

VII. INFORMATION ON THE MHC GROUP (Cont'd)**Share Capital**

The authorised share capital of TAH is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each, of which 750,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

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

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration/Type of issue	Total issued and paid-up share capital RM
04.09.1981	2	Subscribers' shares	2
14.10.1981	24,998	Cash	25,000
10.03.1994	700,000	Cash	725,000
28.06.1994	25,000	Cash	750,000

Subsidiaries and associated companies

As at the date hereof, TAH does not have any subsidiaries and associated companies.

7. PROPERTIES

The landed properties of the MHC Group are as follows:-

Beneficial owner	Location of property	Description of property	Tenure/ Age of building years	Expiry dates of the leasehold interests	Total land/ building area ⁽¹⁾ acres	Net book value as at 31.05.00 RM'000	Market valuation ⁽²⁾ RM'000	Revaluation surplus ⁽³⁾ RM'000
MHC	Lot Nos. 2768, 3502, 3537, 4471, 4475, 5228, 5229, 5936, 9249 to 9295 (incl.), 12657 and 12658, Mukim of Durien Sebatang, District of Hilir Perak, Perak Darul Ridzuan	Oil palm estate	Grant in perpetuity	N/A	849.8	3,414	16,700 ⁽⁴⁾	13,286
	Lot Nos. 2327, 5299, 5300, 8275 and 16413, Mukim of Durien Sebatang, District of Hilir Perak, Perak Darul Ridzuan	Oil palm estate	Grant in perpetuity	N/A	702.6	2,543	12,600 ⁽⁴⁾	10,057
	Lot Nos. 3318, 3319, 3342 to 3345 (incl.), Town of Teluk Intan, District of Hilir Perak, Perak Darul Ridzuan	6½-storey commercial structure partly used as a hotel known as Hotel Anson and partly as office premises	Leasehold 999 years/ 20 years	21 February 2883	10,142 sq. feet	1,935	4,700 ⁽⁴⁾	2,765
AOI	Lot No. 7279, Mukim of Changkat Jong, District of Hilir Perak, Perak Darul Ridzuan	Oil palm estate	Leasehold 60 years	28 August 2039	992.3	5,423	10,100	4,677

VII. INFORMATION ON THE MHC GROUP (Cont'd)

Beneficial owner	Location of property	Description of property	Tenure/ Age of building years	Expiry dates of the leasehold interests	Total land/ building area ⁽¹⁾ acres	Net book value as at 31.05.00 RM'000	Market valuation ⁽²⁾ RM'000	Revaluation surplus ⁽³⁾ RM'000
AOI	Lot No. 6872, Mukim of Hutan Melintang, District of Hilir Perak, Perak Darul Ridzuan	Oil palm estate	Leasehold 60 years	24 May 2033	906.9	2,835	10,600	7,765
MKP ⁽⁵⁾	Lot P.T. Nos. 2036, 2037, 2327 to 2330 (incl.) and an unnumbered lot, Mukim of Bera, District of Temerloh, Pahang Darul Makmur	Oil palm estate with a 20-MT palm oil mill	Leasehold 99 years	Unnumbered lot: 10 May 2066 Lot P. T. Nos. 2036 and 2037: 29 June 2070 Lot P. T. Nos. 2327 to 2330 (incl.): 30 July 2070	4,059.5	35,755	35,658 ⁽⁴⁾	(97)
MPP ⁽⁶⁾	Lot No. 10471, Mukim of Hutan Melintang, District of Hilir Perak, Perak Darul Ridzuan	Oil palm estate	Leasehold 60 years	11 January 2055	1,000.5	4,538	10,000	5,462
Muzwin ⁽⁷⁾	Lot No. P.T. 68 Mukim of Hutan Melintang, District of Hilir Perak, Perak Darul Ridzuan	Oil palm estate	Leasehold 60 years	16 November 2032	1,000.0	2,259	11,500	9,241
YLH ⁽⁷⁾	Lot No. 7328, Mukim of Changkat Jong, District of Hilir Perak, Perak Darul Ridzuan	Oil palm estate	Leasehold 60 years	1 March 2038	969.0	1,254	10,100	8,846
HMP ⁽⁷⁾	Lot No. 6879, Mukim of Hutan Melintang, District of Hilir Perak, Perak Darul Ridzuan	Oil palm estate	Leasehold 60 years	24 July 2033	978.9	5,436	11,850	6,414
CP	Lot Nos. 10065, 10066, 10068, 10069, 10071 – 10076 (Incl.), Mukim of Durien Sebatang, District of Hilir Perak, Perak Darul Ridzuan	Oil palm estate	Grant in perpetuity	N/A	193.3	2,131	5,800 ⁽⁴⁾	3,669
L-MK	PL 176291473 Kg. Lingkungan District of Beaufort, Sabah	Oil palm estate	Leasehold 99 years	31 December 2087	4,000.0	6,867	6,400 ⁽⁸⁾	(467)
					15,652.8	74,390	156,158	71,618

Notes:-

(1) As per the title deed of the property.

(2) Based on the valuation as at 30 September 1998 which has been approved by the SC unless otherwise stated.

(3) The difference between the net book value as at 31 May 2000 and the valuation as approved by the SC.

VII. INFORMATION ON THE MHC GROUP (Cont'd)

- (4) *The valuation reports of these assets have not been submitted to the SC for approval as these assets do not belong to the subsidiaries that are involved in the restructuring exercise as elaborated in Section VII(2) commencing from page 30 of this Prospectus and the revaluation surplus arising from the revaluation of these assets will not be incorporated into the accounts of the Company.*
- (5) *The property of MKP was acquired by the MHC Group from Kemayan Corporation Berhad vide a sale and purchase agreement dated 21 April 1997 for a total cash consideration of RM37 million.*
- (6) *The land was leased by the Government to Perbadanan Kemajuan Negeri Perak ("PKNP") for a period of 99 years and PKNP subsequently leased this land to MPP for a period of 60 years.*
- (7) *These lands have been charged as securities for the loans detailed in Section VIII(1.2) commencing from page 76.*
- (8) *Based on the valuation as at 22 December 1998.*

The open market valuation of the above properties was based on the profit, investment and/or comparison method of valuation carried out by independent professional valuers, Messrs. Azmi & Co. Sdn. Bhd. on 30 September 1998, with the exception of the land in Sabah, which was valued by the aforementioned valuers on 22 December 1998.

All the revaluation surpluses above will not be incorporated into the books of the respective companies. The Valuation Certificate is set out in Section XI of this Prospectus.

8. LICENCES

The licences owned by the Group in relation to its operations are issued by PORLA and are mainly in relation to the following:-

- (a) Sale and transfer of FFB;
- (b) Sale and transfer of oil palm seedlings; and
- (c) Processing, storage, sale and transfer of CPO and PK.

The conditions imposed by PORLA on the holders of the licences are mainly in relation to the maintenance of proper records of their activities with PORLA and quality control. None of the companies in the Group are in breach of any of the aforesaid conditions.

9. RESEARCH AND DEVELOPMENT ("R & D")

In the oil palm industry, R & D is a commitment which requires long term attention and funding. As such R & D activities are mainly undertaken by public institutions such as the MPOB or by large plantation groups.

The MHC Group realises that in order to meet the challenges in a competitive industry and to progress within the palm oil industry, R & D undertaken on a company level will be highly beneficial. As such, the Group has set up a R & D unit which is located at the Batang Padang Estate and consists of a research consultant, a chemist and supporting staff.

The main objectives of the R & D unit are as follows:-

- (i) To improve yield through improved agronomic management practices;
- (ii) To improve yield through optimum fertiliser usage;
- (iii) To carry out in-house fertiliser, soil and foliar analysis; and
- (iv) To monitor new hybrid palms for yield and Ganoderma resistance.

VII. INFORMATION ON THE MHC GROUP (Cont'd)

In the past, trials have been carried out to evaluate the efficacy of the different types of phosphate fertiliser and the corresponding response on the palms in the nursery stage. Last year, the R & D unit began work on evaluating the potential oil and FFB yields of a new hybrid palm derived from selected material sourced from the Nigeria Institute for Oil Palm Research and Excel Oil Palm Industries Sdn. Bhd., which is a Malaysian entity. The potential oil extraction rate, and FFB yields have been estimated to be in the region of 24% and 35 MT per hectare respectively. Currently, the new hybrid has been planted in the Yew Lee Estate and MHC is evaluating the potential oil and FFB yields of the new hybrid outside the lab environment to determine the suitability of the new hybrid for the future operations of the Group.

10. DIRECTORS, MANAGEMENT TEAM AND EMPLOYEES

10.1 Board of Directors

Details of the Directors of the Company are as follows:-

- (i) **Dato' Amin Shah bin Haji Omar Shah**, a Malaysian and aged 46, is the Chairman of the Group. He is a businessman with vast and extensive experience in various business sectors including heavy engineering construction, shipbuilding and ship repair, manufacturing, civil construction, property development, hotel and tourism. Having been in business for over 20 years, he has experienced recessionary periods and has therefore developed and enhanced his entrepreneurial acumen.

The group of companies under Dato' Amin Shah's stewardship has seen, amongst others, the successful multi-billion dollar privatisation of the Naval Dockyard from the Government of Malaysia, the Tema Drydock and Shipyard from the Republic of Ghana, the Penang Shipbuilding Corporation from the State Government of Pulau Pinang and the Ladang Sabah from the State Government of Sabah.

For the past two (2) years preceding the date of this Prospectus, Dato' Amin Shah has had substantial shareholdings and/or held directorships in the following public corporations in Malaysia (other than in MHC):-

Company	Position
Actacorp Holdings Bhd.	Substantial shareholder
PSC Industries Berhad	Substantial shareholder
Setron Malaysia Berhad	Substantial shareholder

- (ii) **Datin Seri Ooi Ah Thin**, a Malaysian and aged 61, has accumulated vast experience in the plantation and property development industries after having assisted her late husband, Dato' Seri Mah Pooi Soo over the years in the development and management of his companies. She was appointed to the Board in 1992. She is currently the Executive Director responsible for the marketing and sales of the Group's CPO and PK. She is also a director of several private limited companies. For the past two (2) years preceding the date of this Prospectus, Datin Seri Ooi has been and currently still is a substantial shareholder and Director of AOI, which is a public corporation.

VII. INFORMATION ON THE MHC GROUP (Cont'd)

- (iii) **Dato' Mah King Seng, PMP, DPMP**, a Malaysian and aged 42, graduated from the University of Minnesota, United States of America with a degree in Agricultural Science in 1978 and subsequently obtained his Bachelor of Law Degree in 1985 from the University of Buckingham, United Kingdom. He was admitted and enrolled as an Advocate and Solicitor of the High Court of Malaya in 1990. In 1980, he attended the Palm Oil Mill Engineer/Executive Training course on palm oil mill operations organised by the Malaysian Oil Palm Growers Council. He was appointed to the Board in 1978 and has been with the Group since. Currently, he is the Executive Director responsible for the operations of the Group's estates, mills and hotel. He is also a Director of Behrang 2020 Sdn. Bhd. and several other private limited companies. For the past two (2) years preceding the date of this Prospectus, Dato' Mah has been and still is a substantial shareholder and Director of AOI, which is a public corporation.
- (iv) **Dato' Mah King Thian, DSSA, AMP, JP**, a Malaysian and aged 36, graduated from Monash University, Australia with a Bachelor of Economics Degree majoring in Accounting in 1986 and also a Bachelor of Law Degree in 1987. Subsequently, he was admitted and enrolled as an Advocate and Solicitor of the High Court of Malaya in 1989. He has been with the Group since 1989 and was appointed to the Board in 1992. He is currently the Executive Director responsible for the Group's corporate and legal affairs, accounting and finance. He is also the Executive Director responsible for the overall management of the 910 acres township development project being undertaken by Behrang 2020 Sdn. Bhd. and a Director of several other private limited companies. For the past two (2) years preceding the date of this Prospectus, Dato' Mah has been and still is a substantial shareholder and Director of AOI, which is a public corporation.
- (v) **Mah Siew Hoe**, a Malaysian and aged 42, obtained his Bachelor of Economics (Honours) Degree specialising in Industry and Trade from the London School of Economics, University of London in 1980. He has a diverse range of business exposures among which are oil palm cultivation and management, property development, manufacturing and share investment. He was appointed to the Board in 1993. He is also a director of several private limited companies.

For the past two (2) years preceding the date of this Prospectus, Mr. Mah has had substantial shareholdings and/or held other directorships in the following public corporations (other than MHC):-

Company	Position
AOI	Director
Senijaya Corporation Berhad	Substantial shareholder

- (vi) **Aznam bin Mansor**, a Malaysian and aged 41, graduated from the North East London Polytechnic with a Bachelor of Arts (Honours) Degree in Law in 1983 and was admitted as a Barrister-at-Law at Lincoln's Inn in 1984. He joined Skrine & Co as a Legal Assistant in 1986 and was subsequently enrolled as an Advocate and Solicitor of the High Court of Malaya soon afterwards. He left Skrine & Co. to become a partner of Lee Hishammuddin in 1993. He was admitted to the Board in 1995.

VII. INFORMATION ON THE MHC GROUP (Cont'd)

For the past two (2) years preceding the date of this Prospectus, Encik Aznam has held directorships in the following public corporations (other than MHC):-

Company	Position
Harvard Gold Resort (Jerai) Berhad	Director
Pembinaan Limbongan Setia Berhad	Director
Ancom Berhad	Director

On 19 April 2000, Encik Aznam resigned from the Board of Directors of Pembinaan Limbongan Setia Berhad. Encik Aznam is not a substantial shareholder of any public company for the past two (2) years preceding the date of this Prospectus.

- (vii) *Azizah binti Kassim*, a Malaysian and aged 45, graduated from the University of London, United Kingdom, with of Bachelor of Law Degree in 1980 and was subsequently enrolled as an Advocate and Solicitor of the High Court of Malaya in 1986. She served the Malaysian Government as a Magistrate from 1980 to 1981. She subsequently joined Bumiputera Commerce Bank Berhad (*formerly known as Bank of Commerce (M) Berhad*) as a Legal Officer in 1982 and has been working there since. For the past two (2) years preceding the date of this Prospectus, Puan Azizah has not had nor does she currently have any substantial shareholdings and/or held directorships in any public corporation (other than MHC).
- (viii) *Koay Say Loke Andrew*, a Malaysian and aged 35, graduated from Monash University, Australia with a Bachelor of Economics Degree majoring in Accounting and a Bachelor of Law Degree in 1987. He subsequently obtained a Masters in Law Degree from Monash University in 1994. Upon obtaining his Bachelor Degrees, he worked with an accounting firm, Nelson Parkhill BDO in Australia and subsequently in 1991, became an Associate Member of the Institute of Chartered Accountants, Australia. In 1988, he was enrolled as a Barrister and Solicitor of the Supreme Court of Victoria, Australia and the Federal Court of Australia. He has also been a member of the Law Insitute of Victoria, Australia since 1991. Upon his return to Malaysia, he was enrolled as an Advocate and Solicitor of the High Court of Malaya in 1995. Mr. Koay is currently a partner of Koay & Co.. For the past two (2) years preceding the date of this Prospectus, Mr. Koay has not had nor does he currently have any substantial shareholdings and/or held directorships in any public corporation (other than MHC).

10.2 Management Team

The management of the MHC Group is led by Mr. Ong Ee Hiong who is assisted by a team of experienced and professional personnel. Particulars of the key management personnel of the MHC Group are as follows:-

- (i) *Ong Ee Hiong*, aged 45, is the General Manager of the Group, responsible for overseeing the activities of all the plantations and palm oil mills. He graduated with a Diploma in Agriculture from Universiti Putra Malaysia (*formerly known as Universiti Pertanian Malaysia*) in 1976 and possesses more than 20 years of experience in plantation management.

He began his career in Sime Darby Plantations Bhd. as an Assistant Estate Manager in 1976. He subsequently joined Socfin Company Bhd. in 1981 and later Taiko Plantations Sdn. Bhd. in 1985 before joining the MHC Group in 1990 as an estate manager. He was promoted to his current position in 1993.

VII. INFORMATION ON THE MHC GROUP (Cont'd)

- (ii) **Looi Heng Chooi**, aged 52, is the Estate Manager of the LM-K Estate. He joined the MHC Group in 1997 and possesses more than 30 years of experience in plantation management.

He began his career as a Field Assistant in FELDA in 1969. He then joined Sime Darby Plantations Bhd. as a Cadet in 1971 and rose through the ranks until achieving the rank of estate manager in 1985. In 1995, he joined Sabahaya Plantations Sdn. Bhd. as a senior estate manager before joining the MHC Group.

- (iii) **Lai Kim Tee**, aged 41, is the Estate Manager of the Yew Lee and Kuala Bikam estates besides being responsible for the human resource management of the Group. He possesses more than 20 years of experience in the plantation sector having begun his career as a Subordinate Staff with Kumpulan Guthrie Bhd. in 1975. In 1977, he joined Johor Oil Palm Plantation Sdn. Bhd. and achieved the position of Cadet Assistant in 1979. He subsequently joined Kuala Lumpur Kepong Berhad in 1985 and was promoted to the rank of Senior Assistant Manager in 1992. After a brief stint in the construction sector, he joined the MHC Group in 1996.

- (iv) **Ang Moon Seng**, aged 41, is the Estate Manager of the Kemayan Estate. He graduated in 1982 with a Bachelor of Science degree in Agricultural Science from La Trobe University, Australia. He started his career in the plantation sector as an Assistant Estate Manager with Jeroco Plantation Sabah Sdn. Bhd. in 1983 and subsequently joined Lion Plantation Sabah Sdn. Bhd. in 1986 before joining Kemayan Oil Palm Estate in 1987. He joined the MHC Group in 1997 upon the sale of the estate by Kemayan Corporation Berhad to the MHC Group.

- (v) **Wong Chiap You**, aged 48, is the Mill Manager of the Kemayan Palm Oil Mill. He graduated in 1977 with Bachelor of Science (Honours) Degree in Mechanical Engineering from University Malaya. He has 20 years of experience in oil mill management.

He began his career as an Assistant Mill Engineer with FELDA in 1978. In 1980, he joined Kemayan Corporation Bhd. as a Mill Engineer and was promoted to Mill Manager in 1984. He obtained his Grade 1 & 2 Steam Certificate in 1980 and 1981 respectively. Upon the sale of the Kemayan Estate by Kemayan Corporation Berhad in 1997, he opted to join the MHC Group.

- (vi) **Zakba Bin Mansor**, aged 47 is the Assistant Estate Manager of the Kemayan Estate. He began his career as a Supervisor in the Chemara Planting Material Unit of Kumpulan Guthrie Berhad in 1972 before joining Malaysian Agricultural Products Sdn. Bhd. as a Field Conductor in 1978. In 1990, he was promoted to the rank of Probationary Assistant in Kemayan Oil Palm and confirmed as an Assistant Estate Manager in 1991. He joined MHC Group upon the sale of the Kemayan Estate by Kemayan Corporation Berhad to the MHC Group.

VII. INFORMATION ON THE MHC GROUP (Cont'd)

- (vii) **Chua Cheng Lock**, aged 41 is the Mill Manager of the AOI palm oil mill. He graduated with a Bachelor of Engineering (Agricultural & Mechanical) degree from Universiti Putra Malaysia (*formerly known as Universiti Pertanian Malaysia*) in 1985 and is a member of Institute of Certified Engineer Malaysia (ICEM). To date he possesses more than 13 years of experience in the industry especially in budgeting, production planning and maintenance of machinery. He was employed as an Engineer with Dunlop Estate Berhad from 1987 to 1990. In 1990 to 1991, he was attached to Kamunting Corporation Bhd. as a Mill Engineer. Subsequently, he was employed as an Assistant Manager in Gomali Mill, a mill belonging to the IOI Berhad Group from 1991 to 1994. He then joined UH Dover Berhad as Production Manager from 1994 to 1996 before rejoining IOI Berhad as Mill Manager in the Bukit Leelam Mill and Gomali Mill till 1999.
- (viii) **Keoy Liong Keah**, aged 53, is the Estate Manager of the Muzwin, Langkap, Hutan Melintang and Majuperak estates. He joined the MHC Group in September 1999 and has about 30 years of experience in the plantation industry. He began his career in 1970 and was attached to Ladang Sabah Sdn. Bhd. from 1985 to 1990 as Assistant Estate Manager. He then left and joined Hap Seng Consolidated Berhad from 1990 to 1998 as Assistant Estate Manager. Prior to his present employment, he was the Estate Manager of Andamy Plantations Sdn. Bhd. from 1998 to 1999.
- (ix) **Kuah Kok Meng**, aged 44 is the Estate Manager of the Champion Point, Batang Padang and Sungei Timah estates. He graduated with a Diploma in Agriculture Science from Universiti Putra Malaysia (*formerly known as Universiti Pertanian Malaysia*) in 1978 and possesses more than 20 years of experience in the palm oil industry. He began his career as an Assistant Manager of Southern Perak Plantation in 1978 before joining TDM Bhd. as a Plantation Executive in 1984. He was subsequently promoted to a managerial position in 1987 and managed several estates of the TDM Bhd. group of companies. He subsequently left TDM Bhd. and joined the Group in the year 2000.
- (x) **Wong Soon Fatt**, aged 33, was appointed the Group Accountant in March 1998. He is a Member of the Association of Chartered Certified Accountants in the United Kingdom as well as a Public Accountant of the Malaysian Institute of Accountants. Mr. Wong is an accountant by profession and has had twelve (12) years of working experience specializing in professional accountancy, financial management, auditing and investigation and management consultancy. He began his career in public practice where he remained for eight (8) years including three (3) years with the international accounting firm, Messrs. Ernst & Young before moving into the manufacturing sector as an Accountant with the Superware Thai Ah Plastic Group. In 1996, he joined the Insas Berhad Group as an Accountant in its financial services subsidiary, M & A Securities Sdn. Bhd. where he was principally involved in financial reporting, compliance and the implementation of the electronic banking system.

None of the key management personnel has any existing or proposed service agreements with the Company or any of its subsidiaries.

In addition, none of the key management personnel have any direct or indirect interests in MHC apart from the MHC Shares offered to them pursuant to the Public Issue as stated Section V(4) above. Each of the above key management personnel other than Mr. Kuah Kok Meng, who has just recently joined the Group, will be entitled to subscribed for 7,000 MHC Shares at the Public Issue price of RM1.40 per share.

VII. INFORMATION ON THE MHC GROUP (Cont'd)**10.3 Employees**

As at 15 September 2000 the MHC Group employs a total work force of 490 employees and they enjoy a cordial working relationship with the management. None of the employees of the MHC Group in the estates in Perak is a member of any union. However the workers of the Kemayan Estate are members of the National Union of Plantations Workers and the artisan staff of the Kemayan Estate, (which consists of employees performing the functions of, amongst others, mason, painters, carpenters, shift supervisor, plumbers) are members of the All Malaysian Estate Staff Union. There has not been any major disputes between the MHC Group and the aforementioned labour unions in the past.

The breakdown of employees by categories is as follows:-

Category of employee	Number of staff
Management	10
Staff (administration)	76
General workers – local	160
– foreign	244
	<hr/> 490 <hr/>

On average, the employees other than the foreign workers, who are contract workers have been employed by the MHC Group for 4.5 years.

The MHC Group believes that its success is, to a major extent, due to the quality of its staff and as such, it places great emphasis on the continued training and education of its staff in the most efficient and productive methods of managing estates and the latest developments in the industry.

Amongst the seminars/courses that the staff of the Group has participated in/or will be participating in for the year 2000 which are related to the core business of the Group are as follows:-

- (a) 2000 National Seminar on Palm Oil Milling Refining Technology, Quality and Environment;
- (b) Seminar Kearah Kecemerlangan Keselamatan dan Kesihatan Pekerja di Era 2000; and
- (c) Tsubaki Palm Oil Chains Seminar.

In addition to the seminars/courses above, the support staff of the Group, will also be attending various seminars/courses with the aim of improving the administrative and management techniques of the Group.

10.4 Family Relationships

Save as disclosed below, none of the Directors and senior management of the MHC Group is related to each other:-

Datin Seri Ooi Ah Thin is the mother of Dato' Mah King Seng and Dato' Mah King Thian as well as the grandmother of Mah Siew Hoe.

VII. INFORMATION ON THE MHC GROUP (Cont'd)

11. MAJOR SHAREHOLDERS AND PROMOTERS

11.1 Major shareholders

The major shareholders of MHC and their respective shareholdings in MHC after the Public and Special Issues will be as follows:-

Major shareholder	----- After the Public and Special Issues -----			
	Direct interest		Indirect interest	
	No. of ordinary shares held	%	No. of ordinary shares held	%
DMPSR	28,216,670	44.62	-	-
MKWH	8,265,511	13.07	-	-
Datin Seri Ooi Ah Thin	1,172,511 ⁽¹⁾	1.85	28,216,670 ⁽²⁾	44.62
Dato' Mah King Seng	7,003 ⁽¹⁾	⁽³⁾	28,216,670 ⁽²⁾	44.62
Dato' Mah King Thian	7,003 ⁽¹⁾	⁽³⁾	28,216,670 ⁽²⁾	44.62
MSH	-	-	8,265,511 ⁽⁴⁾	13.07
ASB	-	-	8,265,511 ⁽⁴⁾	13.07
SKM	-	-	8,265,511 ⁽⁴⁾	13.07
SCM	-	-	8,265,511 ⁽⁴⁾	13.07
Mah Siew Hoe	7,003 ⁽¹⁾	⁽³⁾	-	-
Mah Siew Keong	7,003 ⁽¹⁾	⁽³⁾	8,265,511 ⁽⁵⁾	13.07
Mah Siew Chuan	-	-	8,265,511 ⁽⁶⁾	13.07
Wong Leng Wah	-	-	8,265,511 ⁽⁷⁾	13.07
Hooi Yoke Lin	-	-	8,265,511 ⁽⁸⁾	13.07
Hooi Yoke Lin (as trustee for Mah Li-Jeen)	-	-	8,265,511 ⁽⁸⁾	13.07
Aznam bin Mansor	5,007,000 ⁽⁹⁾	7.91	-	-

Notes:-

⁽¹⁾ Assuming full subscription for the MHC Shares allocated to the Directors of the Company under the Public Issue.

⁽²⁾ Deemed interest by virtue of his/her interest in DMPSR pursuant to section 6A of the Companies Act, 1965.

⁽³⁾ Negligible.

⁽⁴⁾ Deemed interest by virtue of its interest in MKWH pursuant to section 6A of the Companies Act, 1965.

⁽⁵⁾ Deemed interest by virtue of his interest in SKM pursuant to section 6A of the Companies Act, 1965.

⁽⁶⁾ Deemed interest by virtue of his interest in SCM pursuant to section 6A of the Companies Act, 1965.

⁽⁷⁾ Deemed interest by virtue of her interest in ASB pursuant to section 6A of the Companies Act, 1965.

⁽⁸⁾ Deemed interest by virtue of her interest in MSH pursuant to section 6A of the Companies Act, 1965.

VII. INFORMATION ON THE MHC GROUP (Cont'd)

- ⁽⁹⁾ Assuming full subscription for the MHC Shares allocated by the MITI and the MHC Shares allocated to the Director of the Company under the Public and Special Issues.

Details of the major shareholders of MHC after the Public and Special Issues are as follows:-

- (i) **DMPSR** was incorporated in Malaysia under the Companies Act, 1965 on 7 June 1977. Its principal activities are housing development and investment holding. Its Board of Directors comprises the following members:-
- (a) Datin Seri Ooi Ah Thin;
 - (b) Dato' Mah King Seng;
 - (c) Dato' Mah King Thian;
 - (d) Mah Gok Lee;
 - (e) Mah Gok Cheong; and
 - (f) Mah Gok Thor.

The substantial shareholders of DMPSR and their respective shareholdings in DMPSR as at 15 September 2000 hereof are as follows:-

Name	-----Direct-----		-----Indirect-----	
	No. of shares	%	No. of shares	%
Datin Seri Ooi Ah Thin	16,188	31.83	-	-
Dato' Mah King Seng	15,588	30.65	-	-
Dato' Mah King Thian	15,588	30.65	-	-
Mah Gok Lee	1,256	2.47	-	-
Mah Gok Cheong	1,121	2.20	-	-
Mah Gok Thor	1,117	2.20	-	-

For the past two (2) years preceding the date of this Prospectus, DMPSR had substantial shareholdings in AOI pursuant to section 6A of the Companies Act, 1965.

- (ii) **MKWH** was incorporated in Malaysia under the Companies Act, 1965 on 28 August 1981. Its principal activity is investment holding. Its Board of Directors comprises of the following members:-
- (a) Mah Siew Keong;
 - (b) Mah Siew Ping; and
 - (c) Mah Siew Hoe.

The substantial shareholders of MKWH and their respective shareholdings in MKWH as at 15 September 2000 are as follows:-

Name	-----Direct-----		-----Indirect-----	
	No. of shares	%	No. of shares	%
MSH	4,300,000	28.68	-	-
ASB	2,291,902	15.30	-	-
SKM	3,200,000	21.34	-	-
SCM	3,200,000	21.34	-	-
Mah Siew Ping	1,000,000	6.67	-	-
Mah Siew Yan	1,000,000	6.67	-	-

VII. INFORMATION ON THE MHC GROUP (Cont'd)

Name	-----Direct-----		-----Indirect-----	
	No. of shares	%	No. of shares	%
Mah Siew Keong	-	-	3,200,000	21.34 ⁽¹⁾
Mah Siew Chuan	-	-	3,200,000	21.34 ⁽²⁾
Wong Leng Wah	-	-	2,291,902	15.30 ⁽³⁾
Hooi Yoke Lin	-	-	4,300,000	28.68 ⁽⁴⁾
Hooi Yoke Lin ⁽⁵⁾	-	-	4,300,000	28.68 ⁽⁴⁾

⁽¹⁾ Deemed interest by virtue of his interest in SKM pursuant to section 6A of the Companies Act, 1965.

⁽²⁾ Deemed interest by virtue of his interest in SCM pursuant to section 6A of the Companies Act, 1965.

⁽³⁾ Deemed interest by virtue of her interest in ASB pursuant to section 6A of the Companies Act, 1965.

⁽⁴⁾ Deemed interest by virtue of her interest in MSH pursuant to section 6A of the Companies Act, 1965.

⁽⁵⁾ As trustee for Mah Li-Jeen.

For the past two (2) years preceding the date of this Prospectus, MKWH had substantial shareholdings pursuant to section 6A of the Companies Act, 1965 in the following public companies in Malaysia, other than MHC:-

- (a) AOI; and
- (b) Palmco.

On 17 August 2000, MKWH reduced its shareholding in Palmco to below two per centum (2%) of the entire issued and paid-up share capital of the said company. As such, MKWH is no longer a substantial shareholder of Palmco.

(iii) **MSH** was incorporated in Malaysia under the Companies Act, 1965 on 5 November 1982. Its principal activity is investment holding. Its Board of Directors comprises of the following members:-

- (a) Mah Siew Hoe;
- (b) Wong Leng Wah;
- (c) Mah Siew Ping; and
- (d) Hooi Yoke Lin

The substantial shareholders of MSH and their respective shareholdings in MSH as at 15 September 2000 are as follows:-

Name	-----Direct-----		-----Indirect-----	
	No. of shares	%	No. of shares	%
Hooi Yoke Lin	1,600,000	80.0	-	-
Hooi Yoke Lin ⁽¹⁾	400,000	20.0	-	-

VII. INFORMATION ON THE MHC GROUP (Cont'd)

Note:-

(1) *As trustee for Mah Li-Jeen.*

For the past two (2) years preceding the date of this Prospectus, MSH had substantial shareholdings pursuant to section 6A of the Companies Act, 1965 in the following public companies in Malaysia, other than MHC:-

- (a) AOI; and
- (b) Palmco.

On 7 August 2000, MSH reduced its shareholding in Palmco to below two per centum (2%) of the entire issued and paid-up share capital of the said company. As such, MSH is no longer a substantial shareholder of Palmco.

(iv) **ASB** was incorporated in Malaysia under the Companies Act, 1965 on 12 August 1981. Its principal activity is investment holding. Its Board of Directors comprises of the following members:-

- (a) Wong Leng Wah;
- (b) Mah Siew Hoe; and
- (c) Mah Siew Ping.

The substantial shareholder of ASB and her shareholding in ASB as at 15 September 2000 is as follows:-

Name	-----Direct-----		-----Indirect-----	
	No. of shares	%	No. of shares	%
Wong Leng Wah	800,002	99.9	-	-

For the past two (2) years preceding the date of this Prospectus, ASB had substantial shareholdings pursuant to section 6A of the Companies Act, 1965 in the following public companies in Malaysia, other than MHC:-

- (a) AOI; and
- (b) Palmco.

On 17 August 2000, ASB reduced its shareholding in Palmco to below two per centum (2%) of the entire issued and paid-up share capital of the said company. As such, ASB is no longer a substantial shareholder of Palmco.

(v) **SKM** was incorporated in Malaysia under the Companies Act, 1965 on 21 May 1984. Its principal activity is investment holding. Its Board of Directors comprises of the following members:-

- (a) Wong Leng Wah;
- (b) Mah Siew Hoe;
- (c) Mah Siew Ping; and
- (d) Mah Siew Keong.

The substantial shareholder of SKM and his shareholding in SKM as at 15 September 2000 are as follows:-

Name	-----Direct-----		-----Indirect-----	
	No. of shares	%	No. of shares	%
Mah Siew Keong	998,001	100.0	-	-

VII. INFORMATION ON THE MHC GROUP (Cont'd)

For the past two (2) years preceding the date of this Prospectus, SKM had substantial shareholdings pursuant to Section 6A of the Companies Act, 1965 in the following public companies in Malaysia, other than MHC:-

- (a) AOI; and
- (b) Palmco.

On 17 August 2000, SKM reduced its shareholding in Palmco to below two per centum (2%) of the entire issued and paid-up share capital of the said company. As such, SKM is no longer a substantial shareholder of Palmco.

- (iv) **SCM** was incorporated in Malaysia under the Companies Act, 1965 on 21 May 1984. Its principal activity is investment holding. Its Board of Directors comprises of the following members:-

- (a) Wong Leng Wah;
- (b) Mah Siew Hoe;
- (c) Mah Siew Ping; and
- (d) Mah Siew Chuan

The substantial shareholder of SCM and his shareholding in SCM as at 15 September 2000 are as follows:-

Name	-----Direct-----		-----Indirect-----	
	No. of shares	%	No. of shares	%
Mah Siew Chuan	998,001	99.9	-	-

For the past two (2) years preceding the date of this Prospectus, SCM had substantial shareholdings pursuant to section 6A of the Companies Act, 1965 in the following public companies in Malaysia, other than MHC:-

- (a) AOI; and
- (b) Palmco.

On 17 August 2000, SCM reduced its shareholding in Palmco to below two per centum (2%) of the entire issued and paid-up share capital of the said company. As such, SCM is no longer a substantial shareholder of Palmco.

- (vii) **Mah Siew Keong**, a Malaysian and aged 39, graduated from London School of Economics with a Bachelor of Science (Honours) Degree in Economics in 1983. He was subsequently appointed to the Board of Directors of MKWH in 1984 and has been a Director since. He obtained a Masters of Business Administration from the City University Business School in London in 1984. In 1993, he obtained a Bachelor of Law (Honours) degree from the University of East London. He is presently the Member of Parliament for Teluk Intan.

For the past two (2) years preceding the date of this Prospectus, Mr. Mah had substantial shareholdings in the following public companies in Malaysia, other than MHC:-

Company	Position
AOI	Substantial shareholder
Palmco	Substantial shareholder

On 17 August 2000, Mr. Mah reduced his shareholding in Palmco to below two per centum (2%) of the entire issued and paid-up share capital of the said company. As such, Mr. Mah is no longer a substantial shareholder of Palmco. Mr. Mah has not held any directorships in any public company in Malaysia for the past two (2) years preceding the date of this Prospectus.

VII. INFORMATION ON THE MHC GROUP (Cont'd)

- (viii) ***Mah Siew Chuan***, a Malaysian and aged 37, was appointed as a Director of SCM in 1984 and has been a Director since. He graduated with a Bachelor of Science in Engineering from Imperial College, University of London in 1985 and subsequently obtained a Masters of Business Administration from the University of New South Wales, Australia in 1991.

For the past two (2) years preceding the date of this Prospectus, Mr. Mah had substantial shareholdings in the following public companies in Malaysia, other than MHC:-

Company	Position
AOI	Substantial shareholder
Palmco	Substantial shareholder

On 17 August 2000, Mr. Mah reduced his shareholding in Palmco to below two per centum (2%) of the entire issued and paid-up share capital of the said company. As such, Mr. Mah is no longer a substantial shareholder of Palmco. Mr. Mah has not held any directorships in any public company in Malaysia for the past two (2) years preceding the date of this Prospectus.

- (ix) ***Wong Leng Wah***, a Malaysian and aged 67, has been a Director of ASB since 1982. In addition, she is also a Director of MSH, SCK and SCM. For the past two (2) years preceding the date of this Prospectus, Madam Wong had substantial shareholdings in the following public companies in Malaysia, other than MHC:-

Company	Position
AOI	Substantial shareholder
Palmco	Substantial shareholder

On 17 August 2000, Madam Wong reduced her shareholding in Palmco to below two per centum (2%) of the entire issued and paid-up share capital of the said company. As such, Madam Wong is no longer a substantial shareholder of Palmco. Madam Wong has not held any directorships in any public company in Malaysia for the past two (2) years preceding the date of this Prospectus.

- (x) ***Hooi Yoke Lin***, a Malaysian and aged 37, has been the Director of MSH since 1986. For the past two (2) years preceding the date of this Prospectus, Madam Hooi has had substantial shareholdings in the following public companies in Malaysia, other than MHC:-

Company	Position
AOI	Substantial shareholder
Palmco	Substantial shareholder

On 17 August 2000, Madam Hooi reduced her shareholding in Palmco to below two per centum (2%) of the entire issued and paid-up share capital of the said company. As such, Madam Hooi is no longer a substantial shareholder of Palmco. Madam Hooi has not held any directorships in any public company in Malaysia for the past two (2) years preceding the date of this Prospectus.

- (xi) ***Mah Li-Jeen***, a Malaysian and aged 15, is the great-grandchild of the late Dato' Seri Mah Pooi Soo. Being a minor, her interests in MSH are held in trust by her mother, Madam Hooi Yoke Lin.

VII. INFORMATION ON THE MHC GROUP (Cont'd)

For the past two (2) years preceding the date of this Prospectus, Ms. Mah has had substantial shareholdings in the following public companies in Malaysia:-

Company	Position
AOI	Substantial shareholder
Palmco	Substantial shareholder

On 17 August 2000, Ms. Mah reduced her shareholding in Palmco to below two per centum (2%) of the entire issued and paid-up share capital of the said company. As such, Ms. Mah is no longer a substantial shareholder of Palmco. Ms. Mah has not held any directorships in any public company in Malaysia for the past two (2) years preceding the date of this Prospectus.

The other major shareholders consist of Datin Seri Ooi Ah Thin, Dato' Mah King Seng, Dato' Mah King Thian and Encik Aznam bin Mansor, whose details are as disclosed in Section VII(10.1).

11.2 Promoters

DMPSR, Datin Seri Ooi Ah Thin, Dato' Mah King Seng and Dato' Mah King Thian individually and collectively are promoters of the Company. Their details are as disclosed in Sections VII(10.1) and (11.1) above.

11.3 Family Relationships

Save as disclosed below, none of the Major Shareholders and promoters of the MHC Group are related to each other:-

Datin Seri Ooi Ah Thin is the mother of Dato' Mah King Seng and Dato' Mah King Thian as well as the grandmother of Mah Siew Hoe, Mah Siew Keong and Mah Siew Chuan.

Madam Wong Leng Wah is the mother of Mah Siew Hoe, Mah Siew Keong and Mah Siew Chuan.

Mah Siew Hoe is the husband of Madam Hooi Yoke Lin and the father of Ms. Mah Li-Jeen.

VIII. FINANCIAL INFORMATION

1. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

1.1 Working Capital

The Directors of MHC are of the opinion that, barring unforeseen circumstances and after taking into account the consolidated cashflow forecast, banking facilities available and the gross proceeds from the Public and Special Issues, the Group shall have adequate working capital for its present and foreseeable requirements.

1.2 Borrowings

As at 15 September 2000 (being the last practicable date at which such amounts could be calculated prior to the registration of this Prospectus), the total interest bearing borrowings of the Group amounted to RM19.434 million as follows:-

Tenure	Amount RM'000
Short term (repayment within one (1) year from 15 September 2000)	6,132
Long term (repayment commencing one (1) year after 15 September 2000)	13,302
	19,434

The above borrowings are secured by a charge over the following pieces of land, the details of which could be found in Section VII(7):-

- (a) Lot No. P.T. 68, Mukim of Hutan Melintang, District of Hilir Perak, Perak Darul Ridzuan;
- (b) Lot No. 6879, Mukim of Hutan Melintang, District of Hilir Perak, Perak Darul Ridzuan; and
- (c) Lot No. 7328, Mukim of Changkat Jong, District of Hilir Perak, Perak Darul Ridzuan.

Save as disclosed above, the Group does not have any other loan capital outstanding or loan capital created but unissued, mortgages or charges outstanding as at 21 September 2000.

1.3 Contingent Liabilities and Capital Commitments

As at 15 September 2000 (being the last practicable date at which such amounts could be calculated prior to the registration of this Prospectus), the Board is not aware of any contingent liabilities which upon materialising and capital commitments for capital expenditure incurred or known to be incurred that would have a material impact on the profit or net assets of the Group.

VIII. FINANCIAL INFORMATION (Cont'd)
2. CONSOLIDATED PROFIT FORECAST AND ASSUMPTIONS

The Directors of MHC forecast that, barring unforeseen circumstances, the consolidated profit before and after taxation for the year ending 31 December 2000 will be as follows:-

Year ending 31 December	Forecast 2000 RM'000
Turnover	43,725
Consolidated profit before taxation and MI	12,637
MI	(96)
Consolidated profit before taxation but after MI	12,541
Taxation	(2,858)
Profit after taxation and MI	9,683
Gross EPS (sen)	
- Based on the weighted average number of shares in issue of 44,573,086 MHC Shares assuming completion of the Public and Special Issues by 1 November 2000	28.14
- Based on the enlarged share capital of 63,238,086 MHC Shares	19.83
Gross PE Multiple (<i>based on the issue price of RM1.40 per share</i>) (times)	
- Based on the weighted average number of shares in issue of 44,573,086 MHC Shares assuming completion of the Public and Special Issues by 1 November 2000	4.98
- Based on the enlarged share capital of 63,238,086 MHC Shares	7.06
Net EPS (sen)	
- Based on the weighted average number of shares in issue of 44,573,086 MHC Shares assuming completion of the Public and Special Issues by 1 November 2000	21.72
- Based on the enlarged share capital of 63,238,086 MHC Shares	15.31
Net PE Multiple (<i>based on the issue price of RM1.40 per share</i>) (times)	
- Based on the weighted average number of shares in issue of 44,573,086 MHC Shares assuming completion of the Public and Special Issues by 1 November 2000	6.45
- Based on the enlarged share capital of 63,238,086 MHC Shares	9.14

The principal bases and assumptions upon which the above consolidated profit forecast has been prepared are as follows:-

- (a) There will be no significant changes in the structure and the principal activities of the MHC Group;

VIII. FINANCIAL INFORMATION *(Cont'd)*

- (b) There will be no significant changes in the accounting policies currently adopted by the MHC Group;
- (c) There will be no significant changes to the prevailing Malaysian and world economic and political conditions that will directly or indirectly have an adverse effect on the activities or performance of the MHC Group;
- (d) There will be no significant changes in the present legislation or government policies and regulations, rates and bases of duties, levies, cess and taxes which will affect the activities of the MHC Group or the markets in which they operate;
- (e) There will be no unfavourable weather conditions or major disruptions in the planting, harvesting, estate work and manufacturing facilities arising from industrial disputes, labour shortage, or any abnormal circumstances which will adversely affect the development, production, yield, oil and kernel extraction rates and sales of the products of the MHC Group;
- (f) There will be no material changes in the forecast average selling prices and sale volume of the products of the MHC Group that will adversely affect the performance of the MHC Group, thus the projected growth will be sustained;
- (g) There will be no material increase in wages, cost of goods purchased and other costs other than those provided;
- (h) There will be no major changes in the existing key personnel and management of the MHC Group that will affect the marketing capability and level of activities of the MHC Group;
- (i) There will be no changes to the terms and conditions of the licences granted by the regulatory authorities to the MHC Group;
- (j) The corporate tax rate will remain at 28% for the entire year ending 31 December 2000;
- (k) Existing financing facilities will remain available to the MHC Group and with no significant changes in their interest rates;
- (l) The inflation rate and exchange rates of foreign currencies will not fluctuate significantly from their present levels; and
- (m) The capital expenditure programme will be implemented, incurred and paid as scheduled with no material changes in cost or price. There will be no material additions to fixed assets other than those planned.

Based on the prevailing outlook of the palm oil industry and the future strategies, level of output, liquidity as well as the working capital requirements of the Group, the Directors of MHC are of the view that the profit forecast presented herein is achievable.

VIII. FINANCIAL INFORMATION (Cont'd)

3. **REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED PROFIT FORECAST**

(Prepared for inclusion in this Prospectus)

Ernst & Young
21 & 23, Jalan Hussein
(1st Floor)
30250 Ipoh
Perak Darul Ridzuan

28 September 2000

The Board of Directors
MHC Plantations Bhd.
21 & 23, Jalan Hussein
(Ground Floor)
30250 Ipoh
Perak Darul Ridzuan

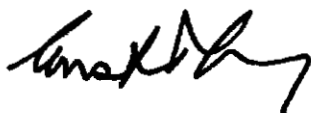
Dear Sirs

CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER 2000

We have reviewed the accounting policies and calculations for the consolidated profit forecast of MHC Plantations Bhd. and its subsidiary companies ("the MHC Group") for the year ending 31 December 2000, for which the Directors are solely responsible, prepared for the purpose of inclusion in the Prospectus to be dated 30 September 2000 in connection with the special issue of 17,975,000 and public issue of 4,423,000 new ordinary shares of RM1.00 each at an issue price of RM1.40 per share and the listing off and quotation for, the entire issued and paid-up share capital of MHC Plantations Bhd. on the Main Board of the Kuala Lumpur Stock Exchange.

In our opinion, the consolidated profit 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 is presented on a basis consistent with the accounting policies normally adopted by the MHC Group.

Yours faithfully



ERNST & YOUNG (AF: 0039)
Public Accountants



LEONG KENG YUEN – 1851/9/01(J)
Partner

VIII. FINANCIAL INFORMATION (Cont'd)

4. DIVIDEND FORECAST AND POLICY

It is the policy of the Directors of MHC in recommending dividends to maintain a balance between allowing shareholders to participate in the profits of the Company as well as leaving adequate reserves for the future growth of the Group.

Based on the forecast consolidated profit after taxation, the Directors of the Company anticipate that in the absence of unforeseen circumstances, the Company will be in a position to propose a gross dividend of five (5) sen per share for the financial year ending 31 December 2000 based on the issued and paid-up share capital of 63,238,086 MHC Shares.

The intended appropriation of the forecast consolidated profit after taxation for the financial year ending 31 December 2000 is as follows:-

Year ending 31 December	Forecast 2000 RM'000
Consolidated profit after taxation and MI	9,683
Less: Proposed final dividend of 5 sen per share (less tax at 28%)	(2,277)
Unappropriated profit carried forward	<u>7,406</u>
Gross dividend per share (sen)	5.00
Gross dividend yield based on the issue price of RM1.40 per share (%)	3.57
Gross dividend cover (times)	3.97
Net dividend per share (sen)	3.60
Net dividend yield based on the issue price of RM1.40 per share (%)	2.57
Net dividend cover (times)	4.25

Future dividends will not be declared:-

- (a) the Group is in a loss position for the relevant financial period; or
- (b) the Group has insufficient cashflows to meet any dividend payments.

Notwithstanding the above, the Directors have full discretion not to propose any future dividend payment as and when deemed necessary, if it is in the best interests of the Company.

VIII. FINANCIAL INFORMATION (Cont'd)

5. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 MAY 2000

(Prepared for inclusion in this Prospectus)

The proforma consolidated balance sheets set out below are provided solely for illustrative purposes only to show the effects on the audited consolidated balance sheet of MHC as at 31 May 2000 had the Disposals, CP Subscription, Bonus Issue, Acquisitions and Public and Special Issues been effected on that date:-

	Audited as at 31.05.00 RM'000	After Disposals RM'000	(I)	After (I) and CP Subscription RM'000	(II)	After (II) and Bonus Issue RM'000	(III)	After (III) and Acquisitions RM'000	(IV)	After (IV) and Public and Special Issues RM'000	(V)	After (V) and the utilisation of proceeds from the Public and Special Issues RM'000	(VI)
FIXED ASSETS	80,735	79,365	85,397	85,397	85,397	95,462	95,462	95,462	95,462	95,462	105,032		
LAND HELD FOR DEVELOPMENT	1,561	-	-	-	-	-	-	-	-	-	-	-	
OTHER INVESTMENTS	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	
GOODWILL ON CONSOLIDATION	4,485	4,485	4,485	4,485	4,485	4,485	4,485	4,485	4,485	4,485	4,485	4,485	
CURRENT ASSETS	38,330	41,759	41,852	41,852	41,852	41,852	41,852	41,852	41,852	36,175	9,318		
CURRENT LIABILITIES	(10,969)	(11,015)	(13,080)	(13,080)	(13,080)	(13,080)	(13,153)	(13,153)	(13,153)	(14,224)	(10,522)		
DEFERRED EXPENDITURE	929	929	929	929	929	929	929	929	929	-	-		
	118,488	118,940	123,000	123,000	123,000	123,000	108,509	108,509	137,866	137,866	124,281		
Financed by:-													
SHARE CAPITAL	11,612	11,612	11,612	11,612	39,840	40,840	40,840	40,840	63,238	63,238	63,238		
SHARE PREMIUM	-	-	-	-	-	2,069	2,069	2,069	9,028	9,028	9,028		
CAPITAL RESERVES	40,148	40,148	40,148	40,148	11,920	11,920	11,920	11,920	11,920	11,920	11,920		
REVALUATION RESERVE	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842		
RESERVE ON CONSOLIDATION	1,108	1,108	4,870	4,870	4,870	4,870	4,870	4,870	4,870	4,870	4,870		
RETAINED PROFIT	29,543	29,856	29,856	29,856	29,856	29,856	29,856	29,856	29,856	29,856	29,856		
SHAREHOLDERS' FUNDS	84,253	84,566	88,328	88,328	88,328	91,397	91,397	91,397	120,754	120,754	120,754		
MINORITY INTERESTS	19,521	19,660	19,958	19,958	19,958	2,398	2,398	2,398	2,398	2,398	2,398		
TERM LOAN	13,585	13,585	13,585	13,585	13,585	13,585	13,585	13,585	13,585	13,585	-		
DEFERRED TAXATION	1,129	1,129	1,129	1,129	1,129	1,129	1,129	1,129	1,129	1,129	1,129		
	118,488	118,940	123,000	123,000	123,000	123,000	108,509	108,509	137,866	137,866	124,281		
NTA (RM'000)	78,839	79,152	82,914	82,914	82,914	73,432	73,432	73,432	103,718	103,718	103,718		
No. of shares	11,611,800	11,611,800	11,611,800	11,611,800	39,840,086	40,840,086	40,840,086	40,840,086	63,238,086	63,238,086	63,238,086		
NTA per share (RM)	6.79	6.82	7.14	7.14	2.08	1.80	1.80	1.80	1.64	1.64	1.64		

VIII. FINANCIAL INFORMATION (Cont'd)

5. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 MAY 2000

(Prepared for inclusion in this Prospectus)

The proforma consolidated balance sheets set out below are provided solely for illustrative purposes only to show the effects on the audited consolidated balance sheet of MHC as at 31 May 2000 had the Disposals, CP Subscription, Bonus Issue, Acquisitions and Public and Special Issues been effected on that date:-

	Audited as at 31.05.00 RM'000	(I) After Disposals RM'000	(II) After (I) and CP Subscription RM'000	(III) After (II) and Bonus Issue RM'000	(IV) After (III) and Acquisitions RM'000	(V) After (IV) and Public and Special Issues RM'000	(VI) After (V) and the utilisation of proceeds from the Public and Special Issues RM'000
FIXED ASSETS	80,735	79,365	85,397	85,397	95,462	95,462	105,032
LAND HELD FOR DEVELOPMENT	1,561	-	-	-	-	-	-
OTHER INVESTMENTS	3,417	3,417	3,417	3,417	3,417	3,417	3,417
GOODWILL ON CONSOLIDATION	4,485	4,485	4,485	4,485	17,036	17,036	17,036
CURRENT ASSETS	38,330	41,759	41,852	41,852	4,818	36,175	9,318
CURRENT LIABILITIES	(10,969)	(11,015)	(13,080)	(13,080)	(13,153)	(14,224)	(10,522)
DEFERRED EXPENDITURE	929	929	929	929	929	-	-
	118,488	118,940	123,000	123,000	108,509	137,866	124,281
Financed by:-							
SHARE CAPITAL	11,612	11,612	11,612	39,840	40,840	63,238	63,238
SHARE PREMIUM	-	-	-	-	2,069	9,028	9,028
CAPITAL RESERVES	40,148	40,148	40,148	11,920	11,920	11,920	11,920
REVALUATION RESERVE	1,842	1,842	1,842	1,842	1,842	1,842	1,842
RESERVE ON CONSOLIDATION	1,108	1,108	4,870	4,870	4,870	4,870	4,870
RETAINED PROFIT	29,543	29,856	29,856	29,856	29,856	29,856	29,856
SHAREHOLDERS' FUNDS	84,253	84,566	88,328	88,328	91,397	120,754	120,754
MINORITY INTERESTS	19,521	19,660	19,958	19,958	2,398	2,398	2,398
TERM LOAN	13,585	13,585	13,585	13,585	13,585	13,585	-
DEFERRED TAXATION	1,129	1,129	1,129	1,129	1,129	1,129	1,129
	118,488	118,940	123,000	123,000	108,509	137,866	124,281
NTA (RM'000)	78,839	79,152	82,914	82,914	73,432	103,718	103,718
No. of shares	11,611,800	11,611,800	11,611,800	39,840,086	40,840,086	63,238,086	63,238,086
NTA per share (RM)	6.79	6.82	7.14	2.08	1.80	1.64	1.64

VIII. FINANCIAL INFORMATION (Cont'd)

Proforma VI - The proforma consolidated balance sheet is stated after Proforma V and incorporating the gross proceeds of RM31,357,200 raised from the Public and Special Issues, which are intended to be utilised as follows:-

Utilisation	RM'000
Repayment of term loan, revolving credit and accrued interest	20,000
Cultivation of plantation land in Sabah over the next two (2) years	3,280
Upgrade of MKP mill facility	5,530
Mechanisation of field operations	620
Upgrade of roads in estates	140
Listing expenses	1,787
	<u>31,357</u>

VIII. FINANCIAL INFORMATION (Cont'd)

6. REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS

(Prepared for inclusion in this Prospectus)

Ernst & Young
21 & 23, Jalan Hussein
(1st Floor)
30250 Ipoh
Perak Darul Ridzuan

28 September 2000

The Board of Directors
MHC Plantations Bhd.
21 & 23, Jalan Hussein
(Ground Floor)
30250 Ipoh
Perak Darul Ridzuan

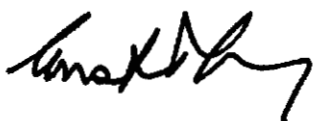
Dear Sirs

PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 MAY 2000

We have reviewed the presentation of the Proforma Consolidated Balance Sheets of MHC Plantations Bhd. and its subsidiary companies ("the MHC Group") as at 31 May 2000 together with the accompanying notes thereto, for which the Directors are solely responsible, as set out in the Prospectus to be dated 30 September 2000 in connection with the special issue of 17,975,000 and public issue of 4,423,000 new ordinary shares of RM1.00 each in MHC Plantations Bhd. ("MHC") at an issue price of RM1.40 per share and the listing of, and quotation for, the entire issued and paid-up share capital of MHC on the Main Board of the Kuala Lumpur Stock Exchange.

In our opinion, the Proforma Consolidated Balance Sheets together with the accompanying notes thereto, which are prepared for illustrative purposes only, have been properly prepared on the basis consistent with the accounting policies normally adopted by the MHC Group.

Yours faithfully



ERNST & YOUNG (AF: 0039)
Public Accountants



LEONG KENG YUEN - 1851/9/01 (J)
Partner