of RM1.00 each of which RM6,707,000 have been issued and fully paid-up comprising 6,707,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of Topcrop since its incorporation are as follows :-

<b>Date of Allotment</b>	<b>No. of ordinary Shares</b>	<b>Par Value RM</b>	<b>Consideration</b>	<b>Total Issued and Paid-up Share Capital RM</b>
08.11.79	2	1.00	Subscriber's shares	2
12.03.81	71,852	1.00	Cash	71,854
21.08.81	521,146	1.00	Bonus issue	593,000
29.06.98	6,114,000	1.00	Cash	6,707,000

## 6. INFORMATION ON UDPB GROUP (CONT'D)

## iii) Profit and Dividend

A summary of the audited accounts of Topcrop for the past four (4) financial years ended 30 June 1998, nine (9) months period ended 31 March 1999 and five (5) months period ended 31 August 1999 is as follows :-

	←--Financial Years Ended 30 June--→				Nine	Five (5)
	1995	1996	1997	1998	(9)	months
	RM'000	RM'000	RM'000	RM'000	months	period
				ended	ended	
				31.3.99	31.8.99	
				RM'000	RM'000	
Turnover	700	857	449	535	-	-
Profit/(Loss) Before Taxation	(72)	(42)	(614)	(576)	(1)	(2)
Less : Taxation	-	-	-	-	-	-
Profit/(Loss) After Taxation	(72)	(42)	(614)	(576)	(1)	(2)
No. of ordinary shares in issue ('000)	593	593	593	6,707	6,707	6,707
Gross LPS (RM)	(0.12)	(0.07)	(1.04)	(0.09)	(0.0001)	* (0.0007)
Net LPS (RM)	(0.12)	(0.07)	(1.04)	(0.09)	(0.0001)	* (0.0007)
Gross dividend rate (%)	-	-	-	-	-	-

\* Annualised

## Notes:-

- (a) The decline in turnover for the financial year ended 30 June 1997 was mainly a result of a fall in the cocoa production. However, the fall in PBT was due to an increase in interest expense.
- (b) There has been no turnover for the nine (9) months period ended 31 March 1999 and five (5) months period ended 31 August 1999 as the estate was being replanted with oil palm. The losses incurred during this period was due to administrative expenses incurred including audit fee.
- (c) There were no exceptional and extraordinary items in respect of all the financial years under review.

**Zuba**

## i) History and Business Overview

Zuba was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 13 January 1978 under its present name. In its early years, it was principally involved in the planting of cocoa. On 31 December 1998, it became a wholly-owned subsidiary of UCorp and the plantation has been replanted with oil palm.

Zuba currently has no employees as it engages the employees of UCorp for its operations. Zuba has no subsidiary or associated companies.

## 6. INFORMATION ON UDPB GROUP (CONT'D)

## ii) Share Capital

The existing authorised share capital is RM25,000,000 comprising 25,000,000 ordinary shares of RM1.00 each of which RM14,400,000 have been issued and fully paid-up comprising 14,400,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of Zuba since its incorporation are as follows :-

Date of Allotment	No. of ordinary Shares	Par Value RM	Consideration	Total Issued and Paid-up Share Capital RM
13.01.78	4	1.00	Subscriber's shares	4
27.10.78	6	1.00	Cash	10
25.04.79	19,990	1.00	Cash	20,000
15.03.80	30,000	1.00	Cash	50,000
19.03.80	350,000	1.00	Cash	400,000
11.09.80	50,000	1.00	Cash	450,000
16.03.81	80,000	1.00	Cash	530,000
19.09.81	100,000	1.00	Cash	630,000
07.10.85	1,370,000	1.00	Cash	2,000,000
15.08.98	12,400,000	1.00	Cash	14,400,000

## iii) Profit and Dividend

A summary of the audited accounts of Zuba for the past five (5) financial years ended 31 December 1998 and the eight (8) months period ended 31 August 1999 is as follows :-

	← Financial Years Ended 31 December →					Eight (8) months period ended
	1994	1995	1996	1997	1998	
	RM'000	RM'000	RM'000	RM'000	RM'000	
Turnover	2,061	2,399	1,426	1,566	1,433	-
Profit/(Loss) Before Taxation	(785)	269	113	3,539	1,887	(44)
Less : Taxation	-	-	-	-	-	-
Profit/(Loss) After Taxation	(785)	269	113	3,539	1,887	(44)
No. of ordinary shares in issue ('000)	2,000	2,000	2,000	2,000	14,400	14,400
Gross earnings/(loss) per share (RM)	(0.39)	0.13	0.06	1.77	0.13	* (0.005)
Net earnings/(loss) per share (RM)	(0.39)	0.13	0.06	1.77	0.13	* (0.005)
Gross dividend rate (%)	-	-	-	-	-	-

\* Annualised

## Notes:-

- (a) The decline in turnover for the financial year ended 31 December 1996 was due to a change in cocoa prices and yield. The decline in cocoa yield also resulted in the fall in PBT.

**6. INFORMATION ON UDPB GROUP (CONT'D)**

- (b) *The increase in PBT for the financial year ended 31 December 1997 was a result of a waiver on interest payable.*
- (c) *The decline in PBT for the financial year ended 31 December 1998 was due to a forfeiture of deposit received.*
- (c) *There has been no turnover for the eight (8) months period ended 31 August 1999 as the estate was being replanted with oil palm. The losses incurred during this period was due to administrative expenses incurred including audit fee.*
- (e) *There were no exceptional and extraordinary items in respect of all the financial years under review.*

**UPSB****(i) History and Business**

UPSB was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 30 December 1982 under its present name. It is principally involved in the cultivation of oil palm.

UPSB currently has 4 employees and it has no subsidiary or associated companies.

**(ii) Share Capital**

The existing authorised share capital is RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each of which RM1,528,541 have been issued and fully paid-up comprising 1,528,541 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of UPSB since its incorporation are as follows :-

<b>Date of Allotment</b>	<b>No. of Ordinary Shares</b>	<b>Par Value RM</b>	<b>Consideration</b>	<b>Total Issued and Paid-up Share Capital RM</b>
30.12.82	2	1.00	Subscriber's shares	2
08.2.2000	1,528,539	1.00	Cash	1,528,541



## 6. INFORMATION ON UDPB GROUP (CONT'D)

## (iii) Profit and Dividend

A summary of the audited accounts of UPSB for the past five (5) financial years ended 31 March 1999 and the five (5) months period ended 31 August 1999 is as follows:-

	← Financial Years Ended 31 March →					Five (5) months period ended
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	31.8.99 RM'000
Turnover	-	-	-	-	-	9
Profit/(Loss) Before Taxation	-	-	-	(3)	(5)	(4)
Less : Taxation	-	-	-	-	-	-
Profit/(Loss) After Taxation	-	-	-	(3)	(5)	(4)
No. of ordinary shares in issue ('000)	*	*	*	*	*	*
Gross LPS (RM)	-	-	-	(1,500)	(2,500)	# (4,800)
Net LPS (RM)	-	-	-	(1,500)	(2,500)	# (4,800)
Gross dividend rate (%)	-	-	-	-	-	-

\* 2 shares

# Annualised

*Notes:-*

- (a) UPSB commenced oil palm cultivation activities during the financial year 1997 with the acquisition of land for plantation purposes. All expenses incurred prior to the commencement of operations are capitalised as deferred expenditure in the accounts.
- (b) The losses in the financial years ended 31 March 1998 and 1999 was mainly due to the operational expenses incurred as UPSB has not commenced commercial harvesting.
- (c) There were no exceptional and extraordinary items in respect of all the financial years under review.

## 7. FINANCIAL INFORMATION (CONT'D)

## 7.1 Consolidated Profit and Dividend Records

The table below sets out a summary of the audited proforma consolidated results of the UDPB Group for the past five (5) financial years ended 31 March 1999 and the five (5) months period ended 31 August 1999 and are provided for illustrative purposes based on the audited accounts of UDPB and its subsidiary companies, prepared on the assumption that the acquisition of the subsidiaries' issued and paid-up share capital were completed on 1 April 1994 :-

	← Financial Years Ended 31 March →					Five (5) months period ended
	1995	1996	1997	1998	1999	31.8.1999
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	36,308	49,717	59,264	92,362	140,627	43,066
PBT	9,693	14,129	11,432	23,224	39,849	9,811
Less : Taxation	-	(400)	(365)	(3,151)	(3,516)	(4,200)
PAT	9,693	13,729	11,067	20,073	36,333	5,611
MI	-	-	-	-	-	-
PAT after MI	9,693	13,729	11,067	20,073	36,333	@ 5,611
No. of ordinary shares assumed in issue ('000) #	6,823	6,823	6,823	6,823	6,823	6,823
Gross EPS (RM)	1.42	2.07	1.68	3.40	5.84	* 3.45
Net EPS (RM)	1.42	2.01	1.62	2.94	5.32	* 1.97
Gross dividend rate (%)	-	-	-	150	100	380

\* Annualised

# Based on the issued and paid-up share capital of UDPB after taking into account the shares issued by UDPB for the acquisition of the subsidiary companies, namely UOMSB, Ucorp and UPSB

@ Should the consolidated profit after taxation and minority interest be annualised, the UDPB Group may only achieve a consolidated profit estimate of RM13.5 Million for the financial year ending 31 March 2000. However, the UDPB Group is expected to attain the consolidated profit estimate of RM16.896 Million for the financial year ending 31 March 2000 due to increased FFB production anticipated as the peak season for the Group falls between the months of October until December

## Notes:-

- The proforma financial results of the twenty-one (21) companies included in the UDPB Group are extracted from the audited accounts.
- The increase in turnover and PBT in 1996 was due to increased in FFB production as a result of an increase in matured hectareage.
- The increase in turnover and PBT in 1998 and 1999 was largely due to better CPO prices and commissioning of the Group's new oil mill.
- All inter-company transactions have been eliminated on proforma consolidation.
- There were no material unrealised profits arising requiring elimination on consolidation.
- There were no exceptional and extraordinary items in respect of all the financial years under review.

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**7. FINANCIAL INFORMATION (CONT'D)**

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**7.2 Working Capital, Borrowings and Contingent Liabilities**

**7.2.1 Working Capital**

The Directors of the Company are of the opinion that after taking into consideration the cashflow forecast including the proceeds from the Restricted Issue to Executives, Restricted Issue to Directors, Public Issue and banking facilities available, the UDPB Group will have adequate working capital for its present and foreseeable future requirements.

**7.2.2 Borrowings**

As at 16 January 2000, (being the last practical date prior to the printing of this Prospectus) the Group's total bank borrowings amounted to approximately RM51.287 Million comprising term loans, overdraft and other banking facilities. Save as disclosed above, the Group does not have any other capital outstanding or loan capital created but unissued or mortgages or charges outstanding on that date.

**7.2.3 Contingent Liabilities and Capital Commitments**

The UDPB Group does not have any material capital commitments and contingent liabilities.

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**7. FINANCIAL INFORMATION (CONT'D)**


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**7.3 Consolidated Profit Estimate and Forecast and Assumptions**

**Unico-Desa Plantations Berhad ("UDPB")  
Consolidated profit estimate and forecast  
for the two (2) financial years ending 31 March 2001**

The Directors estimate that, barring any unforeseen circumstances, the consolidated profit before taxation and after taxation of UDPB Group for the two (2) financial years ending 31 March 2001 will be as follows:

Year ending 31 March	2000 RM'000	2001 RM'000
Consolidated profit before taxation	24,982	26,433
Consolidated profit after taxation	16,896	20,048
Gross EPS (sen)	*39.7	#19.1
Net EPS (sen)	*26.9	#14.5
Gross PE multiple based on Public Issue/Offer for Sale price of RM1.50 per share (times)	*3.8	#7.8
Net PE multiple based on Public Issue/Offer for Sale price of RM1.50 per share (times)	*5.6	#10.3

\* Based on weighted average number of shares in issue of 62,891,000 ordinary shares of RM1.00 each.

# Based on enlarged issued and paid up share capital of 138,000,000 ordinary shares of RM1.00 each

The principal bases and assumptions upon which the above profit estimate and forecast have been made are set out below:

**The restructuring exercise which had been approved by the Securities Commission on 5 February 1999, will be completed in April 2000**

There is no significant change in the UDPB Group structure other than the following:

- (1) The following acquisitions of the subsidiary companies which are accounted for under the merger method of accounting, had been completed in February 2000.
  - (i) Acquisition of 6.5 million shares (100%) in Unico Oil Mill Sdn Bhd ("UOMSB") at a purchase price of RM14,653,433 by way of issuance of 543,323 shares at a price of RM26.97 each to Unico Holdings Bhd ("UHB"). The purchase price of RM14,653,433 is equivalent to the net tangible asset ("NTA") value of UOMSB as at 31 March 1998 amounting to RM12,760,060 after incorporating the additional revaluation reserve arising of RM1,893,373 as at 31 March 1998.
  - (ii) Acquisition of 2 million shares (100%) in Unico Corporation Sdn Bhd (UCorp) at a purchase consideration of RM33,341,292 by way of issuance of 1,236,236 shares at a price of RM26.97 each to UHB. The purchase price of RM33,341,292 is equivalent to the NTA value of UCorp and its subsidiary companies as at 31 March 1998 amounting to RM 5,900,521 after incorporating the additional revaluation reserve arising of RM27,440,711 as at 31 March 1998.

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**7. FINANCIAL INFORMATION (CONT'D)**


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- (iii) Unico Plantation Sdn Bhd "UPSB" capitalised RM1,528,539 representing the amount owing to UHB (as at 31 March 1998) as share capital of RM1.00 each, resulting in an increase in the company's paid up capital from 2 shares to 1,528,541 shares. UDPB then acquired 1,528,541 shares (representing the entire issued share capital of UPSB) in UPSB at a purchase consideration of RM1,184,174 via the issuance of 43,907 shares at a price of RM26.97 each to UHB. The purchase price of RM1,184,174 is equivalent to the NTA value of UPSB as at 31 March 1998 amounting to RM(29,975) after accounting for the revaluation deficit of RM314,390 as at 31 March 1998 to the profit and loss account and after capitalisation of amount owing to UHB of RM1,528,539.
- (2) The capitalisation of RM28,613,300 in February 2000 representing the amount due from UDPB to UHB as at 31 March 1997 by way of a new issue of 28,613,300 ordinary shares of RM1.00 each.
- (3) There was a restricted issue of 1,500,000 new ordinary shares of RM1.00 each at the issue price of RM1.50 each to executives of UHB and the UDPB Group in February 2000.
- (4) There was a restricted issue of 1,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.50 per share to directors of UHB and the UDPB Group in February 2000.
- (5) There was a bonus issue in February 2000 of 51,063,234 shares to existing shareholders on the basis of approximately 135 shares for every 100 shares held by existing shareholders (after the completion of the issuance as indicated in paragraph (1) to (4) above). The bonus issue was carried out by way of capitalisation of part of the available revaluation reserve amounting to RM44,621,176 and unappropriated profit amounting to RM6,442,058.
- (6) The proceeds arising from the public issue will be received in the April 2000 and utilised in the following manner:

	<b>RM'000</b>
Refinance for the upgrading of oil mills and plantation development expenditure	20,000
Refinance the acquisitions of 5 subsidiary companies	14,000
Plantation development expenditure to be incurred on the new plantations	4,500
Construction of staff quarters	500
Working capital	9,750
Repayment of amounts due to UHB	27,000
Estimated shares issue expenses	1,500
	<u>77,250</u>

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**7. FINANCIAL INFORMATION (CONT'D)**

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**General**

- (1) There will be no significant change in the economic or political conditions or other abnormal changes in Malaysia and elsewhere that will materially affect the activities or performance of the UDPB Group.
- (2) The existing external financing facilities of the UDPB Group will be available at the prevailing interest rates ranging from 8.0% to 9.0% per annum.
- (3) There will be no significant change in domestic inflation rates and the exchange rates of the Ringgit Malaysia with relevant foreign currencies from the present level.
- (4) There will be no significant change in present legislation or government regulations, cess and other taxes which will adversely affect the UDPB Group, its operations or the market in which it operates.
- (5) There will be no significant change in the principal activities, management structure, accounting, trading and operating policies adopted by the UDPB Group.
- (6) There will be no major industrial disputes or any abnormal factors that would disrupt or affect the UDPB Group's planned operations.
- (7) Projected capital expenditure will be implemented and incurred on schedule. There will be no material additions or disposals of fixed assets other than those planned.
- (8) There will be no significant increase in the administrative and overhead expenses other than those planned.
- (9) Shares issue expenses will be set off against the share premium account upon the completion of the restructuring exercise.
- (10) Excess funds will be invested in short term deposits earning interest at the prevailing average interest rate of 3.25% per annum.

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**7. FINANCIAL INFORMATION (CONT'D)**

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**Specific**

- (1) The extraction rate and average selling price of crude palm oil and palm kernel are as follows:

	Selling price	Extraction rate
	2000 – 2001	2000 – 2001
	Estimate & Forecast	Estimate & Forecast
	RM/MT	%
Crude Palm Oil	1,100	19.5% - 20.3 %
Palm Kernel	950	4.0% - 4.5%

- (2) There will be no unfavourable weather conditions affecting crop, production and yields.
- (3) All anticipated supplies of fresh fruit bunches from third parties will be achieved.
- (4) There will be no management fee charged by UHB for the year 2000 onwards.
- (5) Yield per hectare is 23 metric tonnes to 24 metric tonnes.

7. FINANCIAL INFORMATION (CONT'D)

7.4 Auditors' Letter on the Consolidated Profit Estimate and Forecast  
(Prepared for inclusion in this Prospectus)

**Coopers  
& Lybrand**

**Coopers & Lybrand**  
(AF 0178)  
public accountants

22nd Floor IGB Plaza  
Jalan Kampar Off Jalan Tun Razak  
50400 Kuala Lumpur  
Malaysia

postal address  
PO Box 10184  
50706 Kuala Lumpur

telephone (603) 4411188

facsimile (603) 4410880

The Board of Directors  
Unico-Desa Plantations Berhad  
8th Floor, Office Tower, Plaza Berjaya  
12 Jalan Imbi  
55100 Kuala Lumpur

your reference

our reference

23 February 2000

Dear Sirs,

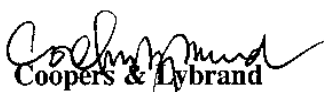
**Unico-Desa Plantations Berhad ("UDPB")  
Consolidated profit estimate and forecast  
for the financial years ending 31 March 2000 and 31 March 2001**

We have reviewed the accounting policies and calculations for the consolidated profit estimate and forecast of UDPB and its subsidiary companies (UDPB Group), for which the Directors of UDPB are solely responsible, for the financial years ending 31 March 2000 and 31 March 2001 as set out in the Prospectus to be dated 29 February 2000, in connection with :

- (i) the Public Issue of 49,000,000 ordinary shares of RM1.00 each at an issue price of RM1.50 per share;
- (ii) the Offer for Sale of 25,000,000 ordinary shares of RM1.00 each at an offer price of RM1.50 per share by Unico Holdings Berhad;
- (iii) the listing of and quotation for the entire enlarged issued and paid up share capital of UDPB on the Main Board of the Kuala Lumpur Stock Exchange.

2 In our opinion, the consolidated profit estimate and forecast, so far as the accounting policies and calculations are concerned, have been properly compiled on the basis of the assumptions made by the Directors as set out in the Prospectus, and are presented in a basis consistent with the accounting policies normally adopted by the UDPB Group.

Yours faithfully,

  
**Coopers & Lybrand**  
[AF: 0178]  
Public Accountants

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Kuala Lumpur • Ipoh • Johor Bahru • Kota Kinabalu • Kuantan • Kuching • Melaka • Pulau Pinang



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**7. FINANCIAL INFORMATION (CONT'D)**


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**7.5 Dividend Estimate and Forecast and Policy**

UDPB intends to pursue a dividend policy in line with its profitability which would allow its shareholders to participate in the profits of the Group as well as leaving adequate reserves for its future growth and expansion.

Based on the Group's consolidated profit estimate and forecast for the financial years ending 31 March 2000 and 31 March 2001 respectively, on the assumption that the current basis for calculating taxation and the rates of taxation will remain unchanged, the Directors of UDPB anticipate that the Company would be in a position to propose a gross dividend of 5.0% for the financial years ending 31 March 2000 and 31 March 2001 respectively based on the enlarged issued and paid-up share capital of 138,000,000 shares of RM1.00 each.

The intended appropriation of the consolidated profit estimate and forecast are as follows:-

	Estimate 2000 RM'000	Forecast 2001 RM'000
Consolidated PBT	24,982	26,433
Less : MI	-	-
: Taxation	<u>(8,086)</u>	<u>(6,385)</u>
Consolidated PAT and MI	16,896	20,048
Less : Proposed dividend	<u>(4,968)</u>	<u>(4,968)</u>
Retained profit for the year	<u>11,928</u>	<u>15,080</u>
Gross dividend based on the enlarged share capital of RM138,000,000 (%)	5.00	5.00
Gross dividend yield (based on the Public Issue/Offer for Sale price of RM1.50 per share) (%)	3.33	3.33
Net dividend cover (times)	3.40	4.03

## 7. FINANCIAL INFORMATION (CONT'D)

## 7.6 Proforma Consolidated Balance Sheets

### Unico-Desa Plantations Berhad

#### Proforma consolidated balance sheets as at 31 August 1999

The proforma consolidated balance sheets set out below are provided for illustrative purposes only to show the effects of the restructuring exercise on the balance sheet of Unico-Desa Plantations Berhad ("UDPB") as at 31 August 1999:

	Company Audited RM'000	Group Proforma I RM'000	Group Proforma II RM'000	Group Proforma III RM'000
<b>Capital and reserves</b>				
Share capital	5,000	6,823	89,000	138,000
Share premium	-	-	1,250	24,250
Revaluation reserve	36,187	120,390	75,769	75,769
Reserve on consolidation	-	261	261	261
Merger reserve	-	8,205	8,205	8,205
Unappropriated profit	60,431	70,836	64,393	64,393
	<u>101,618</u>	<u>206,515</u>	<u>238,878</u>	<u>310,878</u>
<b>Deferred and long term</b>				
<b>Liabilities</b>				
Deferred taxation	3,516	4,052	4,052	4,052
Term loans	10,550	31,604	31,604	31,604
Amount owing to holding company	-	11,845	11,845	11,845
	<u>14,066</u>	<u>47,501</u>	<u>47,501</u>	<u>47,501</u>
	<u>115,684</u>	<u>254,016</u>	<u>286,379</u>	<u>358,379</u>
<b>Represented by:</b>				
Fixed assets	137,443	312,162	312,162	312,162
Goodwill	-	72	72	72
Deferred expenditure	82	512	512	512
<b>Current assets</b>				
Stocks	2,454	4,454	4,454	4,454
Trade debtors	2,459	3,687	3,687	3,687
Amount due from a related corporation	35,559	-	-	-
Other debtors, deposits and prepayments	1,497	1,682	1,682	1,682
Deposits with a licensed bank	654	690	690	690
Cash and bank balances	745	3,006	6,756	78,756
	<u>43,368</u>	<u>13,519</u>	<u>17,269</u>	<u>89,269</u>
<b>Current liabilities</b>				
Trade creditors	1,550	4,090	4,090	4,090
Other creditors and accrued liabilities	3,455	5,590	5,590	5,590
Amount owing to holding company ("UHB")	31,442	31,442	2,829	2,829
Term loans	7,437	9,437	9,437	9,437
Hire-purchase and lease creditors	222	236	236	236
Short term borrowings	3	354	354	354
Provision for taxation	6,300	6,300	6,300	6,300
Proposed dividend	14,800	14,800	14,800	14,800
	<u>65,209</u>	<u>72,249</u>	<u>43,636</u>	<u>43,636</u>
<b>Net current (liabilities)/assets</b>	<u>(21,841)</u>	<u>(58,730)</u>	<u>(86,367)</u>	<u>45,633</u>
	<u>115,684</u>	<u>254,016</u>	<u>286,379</u>	<u>358,379</u>
NTA per share (RM)	20.31	30.18	2.68	2.25

**Unico-Desa Plantations Berhad**

**Notes to the proforma consolidated balance sheets as at 31 August 1999**

**1) Basis of preparation**

The proforma consolidated balance sheets have been prepared for illustrative purposes only to show the effects of the restructuring exercise on the assumption that they had been effected on 31 August 1999. These are based on the audited balance sheets of UDPB and its subsidiary companies as at 31 August 1999 as if the UDPB Group had been in existence on that date and have been prepared based on accounting principles and bases consistent with those adopted in the preparation of audited accounts and the statement of assets and liabilities of the UDPB Group.

**Unico-Desa Plantations Berhad****Notes to the proforma consolidated balance sheets as at 31 August 1999 (Continued)****2 Proforma I**

This proforma consolidated balance sheet incorporates the effects of the following transactions of the restructuring exercise:

- (i) Incorporation of the revaluation surplus of RM53,054,857 arising from the revaluation of land, buildings and plantation development expenditure of UDPB based on an open market valuation carried out by independent professional valuers as approved and adjusted by the Securities Commission.
- (ii) Acquisition of 6.5 million shares (100%) in Unico Oil Mill Sdn Bhd ("UOMSB") at a purchase price of RM14,653,433 by way of issuance of 543,323 shares at a price of RM26.97 each to Unico Holdings Bhd ("UHB"). The purchase price of RM14,653,433 is equivalent to the net tangible asset ("NTA") value of UOMSB as at 31 March 1998 amounting to RM12,760,060 after incorporating the additional revaluation reserve arising of RM1,893,373 as at 31 March 1998.
- (iii) Acquisition of 2 million shares (100%) in Unico Corporation Sdn Bhd ("UCorp") at a purchase consideration of RM33,341,292 by way of issuance of 1,236,236 shares at a price of RM26.97 each to UHB. The purchase price of RM33,341,292 is equivalent to the NTA value of UCorp and its subsidiary companies as at 31 March 1998 amounting to RM5,900,581 after incorporating the additional revaluation reserve arising of RM27,440,711 as at 31 March 1998.
- (iv) Unico Plantations Sdn Bhd ("UPSB") capitalises RM1,528,539 representing the amount owing to UHB as at 31 March 1998 as share capital of RM1 each, resulting in an increase in its paid up capital from 2 shares to 1,528,541 shares. UDPB subsequently acquired the 1,528,541 shares (representing the entire paid up capital of UPSB) in UPSB at a purchase consideration of RM1,184,174 by issuance of 43,907 shares at a price of RM26.97 each to UHB. The purchase price of RM1,184,174 is equivalent to the NTA value of UPSB as at 31 March 1998 amounting to RM(29,975) after incorporating the additional revaluation deficit of RM314,390 which has been accounted for in the profit and loss account and after capitalisation of amount owing to UHB of RM1,528,539.

## 7. FINANCIAL INFORMATION (CONT'D)

**Unico-Desa Plantations Berhad**

Notes to the proforma consolidated balance sheet as at 31 August 1999 (Continued)

**3) Proforma I (Continued)**

## (iv) Merger reserve

This arose from the following transactions:

	RM
Acquisition of UOMSB	5,956,677
Acquisition of UCorp	763,764
Acquisition of UPSB	1,484,634
	<u>8,205,075</u>

**4) Proforma II**

This proforma consolidated balance sheet incorporates the effect of Proforma I and the following transactions:

- (i) Capitalisation of RM28,613,300 due from UDPB to UHB converted into 28,613,300 ordinary shares of RM1 each.
- (ii) Restricted issue of 1,500,000 new ordinary shares of RM1 each at an issue price of RM1.50 per share to executives of UHB and the UDPB Group.
- (iii) Restricted issue of 1,000,000 new ordinary shares of RM1 each at an issue price of RM1.50 per share to directors of UHB and the UDPB Group.
- (iv) Bonus issue of 51,063,234 shares to the shareholders of UDPB on the basis of approximately 135 shares for every 100 shares held in UDPB. The bonus issue was carried out by way of capitalisation of part of the available revaluation reserve amounting to RM44,621,176 and the remaining of RM6,442,058 from unappropriated profit.

**5) Proforma III**

This proforma consolidated balance sheet incorporates the effect of the Proforma II and the cash proceeds received from the Public Issue of 49,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.50 per share.

The estimated share issue expenses of RM1,500,000 payable by cash, have been charged against the share premium account.

## 7. FINANCIAL INFORMATION (CONT'D)

**Unico-Desa Plantations Berhad**

Notes to the proforma consolidated balance sheets as at 31 August 1999 (Continued)

**6) Effects of movement in share capital and reserves account**

The movements of the issued and fully paid up share capital, share premium account and reserves after taking into account the above transactions are as follows:

**(a) Share capital and share premium account**

	Share capital RM	Share Premium RM
As at 31 August 1999	5,000,000	-
Acquisition of:-		
UOMSB	543,323	-
UCorp	1,236,236	-
UPSB	43,907	-
<b>Per proforma I</b>	<u>6,823,466</u>	-
Capitalisation of debts	28,613,300	-
Restricted issue to directors and executives	2,500,000	1,250,000
Bonus issue	51,063,234	-
<b>Per proforma II</b>	<u>89,000,000</u>	<u>1,250,000</u>
Public issue	49,000,000	24,500,000
Less: Share issue expenses	-	(1,500,000)
<b>Per proforma III</b>	<u><u>138,000,000</u></u>	<u><u>24,250,000</u></u>

## 7. FINANCIAL INFORMATION (CONT'D)

**Unico-Desa Plantations Berhad**

Notes to the proforma consolidated balance sheets as at 31 August 1999 (Continued)

**(b) Reserves**

	Merger reserve RM	Reserve arising from consolidation RM	Revaluation reserve RM	Unappropriated profit RM	Total RM
As at 31 August 1999	-	-	36,187,494	60,431,228	96,618,722
Revaluation of assets	-	-	53,054,857	-	53,054,857
Acquisition of:-					
UOMSB	5,956,677	-	1,902,415	5,785,754	13,644,846
UCorp	763,764	260,578	29,245,627	4,943,751	35,213,720
UPSB	1,484,634	-	-	(325,329)	1,159,305
<b>Per proforma I</b>	<b>8,205,075</b>	<b>260,578</b>	<b>120,390,393</b>	<b>70,835,404</b>	<b>199,691,450</b>
Bonus issue	-	-	(44,621,176)	(6,442,058)	(51,063,234)
<b>Per proforma III</b>	<b>8,205,075</b>	<b>260,578</b>	<b>75,769,217</b>	<b>64,393,346</b>	<b>148,628,216</b>

7. FINANCIAL INFORMATION (CONT'D)

7.7 Auditors' Letter on the Proforma Consolidated Balance Sheets  
(Prepared for inclusion in this Prospectus)

**Coopers  
& Lybrand**

**Coopers & Lybrand**  
(AF 0178)  
public accountants

22nd Floor IGB Plaza  
Jalan Kampar Off Jalan Tun Razak  
50400 Kuala Lumpur  
Malaysia

postal address  
PO Box 10184  
50706 Kuala Lumpur

telephone (603) 4411188

facsimile (603) 4410880

The Board of Directors  
Unico-Desa Plantations Berhad  
8th Floor, Office Tower, Plaza Berjaya  
12 Jalan Imbi  
55100 Kuala Lumpur

your reference

our reference

23 February 2000

Dear Sirs,


**Unico-Desa Plantations Berhad ("UDPB")**  
**Proforma consolidated balance sheets as at 31 August 1999**

We have reviewed the Proforma Consolidated Balance Sheets of UDPB and its subsidiary companies (UDPB Group) as at 31 August 1999 together with the notes thereon, for which the Directors of UDPB are solely responsible, as set out in the Prospectus to be dated 29 February 2000, in connection with

- (i) the Public Issue of 49,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.50 per share;
- (ii) the Offer for Sale of 25,000,000 ordinary shares of RM1.00 each at an offer price of RM1.50 per share by Unico Holdings Berhad;
- (iii) the listing of and quotation for the entire enlarged issued and paid up share capital of UDPB on the Main Board of the Kuala Lumpur Stock Exchange.

Based on the results of our review, we confirm that the Proforma Consolidated Balance Sheets of the UDPB Group as at 31 August 1999, which are provided for illustrative purposes only, have been properly compiled on the bases set out in the notes to the Proforma Consolidated Balance Sheets.

Yours faithfully,

  
**Coopers & Lybrand**  
[AF: 0178]  
Public Accountants

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---

**8. DIRECTORS' REPORT**

---

**Registered Office :**

8<sup>th</sup> Floor, Office Tower  
Plaza Berjaya  
12 Jalan Imbi  
55100 Kuala Lumpur

Date: 23 February 2000

The Shareholders  
**UNICO-DESA PLANTATIONS BERHAD**

Dear Sir / Madam

On behalf of the Board of UDPB, I report after due inquiry that during the period from 31 August 1999, being a date to which the last audited accounts of the Company and its subsidiary companies have been made up to the date hereof, being a date not earlier than fourteen (14) days before the issue of this Prospectus that:

- (a) the business of the Company and its subsidiary companies have, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited accounts of the Company and its subsidiary companies which have adversely affected the trading or the value of the assets of the Company or its subsidiaries;
- (c) the current assets of the Company and its subsidiary companies appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) no contingent liabilities have arisen by reason of any guarantees given by the Company or its subsidiaries; and
- (e) since the last audited accounts of the Company and its subsidiaries, save as disclosed in the Accountants' Report as set out in Section 10 of this Prospectus, there has been no changes in published reserve nor any unusual factors affecting the profits of the Company and its subsidiary companies.

Yours faithfully  
On behalf of the Board of Directors of  
**UNICO-DESA PLANTATIONS BERHAD**

**Tan Sri Ngan Ching Wen**  
Chairman and Managing Director

9. VALUER'S LETTERS  
(Prepared for inclusion in this Prospectus)



**WTW**  
INTERNATIONAL

## C H Williams Talhar & Wong

**C H Williams Talhar & Wong (Sabah) Sdn Bhd** (34874-P)

Jurukur Berkanun  
Chartered Surveyors

Perunding Harta Antarabangsa  
International Property Consultants

2<sup>nd</sup> Floor, Lot 2, Block A  
RHB Bank Building  
Metro Commercial Centre  
Jalan Kiambang  
P.O. Box 60600  
91115 Lahad Datu  
Sabah, Malaysia  
Tel: 089-882393  
Fax: 089-885088

**Mohd. Talhar Bin Abd. Rahman**  
FRICS FISM

**Chong Choon Kim**  
BSc ARICS FISM

**Robin Chung York Bin**  
BSc ARICS MISM

**Frederick Giles**  
BSc ARVA MISM

**Leong Shin Yau**  
B. Comm MISM

**Doreen Lee**  
B.Sc MISM

**The Board of Directors**  
**Unico-Desa Plantations Berhad**  
**8th Floor, Office Tower, Plaza Berjaya**  
**12, Jalan Imbi**  
**55100 KUALA LUMPUR**

*Dear Sirs*

**UNICO-DESA PLANTATIONS BERHAD**  
**PROSPECTUS IN RELATION TO THE PUBLIC ISSUE OF 49,000,000**  
**NEW ORDINARY SHARES OF RM1.00 EACH AT AN ISSUE PRICE OF RM1.50 EACH**  
**AND OFFER FOR SALE OF 25,000,000 ORDINARY SHARES OF RM1.00 EACH**  
**AT AN OFFER PRICE OF RM1.50 EACH**

This letter is prepared for inclusion in the Prospectus to be dated 29 February 2000 in relation to the public issue of 49,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.50 each and offer for sale of 25,000,000 ordinary shares of RM1.00 each at an offer price of RM1.50 each in Unico-Desa Plantations Berhad in respect of the Proposed Public Listing of **Unico-Desa Plantations Berhad** on the Main Board of The Kuala Lumpur Stock Exchange.

In accordance with the instruction received from Unico-Desa Plantations Berhad, we have valued the landed properties listed below. The Valuations were undertaken and the Valuation Reports were prepared in accordance with the "Guidelines on Asset Valuations for Submission to Securities Commission (1995)" issued by The Securities Commission, in compliance with the Manual of Valuation Standards (MVS) issued by The Board of Valuers, Appraisers and Estate Agents, Malaysia and with the necessary professional responsibility and due diligence.

The properties were valued on Market Value Basis using the Method of Valuations stated under the Report And Valuation mentioned in the tables herein.

In our opinion, the Market Values of the properties held for operational purposes identified below, with titles free from all encumbrances, are as follows:-

KUALA LUMPUR, PETALING JAYA, PENANG, JOHOR BARU, KUANTAN, MALACCA, IPOH, ALOR SETAR, BUTTERWORTH, KOTA BAHRU, BATU PAHAT, KUALA TRENGGANU, SEREMBAN, KOTA KINABALU, SANDAKAN, TAWAU, LABUAN, LAHAD DATU, KUCHING, SIBU, MIRI, BINTULU, BRUNEI



In Association with **CB Richard Ellis** Worldwide

V(1)0010/10

9. **VALUER'S LETTERS (CONT'D)**  
(Prepared for inclusion in this Prospectus)

## C H Williams Talhar & Wong

C H Williams Talhar & Wong (Sabah) Sdn Bhd (34874-P)

Property/Location/ Registered Owner (WTW Reference Number)	Description, Age & Tenure	Date of Valuation & Method of Valuation	Market Value (RM)
Property : CL 095316475 CL 095316484 CL 095316493 CL 095316500 CL 095316519 CL 095316528 CL 095316537 District of Kinabatangan  Location : Sg Kretam Besar, Kretam Locality, Km 70, Jalan Jeroco  Registered : Unico-Desa Owner      Plantations Sdn Bhd  (REF: WTWS/LDT/SC/11/009G & WTWS/LDT/SC/11/009G/RV1)	6,829.6 ha Oil Palm Plantation known as Unico- Desa Plantation  Average yield per year ranging from 21 mt to 26 mt FFB per plantable hectare.  Age of oil palms ranging from 8 to 13 years old as follows:-  1987 Oil Palm - 1,157.3 ha 1988 Oil Palm - 302.2 ha 1989 Oil Palm - 195.1 ha 1989/90 Oil Palm - 963.8 ha 1990 Oil Palm - 137.2 ha 1990/91 Oil palm - 1,043.02 ha 1991 Oil Palm - 1,132.34 ha 1991/92 Oil Palm - 151.58 ha 1992 Oil Palm - 1,331.56 ha  Planted Area 6,414.1 ha  Building Site/ Infrastructure - 363.29 ha  Proposed mill site - 25.5 ha Quarry - 2.8 ha Unplantables - 23.91 ha  Total Land Area: 6,829.6 ha =====	15 August 1998  Comparison & Investment	150,960,000
Property : CL 095322820 CL 095322839 CL 095317847 CL 095319010 CL 095318068 CL 095317838 CL 095317829 CL 095317356 CL 095317221 CL 095317212 CL 095317481 CL 095317365 CL 095317374 CL 095317543 CL 095321369 CL 095314579 CL 095316251 CL 095317178 District of Kinabatangan  Location : Sg Kretam Besar, Kretam Locality, Km 81, Jalan Jeroco  Registered : Unico Corporation Owner      Sdn Bhd & its 12 subsidiaries  (REF: WTWS/LDT/SC/09/036B & WTWS/LDT/SC/09/036B/RV1)	3,063.50 ha Oil Palm Plantation known as Unico Corporation Plantation  Average yield per year ranging 15 mt to 18 mt FFB per plantable hectare and could achieve between 21 mt to 26 mt FFB per plantable hectare in prime period of production.  Age of oil palm ranging from 4 to 8 years old as follows:-  1995 Oil Palm - 1,037.94 ha 1994 Oil Palm - 156.51 ha 1992 Oil Palm - 39.22 ha 1993 Oil Palm - 836.9 ha 1984/95 Oil Palm - 372.92 ha 1996 Oil palm - 273.0 ha 1995/96 Oil Palm - 76.95 ha  Planted Area 2,793.44 ha  Building Site/ Infrastructure/ Unplantables - 189.85 ha  Planting Reserve - 79.21 ha Quarry - 1.0 ha  Total Land Area : 3,063.5 ha =====	15 August 1998  Comparison & Investment	64,850,000
	Tenure : 99 years lease from 01 January 1983		
	Tenure : 99 years lease from 01 January 1985 to 1994		

9. **VALUER'S LETTERS (CONT'D)**  
(Prepared for inclusion in this Prospectus)

## C H Williams Talhar & Wong

C H Williams Talhar & Wong (Sabah) Sdn Bhd (34874-P)

Property/Location/ Registered Owner (WTW Reference Number)	Description, Age & Tenure	Date of Valuation & Method of Valuation	Market Value (RM)
Property : CL 115333438 District of Lahad Datu  Location : Locality of Segama, Km 20, Jalan Lahad Datu – Sandakan  Registered : Unico Plantations Owner Sdn Bhd  (REF: WTWS/LDT/SC/11/203A & WTWS/LDT/SC/11/203A/RV1)	Oil Palm Estate known as Unico Plantation  Land Area : 48.56 ha  1996 Oil Palm : 48.56 ha  Yield : Immature area  Age of oil palm : 4 years old  Tenure : 99 years lease from 01 January 1976	15 August 1998  Comparison	1,500,000
Property : CL 115357438 CL 115360186 CL 115360195 District of Lahad Datu  Location : Km 2, Jalan Jeroco, Off Km 20, Jalan Lahad Datu – Sandakan  Registered : Unico Oil Mill Sdn Owner Bhd & Alma Bt Jal**  ** Sale & Purchase Agreement signed with Unico Oil Mill Sdn Bhd  (REF: WTWS/LDT/SC/11/1510A & WTWS/LDT/SC/11/1510A/LV1)	Palm Oil Mill known as Unico Palm Oil Mill I (Land, Buildings & Civil Works only)  Land Area : 26.676 ha  Mill Main Floor Area : 4,896 m <sup>2</sup>  Total Main Floor Area : 2,963 m <sup>2</sup> of other buildings  Tenure : 99 years lease from 01 January 1979 or 1980	27 October 1997 & Letter of Validation dated 21 August 1998  Replacement Cost & Nett Replacement Cost	8,500,000
Property : CL 095316500 CL 095316537 District of Kinabatangan  Location : Sg Kretam Besar, Kretam Locality, Km 70, Jalan Jeroco  Registered : Unico-Desa Owner Plantations Sdn Bhd  (REF: WTWS/LDT/SC/09/099 & WTWS/LDT/SC/09/099/LV1)	Palm Oil Mill known as Unico Palm Oil Mill II (Land, Buildings & Civil Works only)  Land Area : 21.50 ha (To be subdivided from CL 095316500 & CL 095316537)  Mill Main Floor Area : 6,699 m <sup>2</sup>  Total Main Floor Area : 2,942.5 m <sup>2</sup> of other buildings  Tenure : 99 years lease from 01 January 1983	29 October 1997 & Letter of Validation dated 21 August 1998  Replacement Cost & Nett Replacement Cost	9,992,000
			<b>245,802,000</b>

9. **VALUER'S LETTERS (CONT'D)**  
(Prepared for inclusion in this Prospectus)

## **C H Williams Talhar & Wong**

C H Williams Talhar & Wong (Sabah) Sdn Bhd (34874-P)

We certify that in our opinion the Total Market Value of the above properties assessed on Market Value Basis using the valuation methods stated before, with titles free from all encumbrances, amounts to **RM245,802,000.00 (Ringgit Malaysia: Two Hundred Forty Five Million Eight Hundred And Two Thousand Only).**

Yours faithfully  
For and on behalf of  
C H Williams Talhar & Wong (Sabah) Sdn Bhd



LEONG SHIN YAU  
B.Comm, MISM  
Registered Valuer V294

9. **VALUER'S LETTERS (CONT'D)**  
(Prepared for inclusion in this Prospectus)



## C H Williams Talhar & Wong

C H Williams Talhar & Wong (Sabah) Sdn Bhd (34874-P)

Jurukur Berkanun  
Chartered Surveyors

Perunding Harta Antarabangsa  
International Property Consultants

2<sup>nd</sup> Floor, Lot 2, Block A  
RITB Bank Building  
Metro Commercial Centre  
Jalan Kiambang  
P.O. Box 60600  
91115 Lahad Datu  
Sabah, Malaysia  
Tel: 089-882393  
Fax: 089-885088

**Mohd. Talhar Bin Abd. Rahman**  
FRICS FISM

**Chong Chooa Kim**  
BSc ARICS FISM

**Robin Chung York Bin**  
BSc ARICS MISM

**Frederick Kilos**  
BSc ARVA MISM

**Leong Shin Yau**  
B. Comm MISM

**Doreen Lee**  
B.Sc MISM

### The Board of Directors

**Unico-Desa Plantations Berhad**  
8th Floor, Office Tower, Plaza Berjaya  
12, Jalan Imbi  
55100 KUALA LUMPUR

Dear Sirs

**UNICO-DESA PLANTATIONS BERHAD**  
**PROSPECTUS IN RELATION TO THE PUBLIC ISSUE OF 49,000,000**  
**NEW ORDINARY SHARES OF RM1.00 EACH AT AN ISSUE PRICE OF RM1.50 EACH**  
**AND OFFER FOR SALE OF 25,000,000 ORDINARY SHARES OF RM1.00 EACH**  
**AT AN OFFER PRICE OF RM1.50 EACH**

This letter is prepared for inclusion in the Prospectus to be dated 29 February 2000 in relation to the public issue of 49,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.50 each and offer for sale of 25,000,000 ordinary shares of RM1.00 each at an offer price of RM1.50 each in Unico-Desa Plantations Berhad in respect of the Proposed Public Listing of **Unico-Desa Plantations Berhad** on the Main Board of The Kuala Lumpur Stock Exchange.

In accordance with the instruction received from Unico-Desa Plantations Berhad, we have valued the landed properties listed below. The Valuations were undertaken and the Valuation Reports were prepared in accordance with the "Guidelines on Asset Valuations for Submission to Securities Commission (1995)" issued by The Securities Commission, in compliance with the Manual of Valuation Standards (MVS) issued by The Board of Valuers, Appraisers and Estate Agents, Malaysia and with the necessary professional responsibility and due diligence.

The properties were valued on Market Value Basis using the Method of Valuations stated under the Report And Valuation mentioned in the tables herein.

In our opinion, the Market Values of the properties held for future development identified below, with titles free from all encumbrances, are as follows:-



9. **VALUER'S LETTERS (CONT'D)**  
(Prepared for inclusion in this Prospectus)

## C H Williams Talhar & Wong

C H Williams Talhar & Wong (Sabah) Sdn Bhd (34974-P)

Ref. No. Property (Title Details & Address/Location) Registered Owner	Description/ Existing Use	Land Area	Tenure	Method of Valuation	Date of Valuation	Market Value (RM)
WTWS/LDT/SC/11/1932A & WTWS/LDT/SC/11/1932A/RV1  Title No : CL 115338880 CL 115338899 CL 115338906 CL 115339387 CL 115339592 CL 115348386 CL 115339396  District of Lahad Datu, Sabah  Registered : Fasgro Plantation Owner Sdn Bhd	Agricultural land under cocoa to be planted with oil palm	475.39 ha	99 years lease expiring on 31 December 2078 & 31 December 2079	Comparison	06 March 1998 & revised on 08 September 1998	14,600,000
Title No : CL 115339627 CL 115339636 District of Lahad Datu, Sabah  Registered : Topcrop Owner Plantation Sdn Bhd	Agricultural land under cocoa to be planted with oil palm	355.85 ha	99 years lease expiring on 31 December 2078	Comparison	06 March 1998 & revised on 08 September 1998	
Title No : CL 115339645 District of Lahad Datu, Sabah  Registered : Segaco Owner Plantation Sdn Bhd  Situated at Locality of Segama, Jalan Jeroco about 36 km by road to the north-east of Lahad Datu Town	Agricultural land under cocoa to be planted with oil palm	180.49 ha	99 years lease expiring on 31 December 2078	Comparison	06 March 1998 & revised on 08 September 1998	
WTWS/LDT/SC/11/474B & WTWS/LDT/SC/11/474B/RV1  Title No : CL 115342151 District of Lahad Datu, Sabah  Registered : Tutico Plantation Owner Sdn Bhd	Agricultural land under cocoa to be planted with oil palm	85.03 ha	99 years lease expiring on 31 December 2079	Comparison	06 March 1998 & revised on 08 September 1998	2,280,000
Title No : CL 115342160 District of Lahad Datu, Sabah  Registered : Supercrop Owner Plantation Sdn Bhd  Situated at Ulu Segama, about 5 km due west of Km 17, Jalan Lahad Datu – Sandakan	Agricultural land under cocoa to be planted with oil palm	83.69 ha	99 years lease expiring on 31 December 2079	Comparison	06 March 1998 & revised on 08 September 1998	
			<b>TOTAL</b>			<b>16,880,000</b>

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9. **VALUER'S LETTERS (CONT'D)**  
(Prepared for inclusion in this Prospectus)

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## **C H Williams Talhar & Wong**

C H Williams Talhar & Wong (Sabah) Sdn Bhd (34874-P)

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We certify that in our opinion the Total Market Value of the above properties assessed on Market Value Basis using the valuation methods stated before, with titles free from all encumbrances, amounts to **RM16,880,000.00 (Ringgit Malaysia: Sixteen Million Eight Hundred And Eighty Thousand Only).**

Yours faithfully  
For and on behalf of  
C H Williams Talhar & Wong (Sabah) Sdn Bhd



LEONG SHIN YAU  
B.Comm, MISM  
Registered Valuer V294



9. **VALUER'S LETTERS (CONT'D)**  
(Prepared for inclusion in this Prospectus)

## C H Williams Talhar & Wong



**C H Williams Talhar & Wong (Sabah) Sdn Bhd** (34874-P)

Juruukur Berkanun  
Chartered Surveyors

Perunding Harta Antarabangsa  
International Property Consultants

Room 602, 6th Floor,  
Lai Piang Kee Building,  
Jalan Lima, W.D.T. 110,  
90009 Sandakan, Sabah.  
Tel : 089-219714, 271972  
217022, 217025  
Fax : 089-272850

Our Ref : WTWS/BA/11/059/(a)/1

Mohd Tahir A Rahman  
FRICS FISM  
Chong Choon Kim  
B Sc., ARCS, FISM  
Robin Chung York Bin  
B Sc., ARCS, MISM  
Frederick Kilos  
B Sc., ARCS, MISM  
Leong Shin Yau  
B Comm., MISM  
Doreen Lee  
B Sc., (E & M), MISM

**The Board of Directors**  
**Unico-Desa Plantations Berhad**  
**8<sup>th</sup> Floor, Office Tower, Plaza Berjaya**  
**12, Jalan Imbi**  
**55100 Kuala Lumpur**

Dear Sirs

**UNICO-DESA PLANTATIONS BERHAD**  
**PROSPECTUS IN RELATION TO THE PUBLIC ISSUE OF 49,000,000**  
**NEW ORDINARY SHARES OF RM1.00 EACH AT AN ISSUE PRICE**  
**OF RM1.50 EACH AND OFFER FOR SALE OF 25,000,000 ORDINARY**  
**SHARE OF RM1.00 EACH AT AN OFFER PRICE OF RM1.50 EACH**

This letter is prepared for inclusion in the Prospectus to be dated 29 February 2000 in relation to the public issue of 49,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.50 each and offer for sale of 25,000,000 ordinary shares of RM1.00 each at an offer price of RM1.50 each in Unico-Desa Plantations Berhad in respect of the Proposed Public Listing of Unico-Desa Plantations Berhad on the Main Board of The Kuala Lumpur Stock Exchange.

We confirm that in accordance with the instructions received from Syarikat Zuba Sdn Bhd, we have valued the landed property described below. The Valuation was undertaken, and the Valuation Report was prepared, in accordance with the then current Manual of Valuation Standards (MVS) and Amended Guidance Notes 1987 issued by The Board of Valuers, Appraisers and Estate Agents, Malaysia, and with the necessary professional responsibility and due diligence. The valuation was undertaken for the purposes of a proposed sale and for securing banking facilities and had not been prepared for submission to the Securities Commission.

The property was valued on 'Open Market Value' Basis using the Investment Method and the Comparison Method as stated in the Report and Valuation mentioned in the table herein.

9. **VALUER'S LETTERS (CONT'D)**  
(Prepared for inclusion in this Prospectus)

**C. H. Williams, Talhar & Wong**


C. H. Williams, Talhar & Wong (Sabah) Sdn Bhd (34874-P)

Our Ref : WTWS/BA/11/059/(a)/1

In our opinion, the Open Market Value of the subject property at the material date, 10 June 1998, with title free from all encumbrances, was as follows:

Valuation Report Reference	Date of Report	Property	Land Area	Open Market Value
WTWS/BA/11/059/(a)	22 June 1998	Zuba Cocoa Estate, locality of Segama, off Km 154.8, Sandakan-Lahad Datu Highway held under CL 115337945.	1,008.97 Ha./ 2,493.2 Ac.	RM13,762,000

Yours faithfully  
For and on behalf of  
C.H. WILLIAMS, TALHAR & WONG (SABAH) SDN BHD

  
ROBIN CHUNG YORK BIN  
Registered Valuer V161

RCYB/ml

10. **ACCOUNTANTS' REPORT**  
(Prepared for inclusion in this Prospectus)

**Coopers  
& Lybrand**

**Coopers & Lybrand**  
(AF 0178)  
public accountants

22nd Floor IGB Plaza  
Jalan Kampar Off Jalan Tun Razak  
50400 Kuala Lumpur  
Malaysia

postal address  
PO Box 10184  
50706 Kuala Lumpur

telephone (603) 4411188

facsimile (603) 4410880

**ACCOUNTANTS' REPORT**  
(Prepared for inclusion in this Prospectus)

The Board of Directors  
Unico-Desa Plantations Berhad,  
8<sup>th</sup> Floor, Office Tower,  
Plaza Berjaya,  
12th, Jalan Imbi,  
55100 Kuala Lumpur

23 February 2000

Dear Sirs,

**I INTRODUCTION**

This report has been prepared for inclusion in the Prospectus to be dated 29 February 2000 in connection with:

- (i) the public issue of 49,000,000 new ordinary shares of RM1.00 each in Unico-Desa Plantations Berhad ("UDPB") at an issue price of RM1.50 per share;
- (ii) the offer for sale of 25,000,000 ordinary shares of RM1.00 each in UDPB by Unico Holdings Berhad ("UHB") at an offer price of RM1.50 per share; and
- (iii) the listing of and quotation for the entire enlarged issued and fully paid up share capital of UDPB comprising 138,000,000 ordinary shares of RM1.00 each on the Main Board of the Kuala Lumpur Stock Exchange ("KLSE").

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10. **ACCOUNTANTS' REPORT (CONT'D)**  
(Prepared for inclusion in this Prospectus)

**Coopers  
&Lybrand**

**Coopers & Lybrand**  
(AF 0178)  
public accountants

## II GENERAL INFORMATION

### (i) Incorporation

- (a) UDPB was incorporated in Malaysia on 11 December 1981 as a private limited company under the name Unico-Desa Plantations Sdn Bhd. On 1 April 1998, the status of the Company was changed from a private limited company to a public limited company and its name was changed to Unico-Desa Plantations Berhad.
- (b) As at the date of incorporation, the authorised share capital of the Company was RM100,000 divided into 100,000 ordinary shares of RM1.00 each. On 28 December 1988, this was increased to RM5,000,000 divided into 5,000,000 ordinary shares of RM1.00 each. Subsequently, on 23 December 1999, the authorised share capital was increased to RM500,000,000 by the creation of 495,000,000 new ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of UDPB since the date of incorporation are as follows:

Date of allotment	Number of ordinary shares	Par value RM	Type of issue	Cumulative total RM
11.12.81	2		Subscribers' shares	2
17.04.84	9998	1.00	Cash	10,000
30.12.88	4,990,000	1.00	Cash	5,000,000
8.2.2000	543,323	1.00	Issued pursuant to the acquisition of Unico Oil Mill Sdn Bhd ("UOMSB")	5,543,323
8.2.2000	1,236,236	1.00	Issued pursuant to the acquisition of Unico Corporation Sdn Bhd ("UCorp")	6,779,559
8.2.2000	43,907	1.00	Issued pursuant to The acquisition of Unico Plantations Sdn Bhd ("UPSB")	6,823,466
8.2.2000	28,613,300	1.00	Capitalisation of amount due to UHB	35,436,766
16.2.2000	1,500,000	1.00	Issued pursuant to the Restricted Issue to Executives	36,936,766
16.2.2000	1,000,000	1.00	Issued pursuant to the Restricted Issue to Directors	37,936,766
18.2.2000	51,063,234	1.00	Issued pursuant to the Bonus Issue	89,000,000

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**10. ACCOUNTANTS' REPORT (CONT'D)**  
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& Lybrand**

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public accountants

**II GENERAL INFORMATION (CONTINUED)**

**(ii) Principal activities**

UDPB's principal activities are the cultivation of oil palm, palm oil milling and distribution of palm oil and palm kernel. The principal activities of the subsidiary companies are set out in paragraph (iii) below.

**(iii) Restructuring exercise**

In conjunction with, and as an integral part of the listing of and quotation for the entire enlarged issued and fully paid-up share capital of UDPB on the Main Board of the KLSE, the restructuring exercise which had been approved by the shareholders of UHB on 22 September 1999 and Securities Commission on 5 February 1999 is as follows:

**(a) Revaluation exercise**

The landed properties of UDPB, Unico Oil Mill Sdn Bhd ("UOMSB"), Unico Corporation Sdn Bhd and its subsidiary companies ("UCorp Group") and Unico Plantation Sdn Bhd ("UPSB") had been revalued respectively by an independent professional valuer based on the respective open market values of the properties. On 5 February 1999, the Securities Commission ("SC") approved a total net revaluation surplus of RM82,074,551 for the revaluation of the landed properties of the abovementioned companies.

**(b) Acquisition of proposed subsidiaries**

**(i) UOMSB**

UDPB acquired the entire issued and paid-up share capital of UOMSB comprising 6,500,000 ordinary shares of RM1.00 each for a purchase consideration of RM14,653,433 which was satisfied by the issuance of 543,323 ordinary shares of RM1.00 each in UDPB at issue price of RM26.97 per share.

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10. **ACCOUNTANTS' REPORT (CONT'D)**  
(Prepared for inclusion in this Prospectus)

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public accountants

**II GENERAL INFORMATION (CONTINUED)**

**(iii) Restructuring exercise (Continued)**

**(ii) UPSB**

UDPB acquired the entire issued and paid up share capital of UPSB comprising of 1,528,541 ordinary shares of RM1.00 each for a purchase consideration of RM1,184,174 which was satisfied by the issuance of 43,907 ordinary shares of RM1.00 each in UDPB at issue price of RM26.97 per share.

**(iii) UCorp**

UDPB acquired the entire issued and paid-up share capital of UCorp comprising 2,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM33,341,292 which was satisfied by the issuance of 1,236,236 ordinary shares of RM1.00 each in UDPB at issue price of RM26.97 per share.

**10. ACCOUNTANTS' REPORT (CONT'D)**  
(Prepared for inclusion in this Prospectus)

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**II GENERAL INFORMATION (CONTINUED)**

**(iii) Restructuring exercise (Continued)**

Following the above acquisitions, UDPB has interests in the following companies, all of which are incorporated in Malaysia:-

Company	Principal activities	Date of incorporation	Issued and paid-up capital RM	Percentage Shareholding
Unico Oil Mill Sdn Bhd	Palm oil milling and distribution	14.10.1987	6,500,000	100%
Unico Plantations Sdn Bhd	Cultivation and sale of oil palm	30.12.1982	1,528,541	100%
Unico Corporation Sdn Bhd ("UCorp")	Investment holding and cultivation of oil palm	19.10.1981	2,000,000	100%

Subsidiary companies of UCorp are as follows:

Lajung Kelapa Sawit Sdn Bhd	Cultivation and sale of oil palm	13.12.1982	3	100%
Esteemplan Sdn Bhd	Cultivation and sale of oil palm	5.9.1983	2	100%
Puuvun Sdn Bhd	Cultivation and sale of oil palm	18.8.1982	3	100%
Marga Jaya Sdn Bhd	Cultivation and sale of oil palm	13.7.1985	369,502	100%
Mautas Sdn Bhd	Cultivation and sale of oil palm	27.6.1985	389,902	100%
Longlive Development (M) Sdn Bhd	Cultivation and sale of oil palm	31.3.1981	1,064,696	100%
Kesan Jaya Sdn Bhd	Cultivation and sale of oil palm	27.2.1987	2	100%
Jimery Sdn Bhd	Cultivation and sale of oil palm	11.6.1984	2	100%
Sri Kudasang Sdn Bhd	Cultivation and sale of oil palm	15.7.1985	2	100%

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**10. ACCOUNTANTS' REPORT (CONT'D)**  
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**II GENERAL INFORMATION (CONTINUED)**

**(iii) Restructuring exercise (Continued)**

Tekad Murni Sdn Bhd	Cultivation and sale of oil palm	24.3.1989	2,554,002	100%
Builtec Agricultural & Development Sdn Bhd	Cultivation and sale of oil palm	28.8.1985	373,302	100%
Zutaland Development Sdn Bhd	Cultivation and sale of oil palm	14.7.1989	2,439,384	100%
Fasgro Plantation Sdn Bhd	Cultivation of oil palm	31.3.1980	7,884,000	100%
Topcrop Plantation Sdn Bhd	Cultivation of oil palm	8.11.1979	6,707,000	100%
Supercrop Plantation Sdn Bhd	Cultivation of oil palm	31.7.1980	1,185,000	100%
Segaco Plantation Sdn Bhd	Cultivation of oil palm	29.3.1980	2,994,000	100%
Tutico Plantation Sdn Bhd	Cultivation of oil palm	31.7.1980	1,203,000	100%
Sykt Zuba Sdn Bhd	Cultivation of oil palm	13.1.1978	14,400,000	100%

**(c) Capitalisation of amount due to UHB**

The capitalisation of RM28,613,300 representing the amount due from UDPB to UHB as at 31 March 1997 by way of a new issue of 28,613,300 ordinary shares of RM1.00 each.

**(d) Restricted issue to executives**

There was a restricted issue of 1,500,000 new ordinary shares of RM1.00 each at the issue price of RM1.50 each to executives of UHB and the UDPB Group.

**(e) Restricted issue to directors**

There was a restricted issue of 1,000,000 new ordinary shares of RM1.00 each at the issue price of RM1.50 each to directors of UHB and the UDPB Group.

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10. **ACCOUNTANTS' REPORT (CONT'D)**  
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**II GENERAL INFORMATION (CONTINUED)**

(iii) **Restructuring exercise (Continued)**

(f) **Bonus issue**

There was a bonus issue of 51,063,234 shares to existing shareholders on the basis of approximately 135 shares for every 100 shares held by existing shareholders (after the completion of the issuance as indicated in paras (b) to (e) above). The bonus issue was carried out by way of capitalisation of part of the available revaluation reserves amounting to RM44,621,176 and unappropriated profit amounting to RM6,442,058.

(g) **Public issue**

Public issue of 49,000,000 new ordinary shares of RM1.00 each in UDPB at an issue price of RM1.50 per share.

(h) **Offer for sale**

An offer for sale of 25,000,000 ordinary shares of RM1.00 each in UDPP by UHB at offer price of RM1.50 per share.

(i) **Listing**

The enlarged issued and paid up share capital of UDPB of 138,000,000 ordinary shares of RM1.00 each will be listed on the Main Board of the KLSE.

(iv) **Accounts and auditors**

**UDPB, UPSB and UCORP Group**

We are the auditors of UDPB, UPSB and UCORP Group for all periods relevant to this report. The audited accounts of UDPB, UPSB and UCORP Group for all the financial years under review were audited and reported without qualification.

**UOMSB**

The accounts of UOMSB for all the financial years relevant to this report were audited by another firm of auditors except for the accounts for the financial period from 1 April 1999 to 31 August 1999 which was audited by our firm. The accounts of UOMSB for all the financial years under review were audited and reported without any qualification.

**10. ACCOUNTANTS' REPORT (CONT'D)**  
(Prepared for inclusion in this Prospectus)

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**III SUMMARISED PROFIT AND LOSS ACCOUNTS**

**(a) UDPB Group**

The summarised proforma consolidated profit and loss accounts set out below has been prepared for illustrative purposes based on the audited accounts of UDPB, UOMSB, UCorp Group and UPSB for the past five (5) financial years ended 31 March 1999 and five (5) months ended 31 August 1999, assuming that the acquisition of these subsidiaries' issued and paid up share capital were completed on 1 April 1994:-

Amounts in RM'000	Financial year ended 31 March					5 months ended 31.8.1999
	1995	1996	1997	1998	1999	
Turnover	<u>36,308</u>	<u>49,717</u>	<u>59,264</u>	<u>92,362</u>	<u>140,627</u>	<u>43,066</u>
Profit before depreciation, interest and taxation	13,306	18,552	17,600	34,117	53,085	14,337
Depreciation	(1,235)	(1,549)	(2,791)	(3,542)	(3,751)	(1,627)
Interest	(2,378)	(2,874)	(3,377)	(7,351)	(9,485)	(2,899)
Profit before taxation	<u>9,693</u>	<u>14,129</u>	<u>11,432</u>	<u>23,224</u>	<u>39,849</u>	<u>9,811</u>
Taxation	-	(400)	(365)	(3,151)	(3,516)	(4,200)
Profit after taxation attributable to shareholders of the Company	<u>9,693</u>	<u>13,729</u>	<u>11,067</u>	<u>20,073</u>	<u>36,333</u>	<u>5,611</u>
Number of ordinary shares of RM1 each in issue ('000)	6,823	6,823	6,823	6,823	6,823	6,823
Gross EPS (RM)	1.42	2.07	1.68	3.40	5.84	3.45+
Net EPS (RM)	1.42	2.01	1.62	2.94	5.32	1.97+
Gross dividend rate (%)	-	-	-	150	100	380

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10. ACCOUNTANTS' REPORT (CONT'D)  
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& Lybrand

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(AF 0178)  
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### III SUMMARISED PROFIT AND LOSS ACCOUNTS (CONTINUED)

#### (a) UDPB Group (Continued)

Notes:

+ Annualised

- (i) *The proforma results of UDPB Group have been prepared based on accounting policies consistent with those previously adopted in the preparation of the individual company's audited financial statements in the UDPB Group.*
- (ii) *There were no extraordinary items for the financial years/period under review.*
- (iii) *The gross and net earnings per share are calculated based on the profit before taxation and profit after taxation attributable to shareholders of the UDPB Group for the financial years/period respectively divided by 6,823,466 ordinary shares of RM1.00 each arrived at after taking into account the shares issued by UDPB for the acquisition of subsidiary companies. For illustrative purposes, the gross and net EPS calculated on the results for the five (5) months ended 31 August 1999 have been reflected on an annualised basis.*

10. ACCOUNTANTS' REPORT (CONT'D)  
(Prepared for inclusion in this Prospectus)

**Coopers  
& Lybrand**

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(AF 0178)  
public accountants

III SUMMARISED PROFIT AND LOSS ACCOUNTS (CONTINUED)

(b) UDPB

The summarised profit and loss accounts based on the audited accounts of UDPB for the past five (5) financial years ended 31 March 1999 and five (5) months ended 31 August 1999 are as follows:

Amounts in RM'000	Financial year ended 31 March					5 months ended 31.8.1999
	1995	1996	1997	1998	1999	
Turnover	<u>18,704</u>	<u>24,617</u>	<u>30,612</u>	<u>53,923</u>	<u>78,957</u>	<u>26,070</u>
Profit before depreciation, interest and taxation	10,376	12,692	12,874	29,551	44,893	11,915
Depreciation	(378)	(629)	(1,774)	(2,482)	(2,538)	(1,052)
Interest	<u>(1,833)</u>	<u>(2,426)</u>	<u>(3,075)</u>	<u>(6,828)</u>	<u>(5,271)</u>	<u>(732)</u>
Profit before taxation	<u>8,165</u>	<u>9,637</u>	<u>8,025</u>	<u>20,241</u>	<u>37,084</u>	<u>10,131</u>
Taxation	-	-	-	(2,100)	(3,516)	(4,200)
Profit after taxation attributable to shareholders of the Company	<u>8,165</u>	<u>9,637</u>	<u>8,025</u>	<u>18,141</u>	<u>33,568</u>	<u>5,931</u>
Number of ordinary shares of RM1 each in issue ('000)	5,000	5,000	5,000	5,000	5,000	5,000
Gross EPS (RM)	1.63	1.93	1.61	4.05	7.42	4.86+
Net EPS (RM)	1.63	1.93	1.61	3.63	6.71	2.85+
Gross dividend rate (%)	-	-	-	150	100	380

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10. ACCOUNTANTS' REPORT (CONT'D)  
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(AF 0178)  
public accountants

III SUMMARISED PROFIT AND LOSS ACCOUNTS (CONTINUED)

(b) UDPB (Continued)

*Notes:*

+ *Annualised*

(i) *The audited results of UDPB have been prepared based on accounting policies consistent with those previously adopted in the preparation of the company's audited financial statements.*

(ii) *There was no taxation charge in respect of the financial years ended from 31 March 1995 to 31 March 1997 mainly due to the utilisation of agriculture allowances brought forward. The effective rate of taxation for the financial year ended 31 March 1998 was significantly lower than the statutory rate of taxation mainly due to the utilisation of agriculture allowances, reinvestment allowances and unabsorbed losses brought forward.*

*The tax provision for the financial year ended 31 March 1999 was in respect of deferred tax provision arising from the timing differences on the excess of capital allowances over the corresponding depreciation of fixed assets.*

*The effective rate of taxation for the financial period ended 31 August 1999 was significantly higher than the statutory rate of taxation mainly due to the additional tax liability incurred on the proposed dividends under Section 108 (5) of the Income Tax Act, 1967 as there was insufficient tax credits to frank net dividends.*

(iii) *There were no extraordinary items for the financial years/period under review.*

(iv) *The gross and net earnings per share are calculated based on the profit before taxation and profit after taxation attributable to shareholders of the company for the financial years/period respectively divided by the number of ordinary shares in issue for each financial year/period under review. For illustrative purposes, the gross and net earnings per share ("EPS") calculated on the results for the five (5) months ended 31 August 1999 have been reflected on an annualised basis.*

10. ACCOUNTANTS' REPORT (CONT'D)  
(Prepared for inclusion in this Prospectus)

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III SUMMARISED PROFIT AND LOSS ACCOUNTS (CONTINUED)

(c) UOMSB

The summarised profit and loss accounts based on the audited accounts of UOMSB for the past five (5) financial years ended 31 March 1999 and five (5) months ended 31 August 1999 are as follows:

Amounts in RM'000	Financial year ended 31 March					5 months ended 31.8.1999
	1995	1996	1997	1998	1999	
Turnover	<u>31,551</u>	<u>43,776</u>	<u>35,876</u>	<u>40,332</u>	<u>63,108</u>	<u>17,330</u>
Profit before depreciation, interest and taxation	2,930	5,862	4,103	2,221	1,173	478
Depreciation	(857)	(920)	(1,017)	(1,022)	(1,116)	(504)
Interest	(545)	(448)	(302)	(99)	(27)	(1)
Profit/(loss) before Taxation	<u>1,528</u>	<u>4,494</u>	<u>2,784</u>	<u>1,100</u>	<u>30</u>	<u>(27)</u>
Taxation	-	(400)	(365)	(1,051)	-	-
Profit/(loss) after Taxation attributable to the shareholders of the Company	<u>1,528</u>	<u>4,094</u>	<u>2,419</u>	<u>49</u>	<u>30</u>	<u>(27)</u>
Number of shares in issue ('000)	6,500	6,500	6,500	6,500	6,500	6,500
Gross EPS/(LPS) (RM)	0.24	0.69	0.43	0.17	0.01	(0.01)+
Net EPS/(LPS) (RM)	0.24	0.63	0.37	0.01	0.01	(0.01)+
Gross dividend rate (%)	-	-	25	5	10	-

**Notes:**

+ *Annualised*

(i) *The audited results of UOMSB have been prepared based on accounting policies consistent with those previously adopted in the preparation of the company's audited financial statements.*

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10. ACCOUNTANTS' REPORT (CONT'D)  
(Prepared for inclusion in this Prospectus)

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III SUMMARISED PROFIT AND LOSS ACCOUNTS (CONTINUED)

(c) UOMSB (Continued)

- (ii) *The effective rate for the financial year ended 31 March 1995 to 31 March 1997 was nil or significantly lower than the statutory rate of taxation mainly due to the utilisation of unabsorbed capital allowances brought forward.*

*The effective rate of taxation for the financial year ended 31 March 1998 was significantly higher than the statutory rate of taxation mainly due to the provision of deferred taxation of RM536,000 and charge for the underprovision of taxation in prior years of RM265,000.*

- (iii) *There were no extraordinary items for the financial years/period under review.*
- (iv) *The gross and net earnings per share are calculated based on the profit before taxation and profit after taxation attributable to shareholders of the company for the financial years/ period respectively divided by the number of ordinary shares in issue for each financial year/period under review. For illustrative purposes, the gross and net EPS calculated on the results for the five (5) months ended 31 August 1999 have been reflected on an annualised basis.*

10. ACCOUNTANTS' REPORT (CONT'D)  
(Prepared for inclusion in this Prospectus)

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III SUMMARISED PROFIT AND LOSS ACCOUNTS (CONTINUED)

(d) UCorp Group

The summarised profit and loss accounts based on the audited accounts of UCorp Group for the past five (5) financial years ended 31 March 1999 and five (5) months ended 31 August 1999 are as follows:

Amounts in RM'000	Financial year ended 31 March					5 months ended 31.8.1999
	1995	1996	1997	1998	1999	
Turnover	-	17	888	3,648	10,392	3,565
Profit before depreciation, interest and taxation	-	(2)	623	2,348	7,024	1,948
Depreciation	-	-	-	(38)	(97)	(71)
Interest expense	-	-	-	(424)	(4,187)	(2,166)
Profit/(loss) before taxation	-	(2)	623	1,886	2,740	(289)
Taxation	-	-	-	-	-	-
Profit/(loss) after taxation attributable to shareholders of the company	-	(2)	623	1,886	2,740	(289)
Number of shares in issue ('000)	2,000	2,000	2,000	2,000	2,000	2,000
Gross EPS/(LPS) (RM)	-	(0.001)	0.31	0.94	1.37	(0.35)+
Net EPS/(LPS) (RM)	-	(0.001)	0.31	0.94	1.37	(0.35)+
Gross dividend rate (%)	-	-	-	-	-	-

*Notes:*

+ *Annualised*

- (i) *The audited results of UCorp Group have been prepared based on accounting policies consistent with those previously adopted in the preparation of the company's audited financial statements.*
- (ii) *There was no taxation charge in respect of the financial years ended 31 March 1998 and 31 March 1999 as there was no chargeable income for tax purposes due to the utilisation of agriculture allowance, unabsorbed tax losses and capital allowances brought forward.*



**10. ACCOUNTANTS' REPORT (CONT'D)**  
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**III SUMMARISED PROFIT AND LOSS ACCOUNTS (CONTINUED)**

**(d) Ucorp Group (Continued)**

*Notes:*

- (iii) *There were no extraordinary items for the financial years/period under review.*
- (iv) *The gross and net earnings per share are calculated based on the profit before taxation and profit after taxation attributable to shareholders of the company for the financial years/period respectively divided by the number of ordinary shares in issue for each financial year/period under review. For illustrative purposes, the gross and net EPS calculated on the results for the five (5) months ended 31 August 1999 have been reflected on an annualised basis*

**(e) UPSB**

The summarised profit and loss accounts based on the audited accounts of UPSB for the past five (5) financial years ended 31 March 1999 and five (5) months ended 31 August 1999 are as follows:

Amounts in RM'000	Financial year ended 31 March					5 months ended 31.8.1999
	1995	1996	1997	1998	1999	
Turnover	-	-	-	-	-	9
Loss before depreciation, interest and taxation	-	-	-	(3)	(5)	(4)
Depreciation	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Loss before taxation	-	-	-	(3)	(5)	(4)
Taxation	-	-	-	-	-	-
Loss after taxation	-	-	-	(3)	(5)	(4)
Number of ordinary shares of RM1 each in issue ('000)	*	*	*	*	*	*
Gross LPS (RM)	-	-	-	(1,500)	(2,500)	(4,800)+
Net LPS (RM)	-	-	-	(1,500)	(2,500)	(4,800)+
Gross dividend rate (%)	-	-	-	-	-	-

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**10. ACCOUNTANTS' REPORT (CONT'D)**  
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**III SUMMARISED PROFIT AND LOSS ACCOUNTS (CONTINUED)**

**(e) UPSB (Continued)**

*Notes:*

+ *Annualised*  
\* *RM2.00*

- (i) *The audited results of UPSB have been prepared based on accounting policies consistent with those previously adopted in the preparation of the company's audited financial statements.*
- (ii) *There were no extraordinary items for the financial years/period under review.*
- (iii) *The gross and net earnings per share are calculated based on the profit before taxation and profit after taxation attributable to shareholders of the company for the financial years/period respectively divided by the number of ordinary shares in issue for each financial year/period under review. For illustrative purposes, the gross and net EPS calculated on the results for the five (5) months ended 31 August 1999 have been reflected on an annualised basis.*

**IV DIVIDENDS**

Details of the dividends declared by the Group for the past five (5) financial years ended 31 March 1999 are as follows:

Financial year ended	Issued and paid up share capital RM'000		Gross dividend RM'000	Tax rate %	Net dividends RM'000
<b>UDPB</b>					
31.3.1998	5,000	Interim	7,500	28	5,400
31.3.1999	5,000	Interim	5,000	Tax exempt	5,000
31.8.1999	5,000	Interim	4,000	Tax exempt	4,000
		Interim	15,000	28	10,800
<b>UOMSB</b>					
31.3.1997	6,500	Interim	1,625	30	1,138
31.3.1998	6,500	Interim	325	28	234
31.3.1999	6,500	Interim	650	28	468

UCorp Group and UPSB have not declared any dividend for the past five (5) financial years ended 31 March 1999 and the five (5) months ended 31 August 1999.

**10. ACCOUNTANTS' REPORT (CONT'D)**  
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**(V) SUMMARISED BALANCE SHEETS**

**(a) UDPB**

The summarised balance sheets based on the audited accounts of UDPB for the last six (6) financial years ended 31 March 1999 and five (5) months ended 31 August 1999 are as follows:

Amounts in RM'000	← As at 31 March →						As at 31.8.1999
	1994	1995	1996	1997	1998	1999	
Share capital	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Reserves	29,213	37,378	47,015	64,178	76,920	105,487	96,618
	34,213	42,378	52,015	69,178	81,920	110,487	101,618
Deferred and long term liabilities	18,258	21,897	24,459	17,005	21,452	17,212	14,066
	52,471	64,275	76,474	86,183	103,372	127,699	115,684
Represented by:							
Fixed assets	82,138	87,734	104,616	125,739	135,416	137,458	137,443
Deferred expenditure	-	-	-	189	139	100	82
Current assets	1,148	3,495	19,601	5,302	13,657	39,019	43,368
Current liabilities	(30,815)	(26,954)	(47,743)	(45,047)	(45,840)	(48,878)	(65,209)
Net current liabilities	(29,667)	(23,459)	(28,142)	(39,745)	(32,183)	(9,859)	(21,841)
	52,471	64,275	76,474	86,183	103,372	127,699	115,684
NTA per share (RM)	6.84	8.48	10.40	13.80	16.36	22.08	20.31

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**10. ACCOUNTANTS' REPORT (CONT'D)**  
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**(V) SUMMARISED BALANCE SHEETS (CONTINUED)**

**(b) UOMSB**

The summarised balance sheets based on the audited accounts of UOMSB for the last six (6) financial years ended 31 March 1999 and five (5) months ended 31 August 1999 are as follows:

Amounts in RM'000	← As at 31 March →						As at 31.8.1999
	1994	1995	1996	1997	1998	1999	
Share capital	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Reserves	(467)	1,061	5,155	6,445	6,260	5,822	5,795
	<u>6,033</u>	<u>7,561</u>	<u>11,655</u>	<u>12,945</u>	<u>12,760</u>	<u>12,322</u>	<u>12,295</u>
Deferred and long term liabilities +	6,599	4,114	4,092	353	1,314	2,822	2,480
	<u>12,632</u>	<u>11,675</u>	<u>15,747</u>	<u>13,298</u>	<u>14,074</u>	<u>15,144</u>	<u>14,775</u>
Represented by:							
Fixed assets	13,034	12,874	13,123	12,671	13,583	14,579	15,035
Deferred expenditure	86	55	22	-	-	-	-
Current assets	1,605	4,625	7,502	5,139	4,051	4,142	5,341
Current liabilities	(2,093)	(5,879)	(4,900)	(4,512)	(3,560)	(3,577)	(5,601)
Net current (liabilities)/assets	(488)	(1,254)	2,602	627	491	565	(260)
	<u>12,632</u>	<u>11,675</u>	<u>15,747</u>	<u>13,298</u>	<u>14,074</u>	<u>15,144</u>	<u>14,775</u>
NTA per share (RM)	0.91	1.15	1.79	1.99	1.96	1.90	1.89

**Notes:**

- + *The long term liabilities include the amount owing to holding company which has been reclassified from current liabilities to long term liabilities to conform with the presentation for the period ended 31 August 1999 as this amount is not expected to be repayable within the 12 months subsequent to the respective financial periods.*

**10. ACCOUNTANTS' REPORT (CONT'D)**  
(Prepared for inclusion in this Prospectus)

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**(V) SUMMARISED BALANCE SHEETS (CONTINUED)**

**(c) UCorp Group**

The summarised balance sheets based on the audited accounts of Ucorp Group for the last six (6) financial years ended 31 March 1999 and five (5) months ended 31 August 1999 are as follows:

Amounts in RM'000	← As at 31 March →						As at 31.8.1999
	1994	1995	1996	1997	1998	1999	
Share capital	*	2,000	2,000	2,000	2,000	2,000	2,000
Reserves	2,682 @	2,703 @	2,660 @	2,466 @	4,352	7,299	7,009
	2,682	4,703	4,660	4,466	6,352	9,299	9,009
Deferred and long term liabilities +	4,835	10,204	22,068	25,189	30,317	59,602	64,467
	7,517	14,907	26,728	29,655	36,669	68,901	73,476
Represented by:							
Fixed assets	7,752 @	15,000 @	21,352 @	28,932 @	34,370	72,441	75,851
Goodwill on consolidation	-	-	2	11	11	72	72
Deferred expenditure	76	182	411	450	440	423	403
Current assets	217	204	6,059	748	2,173	290	404
Current liabilities	(528)	(479)	(1,096)	(486)	(325)	(4,325)	(3,254)
Net current liabilities	(311)	(275)	4,963	262	1,848	(4,035)	(2,850)
	7,517	14,907	26,728	29,655	36,669	68,901	73,476
NTA per share (RM)	1,303.000	2.26	2.12	2.00	2.95	4.40	4.27

**Notes:**

\* RM2.00

+ The long term liabilities represent the amount owing to holding company and amount owing to a related corporation which has been reclassified from current liabilities to long term liabilities to conform with the presentation for the period ended 31 August 1999 as these amounts are not expected to be repayable within the 12 months subsequent to the respective financial periods.

@ These balances have been restated to reflect adjustment on the revaluation of properties.

10. ACCOUNTANTS' REPORT (CONT'D)  
(Prepared for inclusion in this Prospectus)

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(V) SUMMARISED BALANCE SHEETS (CONTINUED)

(d) UPSB

The summarised balance sheets based on the audited accounts of UPSB for the last six (6) financial years ended 31 March 1999 and five (5) months ended 31 August 1999 are as follows:

Amounts in RM'000	← As at 31 March →						As at 31.8.1999
	1994	1995	1996	1997	1998	1999	
Share capital	*	*	*	*	*	*	*
Reserves	-	-	-	-	(3)	(7)	(11)
Long term liability	13	15	1,254	1,425	1,528	1,691	1,794
	<u>13</u>	<u>15</u>	<u>1,254</u>	<u>1,425</u>	<u>1,525</u>	<u>1,684</u>	<u>1,783</u>
Represented by:							
Fixed assets	-	-	1,230	1,424	1,514	1,659	1,758
Deferred expenditure	14	15	26	27	27	27	27
Current assets	-	-	-	-	-	-	-
Current liabilities	(1)	-	(2)	(26)	(16)	(2)	(2)
Net current (liabilities)/assets	<u>(1)</u>	<u>-</u>	<u>(2)</u>	<u>(26)</u>	<u>(16)</u>	<u>(2)</u>	<u>(2)</u>
	<u>13</u>	<u>15</u>	<u>1,254</u>	<u>1,425</u>	<u>1,525</u>	<u>1,684</u>	<u>1,783</u>
NTA per share (RM)	(7,000)	(7,500)	(13,000)	(13,500)	(15,000)	(17,000)	(19,000)

*Notes:*

\* RM2.00

+ The long term liability represents the amount owing to holding company which has been reclassified from current liabilities to long term liabilities to conform with the presentation for the period ended 31 August 1999 as this amount is not expected to be repayable within the 12 months subsequent to the respective financial periods.

**10. ACCOUNTANTS' REPORT (CONT'D)**  
(Prepared for inclusion in this Prospectus)

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**(VI) STATEMENT OF ASSETS AND LIABILITIES**

The following are detailed statement of assets and liabilities of UDPB (hereinafter referred to as "Company") and of the Proforma UDPB Group based on the audited accounts of UDPB, UOMSB, UCorp Group and UPSB as at 31 August 1999.

The statement of assets and liabilities of the Proforma UDPB Group (hereinafter referred to as "Group") is prepared for illustrative purposes to show the effects of the restructuring exercise on the assumption that they had been effected on 31 August 1999. The statement of assets and liabilities of the Company has also been adjusted for the revaluation of the landed properties based on open market valuations by firms of independent professional valuers as approved and adjusted by the SC. These statements of assets and liabilities should be read in conjunction with the accompanying notes:

	Notes	Proforma UDPB Group RM'000	Company RM'000
<b>Shareholders funds</b>			
Share capital	3	138,000	5,000
Reserves	4	172,878	149,673
		<u>310,878</u>	<u>154,673</u>
<b>Deferred and long term liabilities</b>			
Deferred taxation	5	4,052	3,516
Term loans	6	31,604	10,550
Amount owing to holding company	10	11,845	-
		<u>47,501</u>	<u>14,066</u>
		<u>358,379</u>	<u>168,739</u>
<b>Represented by:</b>			
<b>Fixed assets</b>	7	312,162	190,498
<b>Goodwill on consolidation</b>		72	-
<b>Current assets</b>			
Stocks	8	4,454	2,454
Trade debtors		3,687	2,459
Amount due from related corporations	9	-	35,559
Other debtors, deposit and prepayments		1,682	1,497
Deposits with licensed bank	10	690	654
Cash and bank balances		78,756	745
		<u>89,269</u>	<u>43,368</u>
<b>Current liabilities</b>			
Trade creditors		4,090	1,550
Amount owing to holding company	11	2,829	31,442
Bank overdraft	12	354	3
Term loans	6	9,437	7,437
Other creditors and accrued liabilities	13	5,826	3,677
Taxation		6,300	6,300
Proposed dividend	14	14,800	14,800
		<u>43,636</u>	<u>65,209</u>
<b>Net current assets/(liabilities)</b>		<u>45,633</u>	<u>(21,841)</u>
<b>Deferred expenditure</b>	15	512	82
		<u>358,379</u>	<u>168,739</u>
<b>NTA per share (RM)</b>		<b>2.25</b>	<b>30.92</b>

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**10. ACCOUNTANTS' REPORT (CONT'D)**  
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**NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES**

**1 Basis of preparation of the accounts**

The accounts of the Group and the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia except as disclosed in respect of fixed assets under note 2 below.

**2 Significant accounting policies**

All significant accounting policies set out below are consistent with those applied in the previous year.

**Accounting convention**

The accounts are prepared under the historical cost convention, modified by the revaluation of certain fixed assets.

**Basis of consolidation**

The proforma consolidated statement of assets and liabilities includes the assets and liabilities of the Company and all its subsidiary companies as at 31 August 1999, on the assumption that the restructuring exercise had been effected on 31 August 1999.

**(i) Merger accounting**

The acquisition of UOMSB, UCorp and UPSB, are accounted for under the merger accounting method. Under the merger method of accounting, the proforma statement of assets and liabilities of the Company, UOMSB, UCorp Group and UPSB have been presented as if UOMSB, UCorp Group and UPSB had always been part of the UDPB Group. On consolidation, the excess of the fair value of the shares issued as consideration over the nominal value of the shares acquired has been taken to merger reserves.

**(ii) Acquisition accounting**

All the subsidiary companies of UCorp are consolidated based on the acquisition method of accounting. The results of the subsidiary companies of UCorp acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal respectively.

In the consolidated balance sheet, the excess of the fair value of the net assets, of the subsidiary companies at the date of acquisition over the purchase price is included as reserve arising on consolidation.

Goodwill arising on consolidation represents the excess of the purchase price over the fair value of the net assets of the subsidiary companies at the date of acquisition.



**10. ACCOUNTANTS' REPORT (CONT'D)**  
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**NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)**

**2 Significant accounting policies (Continued)**

**Fixed assets**

Long term leasehold land and plantation development expenditure are stated at cost or valuation. Buildings are stated at cost or valuation, less accumulated depreciation. The cost of other fixed assets comprises their purchase cost and any incidental cost of acquisition, less accumulated depreciation.

The long term leasehold land, plantation development expenditure and buildings stated at valuation will be revalued at regular intervals of once in every five years. Where market conditions indicate that the carrying values of the revalued properties differ materially from the market values, the Directors will consider revaluations in those intervening years.

Any surplus on revaluation is credited to revaluation reserve and any deficit shall be charged against such surplus to the extent that the decrease offset any increase. In all other case, the deficit is charged to the profit and loss account.

Long term leasehold land is not amortised over the period of lease. This is not in compliance with International Accounting Standard No. 16 (revised). The Directors are of the opinion that the amortisation charge of the long term leasehold land in a particular year does not have a significant impact on the results of the Group and Company.

Plantation development expenditure is not amortised.

Depreciation of other assets is calculated so as to write off their cost or valuation on a straight line basis over the expected useful lives of the assets concerned. The annual rates are:

	%
Buildings	2
Plant and machinery	6.67 - 12
Furniture and equipment	10
Motor vehicles	20
Utilities	10

Depreciation of estate roads is calculated so as to write off the cost on a straight line basis over 86 to 89 years.

Capital work in progress will only be depreciated upon completion.

**Plantation development expenditure**

Plantation development expenditure incurred in respect of newly planted areas including attributable interest expenses up to the time of commercial harvesting is capitalised under plantation development expenditure. Subsequent expenditure incurred on planted areas will be expensed off to the profit and loss account.

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10. **ACCOUNTANTS' REPORT (CONT'D)**  
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**NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)**

**2 Significant accounting policies (Continued)**

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost, where appropriate, includes a proportion of overhead expenses. In general, cost is determined on a weighted average basis. Where necessary, provision is made for obsolete, slow-moving or defective stocks.

**Borrowing costs**

Borrowing costs incurred to finance assets that require a substantial period of time to be ready for their intended use are capitalised. Capitalisation of borrowing costs will cease when assets are ready for their intended use.

**Debtors**

Known bad debts are written off and specific provision is made for any considered to be doubtful of collection.

**Deferred taxation**

Provision is made using the liability method for taxation deferred in respect of all timing differences except where it is considered reasonably probable that the tax effects of such deferrals will continue in the foreseeable future.

**10. ACCOUNTANTS' REPORT (CONT'D)**  
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**NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)**

**2 Significant accounting policies (Continued)**

**Hire-purchase and lease assets**

Assets financed by hire-purchase agreements and lease arrangement which transfer substantially all the risks and rewards of ownership to the Group and Company are capitalised as fixed assets and corresponding obligations are treated as liabilities. The fixed assets capitalised are depreciated on the same basis as owned assets. Finance charges are allocated to the profit and loss account over the period of the agreements to give a constant periodic rate of charge on the remaining hire-purchase and lease liabilities.

**Deferred expenditure**

Preliminary and pre-operating expenses are stated at cost and are written off in equal annual instalments over a period of five years upon the commencement of commercial production.

**3 Share capital**

	Group 31.8.1999 RM'000	Company 31.8.1999 RM'000
<b>Authorised:</b>		
Ordinary shares of RM1 each	<u>500,000</u>	<u>5,000</u>
<b>Issued and fully paid:</b>		
Balance as at 1 April 1999	5,000	5,000
Issued as consideration for acquisition of UOMSB, UCorp and UPSB	1,823	-
Capitalisation of amount owing to holding company	28,613	-
Restricted issue to directors and executives	2,500	-
Bonus issue	51,063	-
Public issue	<u>49,000</u>	-
	<u><u>138,000</u></u>	<u><u>5,000</u></u>

**10. ACCOUNTANTS' REPORT (CONT'D)**  
(Prepared for inclusion in this Prospectus)

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**NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)**

**4 Reserves**

	Group 31.8.1999 RM'000	Company 31.8.1999 RM'000
<b>Non-distributable:</b>		
Share premium	24,250	-
Revaluation reserve	75,769	89,242
Merger reserve	8,205	-
Reserve arising from consolidation	261	-
	<u>108,485</u>	<u>89,242</u>
<b>Distributable:</b>		
Unappropriated profit	62,849	59,159
	<u>171,334</u>	<u>148,402</u>

The revaluation reserve, merger reserve and reserve arising from consolidation are not distributable by way of dividend.

The Company has, subject to the agreement of the Inland Revenue Board, tax exempt profits of approximately RM470,000 under the Investment Incentives Act 1968 and Schedule 7A of the Income Tax Act, 1967 and tax exempt chargeable income of approximately RM1,900,000 under the Income Tax (Amendment) Act, 1999 for the payment of tax exempt dividends as at 31 August 1999. If all the unappropriated profits of the Company as at 31 August 1999 are to be distributed as dividends, the Company will have to incur additional tax liability of approximately RM16,000,000 under Section 108(5) of the Income Tax Act 1967.

**5 Deferred taxation**

	Group 31.8.1999 RM'000	Company 31.8.1999 RM'000
At 1 April/31 August	<u>4,052</u>	<u>3,516</u>

**6 Term loans**

The term loans are repayable as follows:

	Group 31.8.1999 RM'000	Company 31.8.1999 RM'000
<b>Repayments due:</b>		
Within twelve months	9,437	7,437
Between one and five years	31,604	10,550
	<u>41,041</u>	<u>17,987</u>

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**10. ACCOUNTANTS' REPORT (CONT'D)**  
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**NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)**

**6 Term loans (Continued)**

The term loans of the Group are secured by the following:

- (a) first legal charge over the leasehold properties of subsidiary companies
- (b) fixed charge over leasehold properties of the Company
- (c) corporate guarantee by the Company and the holding company

The term loans of the Company are secured by the fixed and floating charges over the Company's long term leasehold land.

The interest rates for the period of the Group and Company ranged between 8.50% to 9.80% and 7.18% to 9.40% respectively per annum.

**7 Fixed assets**

The details of fixed assets are as follows:

Group	1.4.1999 RM'000	Additions RM'000	Revaluation RM'000	Reclassification RM'000	31.8.1999 RM'000
<b>Cost/valuation</b>					
<b>At valuation</b>					
Long term leasehold land and plantation development expenditure	134,922	-	77,442	26,835	239,199
Buildings	9,393	-	2,213	8,538	20,144
<b>At cost</b>					
Long term leasehold land	1,347	-	-	(1,347)	-
Plantation development expenditure	29,893	3,569	-	(25,443)	8,019
Buildings	13,268	5	-	(4,162)	9,111
Estate roads	3,935	139	-	-	4,074
Plant and machinery	23,089	-	-	-	23,089
Furniture and equipment	5,525	124	-	(45)	5,604
Motor vehicles	9,663	161	-	-	9,824
Utilities	1,923	-	-	(1,923)	-
Capital work-in-progress	11,975	1,710	-	(2,453)	11,232
	<b>244,933</b>	<b>5,708</b>	<b>79,655</b>	<b>-</b>	<b>330,296</b>

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**NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)**
**7 Fixed assets (Continued)**

Group	1.4.1999 RM'000	Charge for the period RM'000	Revaluation RM'000	Transfers RM'000	31.8.1999 RM'000
<b>Accumulated depreciation</b>					
<b>At valuation</b>					
Long term leasehold land and plantation development expenditure	-	-	-	-	-
Buildings	1,233	100	(1,045)	459	747
<b>At cost</b>					
Long term leasehold land	-	-	-	-	-
Plantation development expenditure	-	-	-	-	-
Buildings	1,055	105	(187)	(187)	786
Estate roads	53	20	-	-	73
Plant and machinery	6,105	675	-	-	6,780
Furniture and equipment	2,404	222	-	-	2,626
Motor vehicles	6,567	555	-	-	7,122
Utilities	1,380	80	(1,188)	(272)	-
Capital work-in-progress	-	-	-	-	-
	<b>18,797</b>	<b>1,757</b>	<b>(2,420)</b>	<b>-</b>	<b>18,134</b>

**31.8.1999**  
**RM'000**
**Net book value**
**At valuation**

Long term leasehold land and plantation Development expenditure	239,199
Buildings	19,397

**At cost**

Long term leasehold land	-
Plantation development expenditure	8,019
Buildings	8,325
Estate roads	4,001
Plant and machinery	16,309
Furniture and equipment	2,978
Motor vehicles	2,702
Utilities	-
Capital work-in-progress	11,232
	<b>312,162</b>

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**NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)**

**7 Fixed assets (Continued)**

Company	1.4.1999 RM'000	Additions RM'000	Revaluation RM'000	Reclassification/ Transfers RM'000	31.8.1999 RM'000
<b>Cost/valuation</b>					
<b>At valuation</b>					
Long term leasehold land and plantation development expenditure	88,554	-	49,974	7,436	145,964
Buildings	3,846	-	2,542	5,920	12,308
<b>At cost</b>					
Plantation development expenditure	7,436	-	-	(7,436)	-
Buildings	9,289	4	-	(3,566)	5,727
Estate road	3,591	23	-	-	3,614
Plant and machinery	11,728	-	-	-	11,728
Furniture and equipment	3,990	114	-	-	4,104
Motor vehicles	7,251	145	-	-	7,396
Capital work-in-progress	11,607	750	-	(2,354)	10,003
	<b>147,292</b>	<b>1,036</b>	<b>52,516</b>	<b>-</b>	<b>200,844</b>

	1.4.1999 RM'000	Charge for the period RM'000	Revaluation RM'000	Reclassification/ Transfers RM'000	31.8.1999 RM'000
<b>Accumulated depreciation</b>					
<b>At valuation</b>					
Long term leasehold land and plantation development expenditure	-	-	-	-	-
Buildings	430	53	(353)	168	298
<b>At cost</b>					
Plantation development expenditure	-	-	-	-	-
Buildings	423	65	(186)	(168)	134
Estate road	49	18	-	-	67
Plant and machinery	2,375	360	-	-	2,735
Furniture and equipment	1,333	168	-	-	1,501
Motor vehicles	5,223	388	-	-	5,611
	<b>9,833</b>	<b>1,052</b>	<b>(539)</b>	<b>-</b>	<b>10,346</b>

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**10. ACCOUNTANTS' REPORT (CONT'D)**  
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**NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)**

**7 Fixed assets (Continued)**

	<b>31 August 1999</b>
	<b>RM'000</b>
<b>Net book value</b>	
<b>At valuation</b>	
Long term leasehold land and plantation development expenditure	145,964
Buildings	12,010
<b>At cost</b>	
Plantation development expenditure	-
Buildings	5,593
Estate road	3,547
Plant and machinery	8,993
Furniture and equipment	2,603
Motor vehicles	1,785
Capital work-in-progress	10,003
	<u>190,498</u>

The net book value of fixed assets of the Group and the Company under hire-purchase instalment plans are as follows:

	<b>Group</b>	<b>Company</b>
	<b>31.8.1999</b>	<b>31.8.1999</b>
	<b>RM'000</b>	<b>RM'000</b>
Motor vehicles	<u>536</u>	<u>505</u>

The long term leasehold land, plantation development expenditure and buildings of the Group and Company stated at valuation were revalued by the Directors based on valuations carried out in 1994, 1996 and 1998 by government valuers and a firm of independent professional valuers on an open market value basis.

Long term leasehold land and plantation development expenditure and buildings of the Group and Company which have been revalued by a firm of independent professional valuers and adjusted and approved by the Securities Commission for listing purposes on 5 February 1999, have been adopted in the accounts for illustrative purpose on the assumption they had been effected on 31 August 1999.

The tax effect in connection with the surplus arising on the revaluation of long term leasehold land, plantation development expenditure and buildings is not disclosed as there is no foreseeable intention to dispose of these properties.

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**NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)**

**7 Fixed assets (Continued)**

The following expenses incurred during the period has been included under plantation development expenditures:

	<b>Group 31.8.1999 RM'000</b>	<b>Company 31.8.1999 RM'000</b>
Interest expenses	12	-
Depreciation of fixed assets	124	-
	<u>136</u>	<u>-</u>

The Group and the Company's properties valued at approximately RM157,590,000 and RM84,980,000 respectively are charged as security for term loan and bank overdraft facilities as shown in note 7 and 11 respectively.

The net book values of revalued fixed assets of the Group and the Company that would have been included in the accounts, had these assets been carried at cost less depreciation are as follows:

	<b>Group 31.8.1999 RM'000</b>	<b>Company 31.8.1999 RM'000</b>
Long term leasehold land and plantation development expenditure	83,468	55,322
Buildings	7,573	2,875
	<u>91,041</u>	<u>58,197</u>

**8 Stocks**

	<b>Group 31.8.1999 RM'000</b>	<b>Company 31.8.1999 RM'000</b>
Consumables	2,196	1,774
Finished goods	2,573	680
	<u>4,769</u>	<u>2,454</u>
Provision for stock obsolete	(315)	-
	<u>4,454</u>	<u>2,454</u>

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**10. ACCOUNTANTS' REPORT (CONT'D)**  
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**NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)**

**9 Amounts due from related corporations**

The amounts due from related corporations are as follows:-

- (a) Amount due from UOMSB of RM1,782,082

This amount is trade in nature. These transactions are established by arm's length negotiations between the parties.

- (b) Amount due from UCorp of RM33,777,323

This amount relates to advances given by UDPB for capital expenditure incurred by UCorp Group on their plantations. These advances bear an interest rate of 10% per annum up to a limit of RM22,000,000.

**10 Deposits with licensed bank**

**Group**

Included in the deposits with licensed banks, are amounts in total of RM35,600 which have been pledged to the bank as security for bank guarantee facility granted to the subsidiary companies.

**11 Holding company**

The holding company is Unico Holdings Berhad, a company incorporated in Malaysia.

The amount owing to the holding company by the Company is unsecured and with no fixed repayment terms but bears an interest of 10% per annum up to the amount of RM20,000,000. Outstanding amounts owing to the holding company above RM20,000,000 are interest free.

The amount owing to the holding company by UOMSB, UCorp Group and UPSB are unsecured and not expected to be repayable within the next 12 months subsequent to the financial period ended 31 August 1999. The amount owing to the holding company by UOMSB and UPSB are interest free but the amount owing by UCorp Group to the holding company, bears an interest of 10% per annum up to the limit ranging between RM100,000 and RM1,300,000.

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**NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)**

**12 Bank overdraft**

The bank overdraft of the Group are secured by the following:

- (a) first legal charge over the leasehold properties of the subsidiary companies
- (b) fixed charge over leasehold properties of the Company
- (c) corporate guarantee by the holding company and the Company

The interest rates in respect of the bank overdraft of the Group for the period ranged between 8.6% and 9.8% per annum.

The bank overdraft of the Company is secured by way of first party charge over a piece of leasehold land, bears interest at 2.25% per annum above the base lending rate and repayable on demand.

**13 Other creditors and accrued liabilities**

Included in other creditors and accrued liabilities are hire purchase creditors due within 12 months amounting to approximately RM222,000 and RM235,000 for the Company and the Group respectively.

**14 Proposed dividend**

	<b>Group</b>	<b>Company</b>
	<b>31.8.1999</b>	<b>31.8.1999</b>
	<b>RM'000</b>	<b>RM'000</b>
In respect of the financial period ended 31 August 1999:		
Proposed interim dividend of 80% tax exempt	4,000	4,000
Proposed interim dividend of 300% less tax at 28%	10,800	10,800
	<u>14,800</u>	<u>14,800</u>

The Company will incur an additional tax liability of approximately RM2,462,000 on the proposed net dividends of RM10,800,000 due to insufficient tax credit under Section 108(5) of the Income Tax Act 1967.

**15 Deferred expenditure**

	<b>Group</b>	<b>Company</b>
	<b>31.8.1999</b>	<b>31.8.1999</b>
	<b>RM'000</b>	<b>RM'000</b>
Deferred expenditure, at cost	688	200
Less: accumulated amortisation	(156)	(118)
At 31 August	<u>512</u>	<u>82</u>

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**10. ACCOUNTANTS' REPORT (CONT'D)**  
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**NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)**
**16 Capital commitments**

	<b>Group</b>	<b>Company</b>
	<b>31.8.1999</b>	<b>31.8.1999</b>
	<b>RM'000</b>	<b>RM'000</b>
Capital expenditure:		
Approved and contracted for	375,300	-
Approved but not contracted for	60,000	-
Contracted but not provided for	3,380,567	3,380,567
	<u>3,815,867</u>	<u>3,380,567</u>

**17 Contingent liability**
**Company**
**Unsecured:**

The contingent liability represent a corporate guarantee of RM17,000,000 in favour of a licensed bank for credit facilities extended to a subsidiary company.

**10. ACCOUNTANTS' REPORT (CONT'D)**  
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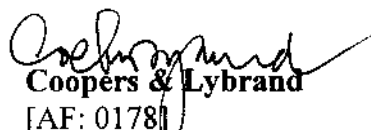
**(VII) NET TANGIBLE ASSETS COVER**

Based on the statement of assets and liabilities of the Company as at 31 August 1999 as set out in paragraph VI above and after adjusting for the effects of the restructuring exercise under the terms of the prospectus and the estimated shares issue expense, the adjusted net tangible assets ("NTA") will be as follows:

	<b>RM'000</b>
Company's net tangible assets as at 31 August 1999	101,536
Add: Incorporation of revaluation surplus	53,055
Acquisition of subsidiary companies	51,340
Capitalisation of debts	28,613
Proceeds from issue to directors and executives	3,750
Proceeds from public issue	73,500
	<u>311,794</u>
Less: Estimated shares issue expenses	(1,500)
At 31 August	<u>310,294</u>
 NTA per share (RM)	 2.25

**AUDITED ACCOUNTS**

No audited accounts have been prepared in respect of any period subsequent to 31 August 1999.

  
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## 11. STATUTORY AND GENERAL INFORMATION

### 11.1 Share Capital

- (i) No shares shall be allotted or sold on the basis of this Prospectus later than six (6) months after the date of this Prospectus.
- (ii) There are no founder, management or deferred shares in the Company. There is only one class of shares in the Company, namely ordinary shares of RM1.00 each, all of which rank *pari passu* with one another.
- (iii) Save as disclosed below, no other person has been or is entitled to be given an option to subscribe for any share, stock or debenture of the Company and its subsidiaries :-
  - (a) the 746,000 ordinary shares of RM1.00 each reserved for the eligible employees of UHB and the UDPB Group pursuant to the Public Issue; and
  - (b) the 25,000,000 ordinary shares of RM1.00 each reserved for the Entitled Shareholders of UHB pursuant to the Offer for Sale.

Further, no option for any shares, stocks or debentures of the Company or its subsidiaries has been granted to or exercised by any Director during the last financial year.

- (iv) Save as disclosed in paragraph (iii) above, as at the date of this Prospectus, no capital of the Company or any of its subsidiaries has been put under option or agreed conditionally or unconditionally to be put under option.
- (v) Save as disclosed in the Sections 4.2 and 6.2 of this Prospectus, no ordinary shares or debentures of the Company or its subsidiaries have been issued or is proposed to be issued as partly or fully paid-up for cash or otherwise than for cash within the two (2) years immediately preceding the date of this Prospectus.

### 11.2 Articles of Association

The following provision are reproduced from the Company's Articles of Association which have been approved by the KLSE :-

#### (i) Transfer of securities

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

#### *Article 44*

Subject to the restrictions of these Articles, provisions of the Central Depository Act and the Rules with respect to the transfer of Deposited Security, any member may transfer all or any of his shares but every transfer must be in writing and in such form as the Directors and the Exchange may approve. Subject to these Articles there shall be no restriction on the transfer of fully paid up shares except where required by law.