
8. INFORMATION ON THE BHB GROUP (Continued)

- (g) If BPSB or any other person takes any action for voluntary winding-up dissolution of BPSB, or if BPSB enters into any scheme or arrangement (other than in any such case for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by BPA) or if a receiver, trustee or similar officer of BPSB is appointed in respect of all or any material part of the revenues and assets of BPSB, or if any order is made for the compulsory winding-up or dissolution of BPSB;
 - (h) If the Agreement to sub-lease or the sub-lease shall be terminated for any reasons whatsoever pursuant to the provisions of the lease;
 - (i) If the Sale and Purchase of Business Agreement and the Privatisation Agreement shall be terminated for any reasons whatsoever; or
 - (j) If BPSB commits any breach of any provisions of the Bintulu Port Authority Act, 1981 of Malaysia and the Ports (Privatisation) Act, 1990 of Malaysia or any Federal or State laws, regulations, rules or bye-laws made thereunder which materially affects the said Business in the Demised Property.
- (xxxi) Upon suspension or revocation of the Licence due to any of the events stipulated in Part III of the Licence, all rights of BPSB hereunder shall thereupon terminate and BPSB shall immediately thereafter cease to operate and manage the said Business in the Demised Property and BPSB shall have no rights to any claim whatsoever or howsoever against the Licensor in respect of such suspension or revocation. BPA may with the consent of the Minister take temporary possession of the facilities, employ the employees of BPSB and operate the Business or engage any person to perform the duties of BPSB.

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8. INFORMATION ON THE BHB GROUP (Continued)

8.1.8 Movements in Share Capital

The authorised share capital of BHB is RM1,000,000,001 comprising 1,000,000,000 ordinary shares of RM1.00 each and one (1) Special Rights Redeemable Preference Share of RM1.00. The issued and paid-up share capital of BHB is RM300,000,000 comprising 300,000,000 ordinary shares of RM1.00 each and one (1) special rights redeemable preference share of RM1.00.

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

Date of allotment	No. of ordinary shares allotted	Par value RM	Consideration	Cumulative issued and paid-up share capital RM
Ordinary shares				
22.03.1996	2	1.00	Subscribers' shares	2
14.02.2001	299,999,998	1.00	Issued for the acquisition of BPSB	300,000,000
BHB Special Share*				
14.02.2001	1	1.00	Cash	1

Note:-

* *The BHB Special Share would enable the Government, through MoF Inc. or any Minister representative or any person acting on behalf of the Government, to ensure that certain major decisions affecting the operations of BHB are consistent with its policy. Further information on the BHB Special Share is set out in Section 9.3 of this Prospectus.*

Pursuant to the IPO, 100,000,000 new BHB Shares will be issued.

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8. INFORMATION ON THE BHB GROUP (Continued)

8.1.9 Profit and Dividend Records

The following table sets out a summary of the pro forma consolidated results of the BHB Group for the past five (5) financial years ended 31 December 1999 and the nine (9)-month period ended 30 September 2000 based on the assumption that the BHB Group had been in existence throughout the years under review. The pro forma consolidated results are presented for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set out in Section 11 of this Prospectus.

	<-----Financial year ended 31 December----->					9-month period ended 30 September 2000
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	RM'000
Turnover	170,826	221,314	251,740	247,751	257,428	203,192
Earnings before interest, depreciation, amortisation and miscellaneous non-operating items	66,905	102,124	120,195	123,229	115,946	77,457
Depreciation	(5,102)	(6,749)	(6,733)	(8,244)	(18,870)	(14,704)
Amortisation of purchased goodwill	(3,052)	(873)	(981)	(981)	(981)	(736)
Interest income	7,547	13,000	15,143	16,535	9,693	6,376
Interest expense	-	-	-	-	-	-
Miscellaneous non-operating items	551	570	(100)	(2,680)	14,774	6,225
Profit before taxation	66,849	108,072	127,524	127,859	120,562	74,618
Taxation	(20,923)	(32,630)	(35,876)	(36,641)	288	(21,431)
Profit after taxation	45,926	75,442	91,648	91,218	120,850	53,187
No. of ordinary shares assumed in issue ('000)	300,000	300,000	300,000	300,000	300,000	300,000
Gross EPS (sen)	22.28	36.02	42.51	42.62	40.19	33.16
Net EPS (sen)	15.31	25.15	30.55	30.41	40.28	23.64
Gross dividend rate (%)	-	-	-	-	-	-

Turnover and profit before taxation increased for the financial year ended 31 December 1996 due to increase in operating revenue. The increase in operating revenue was in line with the increase in volume of cargo handled (17.2% from 18.6 million tonnes in 1995 to 21.8 million tonnes in 1996) and also the increase in the number of vessel calls at the Port (2.3% from 3,297 in 1995 to 3,373 in 1996).

Turnover and profit before taxation increased for the financial year ended 31 December 1997 due to increase in cargo handled (12.4% from 21.8 million tonnes in 1996 to 24.5 million tonnes in 1997). A similar increase of 13.4% was registered in the number of vessel calls (from 3,373 in 1996 to 3,824 in 1997).

8. INFORMATION ON THE BHB GROUP (Continued)

Turnover for the financial year ended 31 December 1998 showed a decline of 1.6%. The year was mired with economic and financial uncertainties due to the prolonged crisis affecting the region. The cargo throughput declined by 4.9% from 24.5 million tonnes in 1997 to 23.3 million tonnes in 1998. Container throughput dropped by 9.3% from 32,571 TEUs in 1997 to 29,536 TEUs in 1998. Vessel calls at the Port also showed a reduction of 16.3% from 3,824 in 1997 to 3,202 in 1998. Profit before taxation showed a slight increase mainly due to the absence of any provision for diminution in value of investments in 1998 as compared to a provision of RM7.41 million made in 1997.

Turnover for the financial year ended 31 December 1999 increased by 3.9% to RM257.43 million compared with RM247.75 million in 1998. Total throughput increased from 23.3 million tonnes in 1998 to 23.6 million tonnes in 1999. Ship calls at the port showed an increase of 5.1% from 3,202 calls in 1998 to 3,365 calls in 1999. However, profit before taxation showed a decrease with the commencement of the provision of lease rental on the LPG Jetty, land lease for BICT and additional lease rental on LNG-2 Jetty. Depreciation for the year also had increased due to the capitalisation of the costs of BICT in the accounts of BPSB.

Turnover for the financial period ended 30 September 2000 (RM203.19 million) is higher by 7.05% as compared with the corresponding period in FY 1999 (RM189.80 million). Total throughput increased by 4.91% from 17.57 million tonnes in the nine (9) months to 30 September 1999 to 18.43 million tonnes in the nine (9) months to 30 September 2000. Ship calls increased by 20.41% from 2,474 calls in 1999 to 2,979 calls in 2000. However, a lower profit was achieved due to higher maintenance expenses incurred as a consequence of the operations of the new facilities, namely the LPG Jetty, BICT and LNG-2 Jetty. Lower interest and investment income earned and a provision made for the diminution in the value of investment of RM7.8 million also contributed to the lower profit registered in the nine (9) months to 30 September 2000 as compared to the corresponding period in 1999.

The accounts of BHB and its subsidiary were not subject to any audit qualification for the financial years/period under review, and there were no exceptional items and extraordinary items nor any minority interests in the profits of the pro forma BHB Group during these financial years/period.

The gross and net EPS for the period ended 30 September 2000 was annualised.

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8. INFORMATION ON THE BHB GROUP *(Continued)*

An analysis of the contributions of the different segments of business to the consolidated turnover and earnings before interest, depreciation, amortisation and miscellaneous non-operating items of the pro forma BHB Group for the five (5) financial years ended 31 December 1999 and the nine (9)-month period ended 30 September 2000 is as follows:-

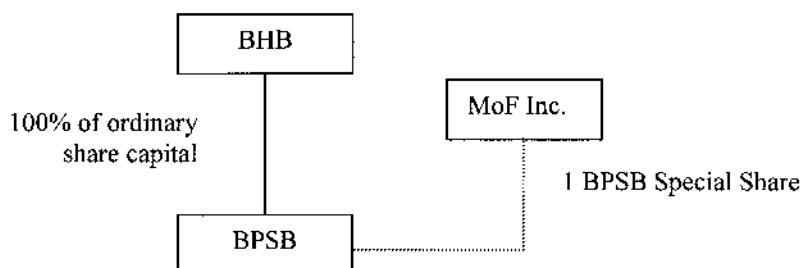
	Financial year ended 31 December					9-month period ended
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	30 September 2000 RM'000
Turnover						
▪ Liquid bulk	147,968	190,614	223,927	219,367	225,697	173,928
▪ Dry bulk	4,920	5,870	2,323	3,496	3,383	3,278
▪ Break bulk	13,397	19,328	19,608	19,613	21,396	18,873
▪ Container	3,109	4,551	4,745	4,253	5,427	5,772
▪ Others	1,432	951	1,137	1,022	1,525	1,341
	170,826	221,314	251,740	247,751	257,428	203,192
Earnings before interest, depreciation, amortisation and miscellaneous non-operating items						
▪ Liquid bulk	n.a.	n.a.	151,570	148,934	144,908	97,157
▪ Dry bulk	n.a.	n.a.	(6,695)	(5,298)	(6,057)	(2,059)
▪ Break bulk	n.a.	n.a.	(20,023)	(16,224)	(18,530)	(12,585)
▪ Container	n.a.	n.a.	(3,229)	(2,587)	(3,752)	(4,820)
▪ Others	n.a.	n.a.	(1,428)	(1,596)	(623)	(236)
	66,905	102,124	120,095	123,229	115,946	77,457

Note:-

n.a. Information prior to FY 1997 is not available.

8.2 Corporate Structure of the BHB Group

The present corporate structure of the BHB Group is as follows:-



8. INFORMATION ON THE BHB GROUP *(Continued)*

8.3 Subsidiary of BHB

Information on BPSB, the sole subsidiary of BHB, as at 8 February 2001 is as follows:-

Name	Date/Country of Incorporation	Issue and paid-up share capital RM	Effective interest in ordinary share capital %	Principal activities
BPSB	23 December 1992/ Malaysia	65,000,001	100.00	Provision of port services at Bintulu Port, Sarawak

As at the date hereof, BHB does not have any associated companies.

Further information on BPSB is set out below:-

(i) History and Business

BPSB was incorporated on 23 December 1992 under the Companies Act as a private company limited by shares.

The principal activity of the company is the provision of port services at Bintulu Port, Sarawak.

(ii) Share Capital

The authorised share capital of BPSB is RM500,000,000 comprising 499,999,999 ordinary shares of RM1.00 each and one (1) BPSB Special Share. The issued and paid-up share capital of BPSB is RM65,000,001 comprising 65,000,000 ordinary shares of RM1.00 each and one (1) BPSB Special Share.

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

Date of allotment	No. of ordinary shares	Par value RM	Consideration	Resultant total RM
Ordinary share				
23.12.1992	2	1.00	Subscribers' shares	2
12.01.1993	19,999,998	1.00	Cash	20,000,000
19.11.1996	45,000,000	1.00	Vesting of port operations by BPA to BPSB	65,000,000
BPSB Special Share*				
30.07.1994	1	1.00	Cash	1

Note:-

* The BPSB Special Share would enable the Government, through MoF Inc. or any Minister representative or any person acting on behalf of the Government, to ensure that certain major decisions affecting the operations of BPSB are consistent with its policy. Further information on the BPSB Special Share is set out in Section 9.3 of this Prospectus.

8. INFORMATION ON THE BHB GROUP *(Continued)*

(iii) Profit and Dividend Records

The following is a summary of the audited profit and dividend records of BPSB for the past five (5) financial years ended 31 December 1999 after making such adjustments including prior year adjustments considered necessary for the respective financial years:-

Year ended 31 December	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
Turnover	170,826	221,314	251,740	247,751	257,428
Other operating income	8,098	13,570	15,043	13,855	24,467
Operating expenses	(83,187)	(92,184)	(103,137)	(94,881)	(109,035)
Staff costs	(23,786)	(27,879)	(29,389)	(30,622)	(33,428)
Depreciation	(5,102)	(6,749)	(6,733)	(8,244)	(18,870)
Profit/(loss) before taxation	66,849	108,072	127,524	127,859	120,562
Taxation	(20,923)	(32,630)	(35,876)	(36,641)	288
Profit/(loss) after taxation	45,926	75,442	91,648	91,218	120,850
No. of ordinary shares in issue ('000)	20,000	65,000	65,000	65,000	65,000
Weighted average number of shares ('000)	20,000	25,287	65,000	65,000	65,000
Gross EPS (sen)	334.25	427.38	196.19	196.71	185.48
Net EPS (sen)	229.63	298.34	141.00	140.34	185.92
Gross dividend rate (%)	10	10	10	10	10

The substantial increase in turnover and profit before taxation in FY 1996 was due to the higher cargo throughput handled from 18.6 million tonnes in FY 1995 to 21.8 million tonnes. The number of vessel calls also registered an increase of 2.3% to 3,373 mainly due to increase in LNG cargo throughput. The number of calls by vessels carrying LNG recorded a significant increase of approximately 27% from 185 in FY 1995 to 240 in FY 1996.

The increase in turnover and profit before taxation in FY 1997 was due to the larger volume of cargo throughput achieved in 1997 of 24.5 million tonnes, which represented an increase of 12.4%. The number of vessel calls also increased by 451 or 13.4% to 3,824 during the year, in line with the increase in cargo throughput. The number of calls by vessels carrying LNG also recorded an increase of 48 vessels to 288 in the current year, contributing about 81.8% of total revenue.

The minimal decrease in turnover and profit before taxation in FY 1998 was due to the decrease in cargo throughput by 1.2 million tonnes or 4.9% to 23.3 million tonnes in FY 1998. The number of vessel calls also decreased by 16.3% to 3,202 in FY 1998. Although there was additional vessel call for LNG during the year, the total tonnage of LNG cargo handled actually decreased by 2.6% from 15.6 million tonnes in FY 1997 to 15.2 million tonnes in FY 1998. The decrease in the overall port activity was principally attributed to the regional economic downturn, which adversely affected business in all sectors.

8. INFORMATION ON THE BHB GROUP (Continued)

The higher turnover in FY 1999 was principally due to the recovery of the regional economy, which consequently resulted in the increase in cargo throughput by 1.3% to 23.6 million tonnes in FY 1999. The number of vessels that called at Bintulu Port also registered an increase of 5.1% to 3,365 in FY 1999, whilst the number of LNG vessel calls increased from 289 to 294. Revenue from LNG cargo contributed to approximately 81.5% of total revenue for the year. Nevertheless, profit before taxation showed a decrease in FY 1999 with the commencement of the provision of lease rental on the LPG Jetty, land lease for BICT, additional lease rental on LNG-2 Jetty and increase in depreciation charge due to the capitalisation of the costs of BICT in the accounts of BPSB. Taxation on income for FY 1999 was waived pursuant to the Income Tax (Amendment) Act 1999. The taxation provided for the financial year was in respect of dividend income.

There were no exceptional and extraordinary items during the financial years under review.

8.4 Directors, Key Management Personnel and Employees**8.4.1 Board of Directors**

Brief profiles of the Directors of BHB are as follows:-

Datuk Mohamed Adnan bin Ali, aged 58 was appointed as the Independent Non-Executive Chairman of BHB on 28 November 2000. He is an accountant by training. He was admitted as an Associate Member of the Chartered Institute of Management Accountants, United Kingdom in 1972 and has since become a Fellow of the Institute.

During nearly three decades of service with the Government, namely in the Accountant General Service, Datuk Mohamed Adnan had served in various Governmental departments/units either as an Accountant or Treasurer. He began his career as an Accountant with Jabatan Telekom Malaysia in 1972. Later during the same year, he joined the Ministry of Trade and Industry and was subsequently transferred to the Ministry of Works as a Senior Accountant. He went to the Ministry of Health in 1975 as a Financial Controller and thereafter served with the MoF between 1976 and 1980 as the Deputy Manager (Financial Management Unit). In 1980, he was seconded to Universiti Teknologi Malaysia as the Bursar and moved to the Ministry of Education in 1983 as the Chief Accountant. Subsequently, he was seconded to the International Islamic University as the university's Treasurer. In 1987, he was transferred to EPU (FIC Division) as a Senior Accountant, before being seconded to the Employees' Provident Fund as the Senior Manager (Investment) in 1988. In 1992, he returned to the Accountant General's Department as the Corporate Director and was subsequently promoted to Deputy Accountant General in the same year. He became the Accountant General in 1994 and served in that capacity (subsequently on a contract basis) until his retirement in the year 2000.

Datuk Mohamed Adnan is presently a Director of Phileo Allied Berhad. Apart from that, he has not held any substantial shareholdings nor directorships in any other public corporations for the past two (2) years preceding the date of this Prospectus.

8. INFORMATION ON THE BHB GROUP (Continued)

Captain Awangku Abdul Malit @ Awangku Malyx bin Pengiran Mahran, aged 50, was appointed as the Managing Director of BHB on 1 December 2000. He obtained a Bachelor of Science with Honours in Nautical Studies in 1974, Certificate of Competency Foreign Going Class III in 1975 and Certificate of Competency Foreign Going Class II in 1978 from Merchant Marine Academy, Jakarta, Indonesia. He later completed his Certificate of Competency Foreign Going Class I (Master Mariner) in 1981.

He started his career at sea as a cadet in 1970 and was promoted to various ranks before obtaining his Master's Certificate in 1981. He continued serving on various merchant marine vessels on voyages world-wide until 1985. Starting in 1986 he worked on a freelance basis, performing surveys of vessels before joining BPA in 1988 as the Assistant Marine Manager (Operation). He was promoted to the position of General Manager in 1993.

He is a member of the Investigation Panel (Marine Court) and an Officer in the 40th Royal Engineers Ports Specialist Regiment (Territorial Army).

Captain Awangku Abdul Malit has not held any substantial shareholdings nor directorships in any public corporations for the past two (2) years preceding the date of this Prospectus.

Dato' Dr. Samsudin bin Hitam, aged 53 was appointed as a Director of BHB on 1 July 2000. He graduated in 1970 with a Bachelor of Arts (Malay Studies) in with Honours from University Malaya. He later obtained a Master of Science in Agricultural Economics and a Doctorate in Land Resources, both from the University of Wisconsin, USA in 1977 and 1986, respectively.

He began his career with the Treasury as an Assistant Secretary, Budget Division in 1970 and later became an Assistant Director, Budget Division in 1973. In 1980, he was promoted to Senior Assistant Director, Budget Division. In 1986, he joined the EPU as the Secretary to the Economic Panel and was subsequently promoted to Director of Macroeconomics in 1987. In 1992, he was appointed as Deputy Director General (Sectoral) of the EPU and subsequently as Deputy Director General (Macro). In 1998, he was appointed as the Director General of the EPU before moving back to the Treasury in June 2000 as the Secretary General.

Currently, he sits on the board of several private limited companies in Malaysia including BPSB, Cyberview Sdn. Bhd., Putrajaya Holdings Sdn. Bhd., Multimedia Development Corporation Sdn. Bhd. and Syarikat Tanah dan Harta Sdn. Bhd. Dato' Dr. Samsudin is also a member of the board of several statutory bodies including the Inland Revenue Board, Bank Negara Malaysia and Kumpulan Wang Amanah Pencen.

For the past two (2) years preceding the date of this Prospectus, Dato' Dr. Samsudin has held directorships in the following public corporations:-

Company	Position
Khazanah Nasional Berhad	Director
Malaysian Airlines System Berhad	Director
PETRONAS	Director
Hicom Holdings Berhad	Director

Dato' Dr. Samsudin has not held any substantial shareholdings in any public corporations for the past two (2) years preceding the date of this Prospectus.

8. INFORMATION ON THE BHB GROUP (Continued)

Abdul Rahim bin Mokti, aged 50, was appointed as a Director of BHB on 16 December 1998. He obtained a Bachelor of Economics (Statistics) with Honours in 1973 from University of Malaya.

He began his career as an Assistant Secretary of the Finance Division of the Treasury in 1973 and later became an Assistant Director of the International Trade Division, Ministry of Trade and Industry in 1976. In his service with the Ministry of Trade and Industry, he served as the Malaysian Trade Commissioner in Paris, Milan and subsequently Jeddah. In 1986, he was appointed as the Acting Principal Assistant Secretary of the Finance Division of the Treasury and was subsequently promoted to Principal Assistant Secretary of the Finance Division in 1989. He was later appointed as Deputy Under-Secretary of the Finance Division in 1998. He assumed his current position as the Under-secretary, MoF Coordination, Privatisation and Public Enterprise Division in September 2000.

Currently, Encik Abdul Rahim sits on the board of several private limited companies in Malaysia including Express Rail Link Sdn. Bhd. and Dataran Perdana Sdn. Bhd.

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

Company	Position
Kedah Cement Holdings Berhad	Director
Penang Port Holdings Berhad	Director
Padiberas Nasional Berhad	Director
Syarikat Prasarana Negara Berhad	Director
Central Malaysian Assets Berhad	Director

Encik Abdul Rahim has not held any substantial shareholdings in any public corporations for the past two (2) years preceding the date of this Prospectus.

Onn bin Kayat, aged 55 was appointed as a Director of BHB on 28 November 2000. He graduated with Bachelor of Arts in Malay Studies with Honours from the University of Malaya in 1970.

He began his career with Ministry of Health as an Assistant Secretary in 1970. In 1976, he joined the MoF as a Principal Assistant Secretary in the Administration Division. He was transferred to the Ministry of Works in 1980 and promoted to become Under Secretary (Bumiputera Participation and Contract Division). In 1988, he was appointed as the State Financial Officer of the state of Penang before moving back to the MoF in 1991 as the Deputy Secretary of the Housing Loan Division. En. Onn was subsequently promoted to assume the post of Division Secretary in 1999. He retired from the Civil Service in October 2000.

During his service with the Government, En. Onn was the representative of the Minister of Finance on the Boards of Syarikat Perumahan Pegawai Kerajaan Sdn. Bhd., Sarawak Economic Development Corporation, Bintulu Development Authority and Dewan Bandaraya Kuala Lumpur Advisory Board.

Encik Onn has not held any substantial shareholdings in any public corporations for the past two (2) years preceding the date of this Prospectus.

8. INFORMATION ON THE BHB GROUP (*Continued*)

8.4.2 Key Management Personnel

The management team in charge of the daily operations of the BHB Group is headed by its Managing Director, Captain Awangku Abdul Malit @ Awangku Malyx bin Pengiran Mahran, who is assisted by a team of experienced management and professional personnel. Particulars of the key management personnel of the BHB Group are as follows:-

Andrew Mat Ressa, aged 46, is the Senior Manager of the Corporate Development Division of BPSB. He graduated from the University of Malaya with a Bachelor of Economics with Honours in 1977. In 1989 he was sponsored by the West Flanders Economic Study Office of Belgium to attend a Port and Terminal Management course and attended an Advanced Port Management Programme at IPER, Le Havre, Cedex, France in 1996.

He started his career as an Operations Officer for Rajang Port Authority ("RPA") in 1977 and subsequently became the Traffic Superintendent of RPA in 1980. In 1982 he joined BPA as a Traffic Manager and was subsequently appointed as the Secretary of BPA in 1986 and later to the position of Management Services Manager in 1990. In 1993, he became the Cargo Handling Services Manager of BPSB and appointed to his current position in 1996.

Ahmat bin Narawi, aged 45, is the Senior Manager, Marine Services of BPSB. He graduated from Merchant Marine Academy, Jakarta, Indonesia with a Bachelor of Science majoring in Marine Engineering in 1979. In 1981, he obtained a Bachelor of Science in Engineering majoring in Naval Architecture and Marine Engineering from the University of Michigan, U.S.A. and subsequently a Master of Science in Shipping and Maritime Studies from Liverpool Polytechnic, Liverpool, UK in 1988. In 1997 he attended an Advanced Management Programme at Harvard Business School, Harvard University, USA.

He started his career as a Marine Engineer with BPA in 1981 and was subsequently promoted to Assistant Manager in the Marine Safety Division in 1986. In 1990, he was appointed as Marine Services Manager and was subsequently transferred to BPSB in 1993 assuming the same position. He was appointed to the current position on 15 February 1996.

Ir. Abdul Nasser bin Abdul Wahab, aged 43, is the Senior Manager, Cargo Handling Services Division of BPSB. He obtained his Diploma in Mechanical Engineering from the University Technology Malaysia in 1978 and graduated with a Bachelor of Science with Honours majoring in Mechanical Engineering from Plymouth Polytechnic in the UK in 1981. He also successfully completed his Port Management Fellowship from University of Wales College of Cardiff in 1991. In 1996, he attended an Advanced Executive Development Programme at the Anderson School, University of California, Los Angeles, USA and attended an Advanced Port Management Programme at IPER, Le Havre, Cedex, France in 1997.

He started his career when he joined BPA as a Mechanical Engineer in 1981 and was subsequently promoted to Assistant Engineering Services Manager (Mechanical) in 1986. In 1990, he assumed the position of Engineering Services Manager of BPA and later in 1993 became the Safety and Security Manager of BPSB. He progressed to his current position in 1996.

En. Abdul Nasser is a member of the Institution of Mechanical Engineers, U.K. (MIMechE) and a member of the Institute of Engineers Malaysia (MIEM) as well as a registered Chartered Engineer, UK and registered Professional Engineer, Malaysia since 1987 and 1988, respectively. He is also an Officer in the 40th Royal Engineers Ports Specialist Regiment (Territorial Army).

8. INFORMATION ON THE BHB GROUP (Continued)

Gima Uji, aged 44, is the Senior Manager of the Health, Safety and Environmental Division of BPSB. He graduated from University of Malaya with a Bachelor of Arts with Honours majoring in Economics in 1981. In 1996 he attended an Advanced Executive Development Programme at the Anderson School, University of California, Los Angeles, USA.

He started his career as a Port Officer with BPA in 1981 and was subsequently promoted to Senior Port Officer in 1986. In 1990 he was promoted to assume the position of Traffic Manager and in 1993 became the Marketing Manager of BPSB. He assumed his current position in February 1996.

Omar bin Hj. Salleh, aged 43, is the Senior Manager, Human Resource Management Division of BPSB. He graduated from University of Malaya with a Bachelor in Arts with Honours majoring in South East Asian Studies in 1982. In 1996 he underwent a Senior Management Programme at Astridge College, UK.

He started his career as a Port Officer when he joined BPA in 1982. In 1986, he was promoted to Senior Assistant Traffic Manager and was subsequently promoted to Administrative Manager in 1990. He assumed the position of Human Resource Manager in BPSB in 1993 and was promoted to his current position in February 1996.

Mior Ahmad Baiti bin Mior Lub Ahmad, aged 44, is the Senior Manager of the Technical Services Division of BPSB. He graduated from Heriot-Watt University, Edinburgh, Scotland with a Bachelor of Science with Honours majoring in Offshore Engineering (Civil) in 1981.

He started his career as a Civil Engineer with BPA in 1981 and was subsequently promoted to Assistant Engineering Services Manager (Civil) in 1986. In 1993, he was promoted to Engineering Services Manager of BPSB after which he assumed his current position in 1996.

Arshad bin Hj. Anuar, aged 47, is the Senior Manager, Information Technology Division of BPSB. He graduated from Universiti Teknologi Malaysia with a Bachelor of Electrical Engineering with Honours in 1980. In 1996 he underwent a Senior Management Programme at Astridge College, UK.

He started his career when he joined Jabatan Telekom Malaysia as Assistant Controller of Telecom in 1980 and later joined BPA as Assistant Engineering Services Manager (Electrical) in 1986. In January 1993, he joined BPSB where he assumed the same position. He was then promoted to the Electronic Data Processing Manager in May 1993 and was later appointed to his current position in 1996.

Rambli bin Mashar, aged 44, is the Senior Manager, Finance and Administration Division of BPSB. He graduated from University of Malaya with a Bachelor of Accounting with Honours in 1981 and a Master of Science in Finance from the University of Strathclyde, UK in 1994. He is a member of the Malaysian Institute of Accountants (MIA). In 1996 he underwent a Senior Management Programme organised by Chulalongkorn University, Thailand.

8. INFORMATION ON THE BHB GROUP *(Continued)*

He started his working career as a teacher in Sarawak in 1981 but soon after in 1982, he joined PETRONAS Sabah/Sarawak as a Trainee Executive and was subsequently promoted to Management Executive (Accounts) in 1983. In 1988, he headed the Administration and General Services Department and was later transferred to Petronas Carigali Sdn. Bhd. (Sarawak Operations) in September 1988 where he assumed the position of Oil and Gas Accountant. In 1991, he was promoted to assume the post of Head of Financial Accounting Section of Petronas Carigali Sdn. Bhd. (Sarawak Operations).

From October 1993 until September 1994, he went to UK to further his studies and obtained a Master of Science in Finance from the University of Strathclyde. In 1994, upon returning to Malaysia, he was reappointed as the Head of Financial Accounting, Petronas Carigali Sdn. Bhd. (Sarawak Operations). In 1995, he joined BPSB as the Finance Manager and was promoted to his current position in 1996.

Nik Abd. Rahman bin Nik Ismail, aged 47, is the Company Secretary of BHB. He graduated from Universiti Kebangsaan Malaysia in 1977 with a Bachelor of Arts majoring in Geography & Anthropology. In 1996 he underwent a Senior Management Programme organised by Chulalongkorn University, Thailand.

He started his career as a teacher at Institut Budaya in Jerneh, Terengganu Darul Iman in 1977. In 1980, he was appointed as the Assistant Registration Officer in the Election Commission Department, Terengganu Darul Iman and subsequently joined BPA as a Port Officer in the Personnel Department in 1982. He was promoted to Senior Port Officer in 1986 and was transferred in 1990 to the Secretariat Department assuming the same position. In May 1993, he was subsequently promoted to the position of Company Secretary of BPSB, a position he continues to hold. On 22 March 1996, he was appointed as the Company Secretary of BHB.

None of the senior management team holds any directorship or is a major shareholder in other public companies.

8.4.3 Family Relationship

There are no family relationships amongst the Directors and senior management staff of the BHB Group. For the purpose of this section, a person shall be deemed to be a member of the other person's family within the criteria of Section 122A(2) of the Companies Act.

8.4.4 Employees

As at 8 February 2001, the BHB Group has a workforce of 715 employees, as follows:-

	Number of Employees	Average Years of Service
Management and Professional	104	13
Technical and Supervisory	166	13
Clerical	86	11
General Workers	246	16
Other Workers	113	16
	715	

8. INFORMATION ON THE BHB GROUP *(Continued)*

All of the Group's employees are employed by the sole subsidiary, BPSB. Out of the 715 employees, 410 are members of the "Kesatuan Sekerja Kakitangan Bintulu Port Sdn. Bhd". The management enjoys a cordial and harmonious working relationship with its employees.

Training and development are based on an annual training schedule. The programmes are competency-based as well as skilled-based and include academic programmes. These programmes are designed to cater to the needs of the employees and the Group. The main objective of the Group's training and development programmes is to develop a knowledgeable, skilled and productive work force to enable them to contribute to the corporate goals of the BHB Group.

Notable training programmes which have been implemented by the BHB Group are as follows:-

- (i) A Master in Business Administration programme (Distance Learning) with Heriot Watt University, Edinburgh, UK. Up to date, 25 employees have benefited from the programme; and
- (ii) A Diploma in Management programme (Distance Learning) with the Malaysian Institute of Management. Up to date, the programme has involved a total of 35 employees.

The BHB Group has also awarded a scholarship to an employee to pursue a Bachelor Degree in Business Administration from Universiti Kebangsaan Malaysia.

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8. INFORMATION ON THE BHB GROUP (Continued)

8.5 Major Shareholders and Promoter

8.5.1 Major Shareholders

The major shareholders of BHB and their respective shareholdings in BHB after the IPO will be as follows:-

Major shareholder	After the IPO			
	Direct interest		Indirect interest	
	No. of ordinary shares held	%	No. of ordinary shares held	%
MoF Inc.	164,000,000	41.0	*80,000,000	20.00
PETRONAS	80,000,000	20.0	-	-
Sarawak State Government	40,000,000	10.0	-	-
BPM#	16,000,000	4.0	-	-

Note:-

* Deemed interested by virtue of its shareholding in PETRONAS

BPM was incorporated in Malaysia on 16 October 1996 as a private company limited by shares under the Companies Act. The principal activity of BPM is investment holding. The Directors as well as shareholders of BPM and their respective shareholding in BPM as at 8 February 2000 are as follows:-

	Direct interest		Indirect interest	
	No. of ordinary shares held	%	No. of ordinary shares held	%
Rambli bin Mashar	1	50.0	-	-
Nik Abd. Rahman bin Nik Ismail	1	50.0	-	-

None of the Directors/shareholders of BPM have held any directorships or major shareholdings in public corporations within the two (2) years from the date of this Prospectus.

BPM has been incorporated to facilitate the restricted offer for sale by MoF Inc. of the 16,000,000 BIIB Shares to the senior management personnel of the BHB Group ("Management ROS Shares"). As at 8 February 2001, the allocation of the Management ROS Shares is pending finalisation in consultation with the MoF. The composition of the shareholding in BPM may change at a later date subsequent to the date of the issue of the Prospectus to reflect the beneficial interests of the allottees to the Management ROS Shares. The composition of the Board of Directors of BPM may also change to reflect the shareholding in BPM then.

8.5.2 Promoter

MoF Inc. is the promoter of the Company.

Dato' Dr. Samsudin bin Hitam and Abdul Rahim Mokti are officers of MoF and are then deemed related to MoF Inc.

8. INFORMATION ON THE BHB GROUP *(Continued)*

8.5.3 Family Relationships

There are no family relationships amongst the Directors and senior management staff of the BHB Group. For the purpose of this section, a person shall be deemed to be a member of the other person's family within the criteria of Section 122A(2) of the Companies Act.

Save for the BHB Shares to be issued or offered under the IPO, there have not been any significant changes of major shareholders/promoters in BHB for the past three (3) years.

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8. INFORMATION ON THE BHB GROUP (Continued)

8.6 Landed Properties

The details of the landed properties of the BHB Group are as follows:-

Subject Property	Registered / beneficial owner	Existing use / Description	Valuation Methods	Tenure / Age of building	Land area sq. ft.	Gross floor area sq. ft.	Net book value as at 30.09.2000 RM	Market value as at 03.11.2000 RM
Land								
▪ Part of Lot 15 & 37 (Alienated Land), Tanjung Kidurong, Kemena Land District, Bintulu, Sarawak	Federal Lands Commissioner	The surveyed land area identified in the Agreement to Sub-lease (Alienated Land) dated 31.12.1992	Comparison	Leasehold (expiring in 2022)	*4,415,170	-	-	-
▪ Part of Lot 15 & 37 ("BICT Land"), Tanjung Kidurong, Kemena Land District, Bintulu, Sarawak	Federal Lands Commissioner	The surveyed land area which covers the BICT	Comparison	Leasehold (expiring in 2022)	*2,693,037	-	-	49,372,000
Buildings, Structures and Improvement								
(i) Built on Alienated Land								
▪ Traffic Warehouse	BPSB	-	Cost	7 years	-	31,948	2,050,000	-
▪ Single Storey Office Building	BPSB	-	Cost	6 years	-	6,935	411,793	-
(ii) Built on BICT Land								
▪ Receipt and Delivery Building	BPSB	-	Cost	2 years	-	12,110	1,755,363	-
▪ Gate House	BPSB	-	Cost	2 years	-	5,015	825,165	-
▪ Crane Service Station	BPSB	-	Cost	2 years	-	4,650	972,335	-

8. INFORMATION ON THE BHB GROUP (Continued)

Subject Property	Registered / beneficial owner	Existing use / Description	Valuation Methods	Tenure / Age of building	Land area sq. ft.	Gross floor area sq. ft.	Net book value as at 30.09.2000 RM	Market value as at 03.11.2000 RM
Buildings, Structures and Improvements (Continued)								
▪ Custom Examination Shed	BPSB	-	Cost	1 year	-	2,583	84,987	
▪ Canteen Building	BPSB	-	Cost	2 years	-	11,959	1,121,032	
▪ Marine Operation Building	BPSB	-	Cost	2 years	-	16,534	3,832,881	
▪ Marine Maintenance Workshop	BPSB	-	Cost	1 year	-	9,300	1,697,774	
▪ Wisma Kontena Building	BPSB	-	Cost	1 year	-	69,727	12,739,106	
▪ Access Road (including 2 bridges)	BPSB	-	Cost	2 years	-	*	11,429,295	203,990,000
▪ Container Stacking and Operations Yard	BPSB	-	Cost	1 year	-	1,937,229	71,550,651	
▪ Main Intake Sub-station	BPSB	-	Cost	1 year	-	2,174	1,505,216	
▪ Quay Crane Sub-station	BPSB	-	Cost	1 year	-	1,485	862,276	
▪ CFS Sub-station	BPSB	-	Cost	1 year	-	904	466,160	
▪ Marine Operation Sub-station	BPSB	-	Cost	1 year	-	1,098	700,663	

8. INFORMATION ON THE BHB GROUP (Continued)

Subject Property	Registered / beneficial owner	Existing use / Description	Valuation Methods	Tenure / Age of building	Land area sq. ft.	Gross floor area sq. ft.	Net book value as at 30.09.2000 RM	Market value as at 03.11.2000 RM
Buildings, Structures and Improvements (Continued)								
• Office Building for Health, Safety and Environment	BPSB	-	Cost	50% completed	-	19,342	-	-
• Office Building for Technical Services Division	BPSB	-	Cost	50% completed	-	33,959	2,707,575	-
• Wharves 4 & 5	BPSB	-	Cost	1 year	-	168,053	52,785,428	-
• Small Craft Harbour	BPSB	-	Cost	1 year	-	*	9,743,381	-
• Gravel Jetty	BPSB	-	Cost	3 years	-	9,085	822,549	-
Total					7,108,207	2,344,090	178,063,630	253,362,000

Note:-

In accordance to a recent survey commissioned by BPSB. The areas actually differ from those set out in the Privatisation Agreement dated 31 December 1992. It is envisaged that the eventual sub-lease of these properties would be based on the latest survey.

† These buildings/structures/improvements had/have been constructed by BPSB and, except for the office building for Health, Safety and Environment and the office building for Technical Services Division, their costs of construction have been incorporated in the accounts of BPSB. The costs of constructing the office building for Health, Safety and Environment and the office building for Technical Services Division will be shared equally between BPSB and BPA and BPSB have been accounting for their portion of the costs in its accounts. The occupation of the Port Landed Area where these buildings/structures/improvements are situated are subject to the executions of definitive Memoranda of Sub-lease which, as the date hereof, are still pending as more particularly discussed in Section 4(v) herein. In respect of the Alienated Land, BPSB is paying rentals in accordance with the Agreement to Sub-lease (Alienated Land) dated 31 December 1992 whereas in respect of the BICT Land, BPSB is presently paying rentals to BPA in accordance with invoices issued by BPA.

* Not applicable

The market valuations of the landed properties were based on comparative and cost methods of valuation and were carried out in November 2000 by an independent firm of professional valuers, HASB Consultants Sdn. Bhd. (formerly known as Hasmi & Associates Sdn. Bhd.) The Valuation Certificate is set out in Section 12 of this Prospectus. The valuations of these properties have not been reviewed by the SC. The surplus between the market values and the book values of the landed properties above will not be incorporated in the accounts of the BHB Group.

Investors though are advised to refer also to the discussion on the status of the sub-lease of the lands from BPA on which the above properties are standing in Section 4(vi) of this Prospectus.

9. RELATIONSHIP WITH THE GOVERNMENT

9.1 BHB's Relationship with BPA

BPA was established on 15 August 1981 under Section 3 of the Bintulu Port Authority Act, 1981 to operate and manage Bintulu Port. However, pursuant to the corporatisation of Bintulu Port on 31 December 1992, BPA's role is currently the regulator of Bintulu Port.

Under the Bintulu Port Authority Act, 1981, BPA was vested the power:-

- (i) To undertake all or any work of every description in connection with the Port as the Authority may think fit, or authorise by way of licence any person to undertake such work, subject to rules or by-laws made by the Authority, and such licence may contain such conditions as the Authority may think fit to impose;
- (ii) To construct, maintain and use wharves, docks, piers and bridges within the limits of the area vested in the Authority, with all necessary and convenient arches, drains, culverts, fences, roads, railways and approaches; and
- (iii) Subject to the provisions of this Act, to levy such port dues and such general charges upon goods or cargo loaded or discharged in the Port as the Authority may think necessary for the maintenance, improvement or development of the Port.

BPA's role as regulator of Bintulu Port derives its authority and functions from the Bintulu Port Authority Act, 1981 as well as from the Ports (Privatisation) Act, 1990. In this connection, it has granted BPSB pursuant to the Privatisation Agreement referred to below a licence under the Ports (Privatisation) Act, 1990 to operate, manage, maintain and control the port undertakings to be acquired by BPSB in the manner contemplated by the Privatisation Agreement.

BPA has entered into a Privatisation Agreement dated 31 December 1992 with the Government and BPSB under which it is contemplated that BPSB would acquire certain port undertakings and assets under a Sale and Purchase of Business Agreement and would enter into Agreement to Sub-lease (Alienated Land) and Agreement to Sub-lease (Applied Land) in respect of the Demised Property. These agreements have been entered into although their terms may not have been fully performed as yet. In relation to the Agreement to Sub-lease (Alienated Land) and Agreement to Sub-lease (Applied Land), details have been set out in Sections 4(vi) and 8.1.6 of this Prospectus. BPSB has also negotiated or is currently negotiating certain other arrangements with BPA including in relation to BICT, the Small Craft Harbour and the Gravel Jetty as detailed in Sections 4(vi) and 8.1.6 of this Prospectus.

Currently, BPSB is the sole port operator managing, maintaining, and providing operational facilities and services, including but not limited to pilotage, towage, cargo handling, improvement of wharves and capital dredging. The development of BPA's land at Bintulu Port will be carried out by BPA or offered to other parties, if necessary. In relation to the provision of port operating services to areas outside the Demised Property, BPA presently does not have any plan to let other parties provide such services other than BPSB.

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