

## 1. SUMMARY OF INFORMATION

The summary information set out below is derived from, and should be read in conjunction with the full text of this prospectus. Investors should read and understand the whole Prospectus prior to deciding whether to invest in BHB.

### 1.1 History and Business

BHB was incorporated in Malaysia on 22 March 1996 under the Companies Act as a public company under the same name.

BHB is principally an investment holding company while the details of its sole subsidiary, BPSB, are as follows:-

Name	Date/Country of Incorporation	Issued 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

Note:-

\* 65,000,000 ordinary shares of RM1.00 each in BPSB and the one (1) BPSB Special Share of which all have been credited as fully paid-up.

### 1.2 Ownership and Management

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up ordinary share capital of BHB on the Main Board of KLSE, MoF, the sole shareholder of BHB, will be making a Restricted Offer for Sale to Sarawak State Government, PETRONAS and BPM, of which, pursuant to the IPO, MoF, Sarawak State Government, PETRONAS and BPM will collectively own a total of 75% of the enlarged share capital of BHB.

The Company and the Group are managed on a day-to-day basis by a senior management team headed by the Managing Director, Captain Awangku Abdul Malit @ Awangku Malyx bin Pengiran Mahran.

Details of promoters, major shareholders, Directors and senior management of BHB are as follows:-

Name	Designation(s)	←-----After IPO-----→			
		←-----Direct-----→		←-----Indirect-----→	
		No. of ordinary shares held	%	No. of ordinary shares held	%
MoF Inc.	Promoter/ Major Shareholder	164,000,000	41.0	*80,000,000	20.00
PETRONAS	Major Shareholder (pursuant to the IPO)	80,000,000	20.0	-	-
Sarawak State Government	Major Shareholder (pursuant to the IPO)	40,000,000	10.0	-	-
BPM	Major Shareholder (pursuant to the IPO)	16,000,000	4.0	-	-
Datuk Mohamed Adnan bin Ali	Independent Non-Executive Chairman	5,000	<0.1	-	-

## 1. SUMMARY OF INFORMATION

Name	Designation(s)	After IPO			
		Direct		Indirect	
		No. of ordinary shares held	%	No. of ordinary shares held	%
Captain Awangku Abdul Malit @ Awangku Malyx bin Pengiran Mahran	Managing Director	‡10,000	<0.1	-	-
Dato' Dr. Samsudin bin Hitam	Non-Executive Director	-	-	-	-
Abdul Rahim bin Mokti	Non-Executive Director	-	-	-	-
Onn bin Kayat	Independent Non-Executive Director	5,000	<0.1	-	-
Andrew Mat Ressa	Senior Manager, Corporate Development	‡10,000	<0.1	-	-
Ahmat bin Narawi	Senior Manager, Marine Services	‡10,000	<0.1	-	-
Ir. Abdul Nasser bin Abdul Wahab	Senior Manager, Cargo Handling Services	‡10,000	<0.1	-	-
Gima Uji	Senior Manager, Health Safety and Environment	‡10,000	<0.1	-	-
Omar bin Haji Salleh	Senior Manager, Human Resources Management	‡10,000	<0.1	-	-
Mior Ahmad Baiti bin Mior Lub Ahmad	Senior Manager, Technical Services	‡10,000	<0.1	-	-
Arshad bin Anuar	Senior Manager, Information Technology	‡10,000	<0.1	-	-
Rambli bin Mashar	Senior Manager, Finance and Administration	‡10,000	<0.1	*16,000,000	4.0
Nik Abd. Rahman bin Nik Ismail	Company Secretary	‡10,000	<0.1	*16,000,000	4.0

*Note:-*

\* *Deemed interested by virtue of its shareholding in PETRONAS.*

‡ *On the assumption that they subscribe fully to their respective entitlement in respect of the Issue Shares reserved for application by the eligible employees of the BHB Group and BPA as well as Directors of BHB. As at 8 February 2001, their respective entitlement is pending finalisation in consultation with the MoF.*

# *Deemed interested by virtue of their shareholdings in BPM. BPM has been incorporated to facilitate the restricted offer for sale by MoF Inc. of the 16,000,000 BHB 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.*

Further information of the promoters, major shareholders, Directors and key management personnel of BHB is set out in Section 8.5 of this Prospectus.

## 1. SUMMARY OF INFORMATION

### 1.3 Licence

The licence to operate, manage, maintain and provide operational facilities and service of port undertakings in Bintulu Port was granted to BPSB by BPA on 31 December 1992 pursuant to the Ports (Privatisation) Act, 1990 and the Privatisation Agreement dated 31 December 1992 between the Government, BPA and BPSB. The licence granted was for thirty (30) years from 1 January 1993 to 31 December 2022. Further details of the licence are set out in Section 8.1.7 of this Prospectus.

### 1.4 Financial Highlights

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
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 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 (%)	-	-	-	-	-	-

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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).

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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### 1.5 Pro Forma Consolidated Balance Sheets of BHB as at 30 September 2000

The pro forma consolidated balance sheets of BHB as at 30 September 2000 have been prepared solely to illustrate the pro forma effects of the acquisition of BPSB by BHB and the IPO on the assumption that the proposals were effected at that date and should be read with the notes and assumptions to the pro forma consolidated balance sheets set out in Section 10 of this Prospectus.

	Audited as at 30 September 2000 RM'000	Pro forma I RM'000	Pro forma II RM'000
<b>CURRENT ASSETS</b>			
Cash and bank balances	1	15,742	55,742
Fixed deposits	-	129,784	129,784
Trade debtors	-	11,866	11,866
Other debtors	-	25,715	25,715
	1	183,107	223,107
<b>CURRENT LIABILITIES</b>			
Other creditors	811	26,026	26,026
Taxation	-	6,762	6,762
	811	32,788	32,788
<b>NET CURRENT (LIABILITIES) / ASSETS</b>	<b>(810)</b>	<b>150,319</b>	<b>190,319</b>
<b>INVESTMENTS</b>		<b>58,737</b>	<b>58,737</b>
<b>FIXED ASSETS</b>	-	<b>287,052</b>	<b>436,052</b>
<b>PURCHASED GOODWILL</b>	-	<b>16,926</b>	<b>16,926</b>
<b>INTANGIBLE ASSETS</b>	<b>73</b>	<b>73</b>	<b>73</b>
<b>DEFERRED EXPENDITURE</b>	<b>737</b>	<b>737</b>	<b>-</b>
<b>STAFF RETIREMENT GRATUITIES</b>	-	<b>(12,522)</b>	<b>(12,522)</b>
<b>DEFERRED TAXATION</b>	-	<b>(8,652)</b>	<b>(8,652)</b>
	-	<b>492,670</b>	<b>680,933</b>
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	*	300,000	400,000
Retained profit	-	192,670	192,670
Share premium	-	-	88,263
	-	<b>492,670</b>	<b>680,933</b>
<b>(Net Liabilities) / NTA per ordinary share</b>	<b>(RM404,999)</b>	<b>RM1.58</b>	<b>RM1.66</b>

Note:-

- (i) \* RM2.00
- (ii) Pro forma I : Incorporates the acquisition of the entire equity interest in BPSB.
- (iii) Pro forma II : Incorporates pro forma I, the issue of one (1) BHB Special Share, and the receipt of RM200,000,000 gross proceeds from the IPO after deducting the estimated IPO expenses of approximately RM11,000,000 on assumption that all the Issue Shares are issued at the Fixed Issue Price of RM2.00.

Further details on the pro forma consolidated balance sheets of BHB as at 30 September 2000 are set out in Section 10 of this Prospectus.

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**1. SUMMARY OF INFORMATION**


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**1.6 Principal Statistics Relating to the IPO****(i) Share Capital**

	<b>RM</b>
<i>Authorised</i>	
<i>Ordinary</i>	
1,000,000,000 ordinary shares of RM1.00 each	1,000,000,000
<i>BHB Special Share</i>	
1 Special Rights Redeemable Preference Share of RM1.00	1
<b>Total</b>	<b>1,000,000,001</b>
 <i>Issued and fully paid-up</i>	
<i>Ordinary</i>	
300,000,000 ordinary shares of RM1.00 each	300,000,000
<i>BHB Special Share</i>	
1 Special Rights Redeemable Preference Share of RM1.00	1
 <i>To be issued and fully paid-up pursuant to the Public Issue</i>	
100,000,000 new ordinary shares of RM1.00 each	100,000,000
<b>Total</b>	<b>400,000,001</b>

There are two (2) classes of shares in the Company, namely ordinary shares of RM1.00 each and a Special Rights Redeemable Preference Share of RM1.00. The Issue Shares, upon allotment and issue, will rank pari passu in all respects with the other existing issued and paid-up ordinary shares of the Company including voting rights and will be entitled to all rights and dividends and distributions that may be declared subsequent to the date of this Prospectus.

*(Further information on the share capital of BHB is set out in Section 5 of this Prospectus)*

**(ii) Issue/Offer Price per IPO Share**

Fixed Price Issue Shares	RM2.00
Tender Shares	Minimum of RM2.00

*(Further information on the issue/offer price of the IPO Shares is set out in Section 6.7 of this Prospectus)*

**(iii) Pro Forma Group NTA as at 30 September 2000**

Pro forma Group NTA <i>(after deducting listing expenses of RM11,000,000)</i>	RM663,934,000
Pro forma Group NTA per ordinary share <i>(Based on the enlarged issued and paid-up share capital of 400,000,000 ordinary shares of RM1.00 each)</i>	RM1.66

## 1. SUMMARY OF INFORMATION

<b>(iv) Consolidated Profit Estimate and Forecast</b>	<b>Estimate 2000</b>	<b>Forecast 2001</b>
<b>Financial year ended/ending 31 December</b>		
Consolidated profit before taxation (RM'000)	101,433	108,937
Consolidated profit after taxation (RM'000)	73,032	78,434
Gross EPS (sen)*	25.36	27.23
Net EPS (sen)*	18.26	19.61
Net PE Multiple (times)#	10.95	10.20

\* Based on the enlarged issued and paid-up share capital of 400,000,000 ordinary shares of RM1.00 each

# Based on the Fixed Issue Price of RM2.00 per BHB Share

(Further information on the consolidated profit estimate and forecast of BHB is set out in Section 10.2 of this Prospectus)

<b>(v) Dividend Forecast</b>	<b>Forecast 2001</b>
<b>Financial year ending 31 December</b>	
Gross dividend per ordinary share (sen)*	10.0
Net dividend per ordinary share (sen)*#	7.2
Net dividend yield (%) (based on the Fixed Issue Price of RM2.00 per ordinary share)	3.6
Net dividend cover (times)	2.72

\* Based on the enlarged issued and paid-up share capital of 400,000,000 ordinary shares of RM1.00 each

# Based on 10% less tax at 28%

(Further information on the dividend forecast is set out in Section 10.5 of this Prospectus)

### 1.7 Risk Factors

Applicants for the Issue Shares should carefully consider the following risk factors summarised from Section 4 herein (which may not be exhaustive), in addition to the other information contained elsewhere in this Prospectus, before applying to subscribe for the Issue Shares:-

- (i) No prior market for BHB Shares;
- (ii) Business risks inherent in the port industry;
- (iii) Political, economic and legislative considerations;
- (iv) Control by the Government;
- (v) Licence to operate Bintulu Port;

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- (vi) Sub-lease of the Port Landed Area from BPA;
- (vii) Rights of the BHB Special Shareholder;
- (viii) Rights of the BPSB Special Shareholder;
- (ix) Relationship with PETRONAS;
- (x) Customer concentration;
- (xi) Competition;
- (xii) Port development;
- (xiii) Hazardous cargo risk;
- (xiv) Dependence on key personnel; and
- (xv) Achievability of forward-looking statements.

The above risk factors are elaborated in Section 4 of this Prospectus.

### 1.8 Utilisation of Proceeds

The gross proceeds from the Restricted Offer for Sale amounting to RM272,000,000 will accrue entirely to MoF Inc. MoF Inc. shall bear any brokerage, stamp duty and share transfer fees relating to the Restricted Offer Shares, estimated at RM680,000.

On the assumption that all the Issue Shares are issued at the Fixed Issue Price of RM2.00, the Public Issue is expected to raise total gross proceeds of RM200,000,000. The total gross proceeds from the Public Issue will accrue entirely to the Company. The Company shall bear all expenses and fees incidental to the listing of and quotation for its entire issued and paid-up ordinary share capital on the Main Board of KLSE, estimated at RM11,000,000.

The net proceeds accruing to the Company from the Public Issue will be utilised as follows:-

<b>Utilisation</b>	<b>RM'000</b>
Construction of warehousing facilities	
▪ Bulk fertiliser warehouse	20,000
▪ General warehouse for timber	10,000
Additional equipment/facilities for BICT	
▪ Mobile harbour cranes	16,000
▪ 2 units of rubber-tyred gantry cranes	12,000
▪ Container Freight Station	10,000
▪ Container Stacking Yard	10,000
5 units of tugboats	71,000
Listing expenses	11,000
Working capital	40,000
Total	<u>200,000</u>

Further information on the utilisation of proceeds is set out in Section 6.5 of this Prospectus.



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### 1.9 Material Litigation, Capital Commitments and Contingent Liabilities

#### (i) Material Litigation

Neither BHB nor its subsidiary are engaged in any material litigation, either as plaintiff or defendant, which has a material effect on the financial position of BHB or BPSB and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially affect the financial position or business of BHB or BPSB.

#### (ii) Capital Commitments and Contingent Liabilities

As at 8 February 2001, the Directors are not aware of any contingent liabilities. The capital commitments approved and contracted for as at 8 February 2001 (being the latest practicable date at which such amounts could be calculated prior to the registration of this Prospectus) amounted to approximately RM11.283 million while the capital commitments approved but not contracted amounted to approximately RM72.994 million.

Further information on the capital commitments and contingent liabilities are set out in Section 10.1 of this Prospectus.

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**2. CORPORATE INFORMATION**


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**Directors**

<b>Name</b>	<b>Address</b>	<b>Nationality</b>	<b>Occupation</b>
Datuk Mohamed Adnan bin Ali <i>(Independent Non-Executive Chairman)</i>	28, Jalan SS3/80 Ladang Seaport 47300 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Captain Awangku Abdul Malit @ Awangku Malyx bin Pengiran Mahran <i>(Managing Director)</i>	A12, Taman Pelabuhan Melor Tg. Kidurong 97000 Bintulu Sarawak	Malaysian	Company Director
Dato' Dr. Samsudin bin Hitam <i>(Non-Executive Director)</i>	10, Jalan SS20/22 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan	Malaysian	Secretary General of the Treasury
Abdul Rahim bin Mokti <i>(Non-Executive Director)</i>	36, Jalan Nirwana 14 Taman Nirwana 68000 Ampang Kuala Lumpur	Malaysian	Under-secretary, MoF Coordination, Privatisation and Public Enterprise Division
Onn bin Kayat <i>(Independent Non-Executive Director)</i>	12, Jalan 4M Ampang Jaya 68000 Ampang Selangor Darul Ehsan	Malaysian	Company Director

**Audit Committee**

<b>Name</b>	<b>Responsibility</b>	<b>Directorship</b>
Datuk Mohamed Adnan bin Ali	Chairman of Committee	Independent Non-Executive Chairman
Captain Awangku Abdul Malit @ Awangku Malyx bin Pengiran Mahran	Member of Committee	Managing Director
Onn bin Kayat	Member of Committee	Independent Non-Executive Director
Abdul Rahim bin Mokti	Member of Committee	Non-Executive Director

**Company Secretary**

Nik Abd. Rahman bin Nik Ismail  
(LS 005892)  
1104B, Lucky Tower  
Tanjung Batu  
97000 Bintulu  
Sarawak

**Registered Office and Head Office**

Lot 15, Block 20  
Kemena Land District  
12th Mile, Tanjung Kidurong Road  
97008 Bintulu  
Sarawak  
Telephone No. : 086 251001-20  
E-mail : [biport@bpsb.com.my](mailto:biport@bpsb.com.my)  
Website : <http://www.bpsb.com.my>

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**2. CORPORATE INFORMATION (Continued)**

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<b>Principal Banker</b>	Bumiputra-Commerce Bank Berhad 1 <sup>st</sup> Floor, Lot 17 & 18 Medan Jaya Commercial Centre P.O. Box 623 97007 Bintulu Sarawak
	Malayan Banking Berhad 24-25, New Commercial Centre P. O. Box 104 97007 Bintulu Sarawak
<b>Auditors and Reporting Accountants</b>	Arthur Andersen & Co. Level 2, B61 Taman Sri Sarawak Mall Jalan Tunku Abdul Rahman 93100 Kuching Sarawak
<b>Solicitors for the IPO</b>	Presgrave & Matthews Suite 15.1, Level 15 Menara Genesis, No. 33, Jalan Sultan Ismail 50250 Kuala Lumpur
<b>Issuing House</b>	Malaysian Issuing House Sdn. Bhd. 27 <sup>th</sup> Floor, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur
<b>Share Registrar</b>	PFA Registration Services Sdn. Bhd. Level 13, Uptown 1 No. 1, Jalan SS21/58 Damansara Uptown 47400 Petaling Jaya Selangor Darul Ehsan
<b>Valuers</b>	HASB Consultants Sdn. Bhd. <i>(formerly known as Hasmi &amp; Associates Sdn. Bhd.)</i> No. 49-2, Jalan 3/76D Desa Pandan 55100 Kuala Lumpur
<b>Adviser and Managing Underwriter</b>	Commerce International Merchant Bankers Berhad 8 <sup>th</sup> Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur

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<b>Underwriters</b>	<p>Commerce International Merchant Bankers Berhad 8<sup>th</sup> Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur</p> <p>HLG Securities Sdn. Bhd. Level 5, Wisma KiaPeng No. 3 Jalan Kia Peng 50450 Kuala Lumpur</p> <p>Sarawak Securities Sdn. Bhd. Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak</p> <p>OSK Securities Sdn. Bhd. 10<sup>th</sup> Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur</p> <p>KAF-Seagroatt &amp; Campbell Securities Sdn. Bhd. 30<sup>th</sup> Floor, Menara Weld No. 76 Jalan Raja Chulan 50200 Kuala Lumpur</p> <p>MIDF Sisma Securities Sdn. Bhd. 17<sup>th</sup> and 18<sup>th</sup> Floor, Empire Tower 182 Jalan Tun Razak 50400 Kuala Lumpur</p> <p>K&amp;N Kenanga Berhad 801, 8<sup>th</sup> Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur</p> <p>CIMB Securities Sdn. Bhd. 9<sup>th</sup> Floor, Commerce Square Jalan Semantan Damansara Heights 50490 Kuala Lumpur</p>
<b>Tender Agents</b>	<p>CIMB Securities Sdn. Bhd. 9<sup>th</sup> Floor, Commerce Square Jalan Semantan Damansara Heights 50490 Kuala Lumpur</p> <p>CLSA Singapore Pte Ltd 9 Raffles Place #19-20/21, Republic Plaza II Singapore 048619</p>
<b>Listing Sought</b>	<p>Main Board of KLSE</p>

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### 3. INTRODUCTION

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This Prospectus is dated 19 February 2001.

A copy of this Prospectus has been registered by the SC and lodged with the ROC and neither SC nor ROC takes any responsibility for its contents.

**Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991 and Section 39(1)(j) of the Companies Act, KLSE has prescribed BHB as a CDS counter. In consequence thereof, the shares offered through this Prospectus will be deposited directly with the MCD and any dealings in these shares will be carried out in accordance with the aforesaid Acts and the Rules of MCD.**

Approval has been obtained from the SC in respect of the flotation of BHB on the Main Board of KLSE on 6 December 2000. The approval of the SC shall not be taken to indicate that the SC recommends the IPO and/or the flotation of BHB on KLSE. Investors should rely on their own evaluation to assess the merits and risks of any investments in the Company.

An application will be made to KLSE within three (3) Market Days from the date of this Prospectus for admission to the Official List and for dealing in and quotation for the entire issued and fully paid-up share capital of BHB, including the IPO Shares which are the subject of this Prospectus, on the Main Board of KLSE. The BHB Shares will be admitted to the Official List of the Main Board of KLSE and official quotation of its ordinary shares will commence upon receipt of confirmation from the MCD that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to successful applicants.

Acceptance of the applications will be conditional upon permission being granted to deal in and quotation for all the issued shares of the Company within six (6) weeks from the date of this Prospectus or such longer period as may be specified by the SC, provided that the Company is notified by or on behalf of KLSE within the six (6) weeks or such longer period as may be specified by the SC. Monies paid in respect of any application accepted will be returned without interest if the said permission is not granted.

For application using application forms, an applicant should state his CDS Account number in the space provided in the Application Form if he presently has such an account. Where an applicant does not presently have a CDS Account, he should state in the Application Form his preferred ADA Code. Where an applicant already has a CDS account, he should not complete the preferred ADA Code. For application using the Electronic Share Application, an applicant must have a CDS account.

No person is authorised to give any information or to make any representation not contained herein in relation with the IPO and if given or made, such information or representation must not be relied upon as having been authorised by BHB. Neither the delivery of this Prospectus nor any IPO made in relation with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of BHB or the Group since the date hereof.

The distribution of this Prospectus and the sale of the IPO Shares are subject to Malaysian laws and the Company and its Adviser take no responsibility for the distribution of this Prospectus and the sale of the IPO Shares outside Malaysia. This Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any IPO Shares in any jurisdiction where such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. Persons into whose possession this Prospectus may come are required to inform themselves of and to observe such restriction.

The SC and KLSE assume no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. Admission to the Official List of the Main Board of KLSE is not to be taken as an indication of the merits of BHB or of its ordinary shares.

**If you are in doubt about this Prospectus, you should consult your stockbroker, bank manager, solicitor, professional accountant or any other professional adviser.**

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#### 4. RISK FACTORS

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Applicants for the Issue Shares should carefully consider the following risk factors (which may not be exhaustive) in addition to the other information contained elsewhere in this Prospectus, before applying for the Issue Shares:-

**(i) No Prior Market for BHB Shares**

Prior to this IPO, there was no public market for BHB Shares. There can be no assurance that an active market for BHB Shares will develop upon its listing on the Main Board of KLSE or that such market, if developed, will be sustained. The minimum issue price of RM2.00 per BHB Share for the Issue Shares has been determined after taking into consideration a number of factors including, but not limited to, the Company's financial and operating history and conditions, the Group's prospects and the prospects of the industry in which the Group operates, the management of the Group, the market prices for shares of companies engaged in businesses similar to that of the Company and the prevailing market condition. There can be no assurance that the price at which BHB Shares will trade on the Main Board of KLSE upon or subsequent to its listing will correspond to the issue price.

**(ii) Business Risks Inherent in the Port Industry**

The BHB Group is subject to risks inherent in the port industry. These include changes in general economic conditions such as, but not limited to, inflation, taxation, interest rates and exchange rates of foreign currencies, and constraints in labour supply and changes in business and operating conditions such as, but not limited to, Government and statutory regulations, deterioration in prevailing market conditions, machinery breakdown, technological and facilities obsolescence, industrial disputes and labour shortage. Although the Group seeks to limit these risks through, inter-alia, continual upgrading of its facilities and services, no assurance can be given that any change to these factors will not have a material adverse effect on the Group's business.

**(iii) Political, Economic and Legislative Considerations**

Development in political and economic conditions in Malaysia and other countries where the Group is currently operating or where the Group may undertake projects in the future could materially affect the financial prospects of the Group. Other political and economic uncertainties include but are not limited to the risks of war, riots, expropriation, nationalisation, renegotiations or nullification of existing contracts, changes in interest rates and methods of taxation.

The Group's operations are subject to the jurisdiction of numerous governmental agencies and other regulatory matters including principally the following and subsidiary legislation made under them:-

- Bintulu Port Authority Act, 1981
- Ports (Privatisation) Act, 1990

The by-laws made under the Bintulu Port Authority Act, 1981 prescribe the scales and rates of the port charges/tariffs imposed by BPSB on its customers. As for the Ports (Privatisation) Act, 1990, any amendment to the same may affect BPSB either adversely or otherwise as the said Act provides the regulatory framework governing privatised port entities.

The Group always endeavours to comply with the above legislation and all other relevant rules and regulations.

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**4. RISK FACTORS (Continued)**

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**(iv) Control by the Government**

Befitting its role as a strategic asset to the nation, the operations of Bintulu Port and the BHB Group are subject to the control of the Government through various regulations as set out in (iii) above and the conditions of the licence issued to BPSB to operate the Port as described further in (v) below.

The Government will also be able to exercise control over the management of the BHB Group through its shareholding in BHB. Pursuant to the IPO, the Government through MoF Inc. will own 41% of the enlarged issued and paid-up share capital and together with PETRONAS, a subsidiary of MoF Inc., will own collectively 61% of the enlarged issued and paid-up share capital of BHB. As such, the Government would be able to exercise certain control over the outcome of matters requiring the voting of the Company's shareholders. However, such discretion may, to some extent, be curtailed by the applicable regulatory requirements and the KLSE Listing Requirements, which may disallow MoF Inc. and, by association, PETRONAS to vote on matters involving the interests of the Government, MoF Inc. or PETRONAS which require the shareholders' approval.

Notwithstanding, the BHB Special Share and BPSB Special Share would enable the Government, through MoF Inc., to ensure that certain major decisions affecting the operations of BHB and BPSB are consistent with its policy.

**(v) Licence to Operate Bintulu Port**

In conjunction with the corporatisation of Bintulu Port on 31 December 1992, BPSB was granted by BPA a thirty (30)-year licence commencing on 1 January 1993 to carry out the business of operating, managing, maintaining and providing port facilities and services in Bintulu Port under Section 9(3)(a) of the Ports (Privatisation) Act, 1990. However, the renewal of the licence is at the discretion of BPA and the conditions of the licence are subject to review every three (3) years or from time to time by BPA. Consequently, the extension of the licence period will be conditional upon the compliance by BPSB to the terms and conditions of the Licence Agreement. Nevertheless, the Directors are of the opinion that the probability of a non-extension appears remote as long as BPSB adheres to the terms and conditions under the said Licence Agreement and continues to perform satisfactorily as proven in its past track record since the granting of the licence on 31 December 1992.

**(vi) Sub-lease of the Port Landed Area from BPA**

Under the Agreement to Sub-lease (Alienated Land) dated 31 December 1992 between BPA and BPSB, BPA has agreed to sub-lease the Demised Property identified as the alienated land to BPSB for a period of thirty (30) years commencing 1 January 1993. Under the Agreement to Sub-lease (Applied Land) dated 31 December 1992 between BPA and BPSB, BPA has agreed to sub-lease the Demised Property identified as the applied land to BPSB for a period of thirty (30) years commencing 1 January 1993. In order for BPSB to have an interest over the Demised Property identified as the alienated land and the applied land, a valid and registrable Memorandum of Sub-lease (Alienated Land) and a valid and registrable Memorandum of Sub-lease (Applied Land) will have to be executed by the parties and registered with the relevant land office or land registry. Further, the approvals of the Superintendent (defined under the Land Code for the State of Sarawak) and the State Planning Authority (defined under the Land Code for the State of Sarawak) will have to be obtained before the Memorandum of Sub-lease (Alienated Land) and Memorandum of Sub-lease (Applied Land) can be presented for registration with the relevant land office or land registry. The Bintulu Port Authority Act, 1981 also provides that a disposal of immovable property by BPA, including an interest in the form of a lease of such property for a term exceeding three (3) years shall be valid if such lease was made with the approval of the Minister of Transport in writing.

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**4. RISK FACTORS (Continued)**

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Before BPA can execute a valid and registrable Memorandum of Sub-lease (Alienated Land) and a valid and registrable Memorandum of Sub-lease (Applied Land) in favour of BPSB, title to the Demised Property must first vest in BPA. In the case of Lot 15 ("Lot 15") and Lot 37 ("Lot 37"), Block 20 situated in Tanjung Kidurong in the Kemena Land District, Bintulu Sarawak, such Lots are currently registered in the name of the Federal Lands Commissioner (who hold the Lots on behalf of the Government). By virtue of section 8(3) of the Bintulu Port Authority Act, 1981, the Minister of Transport may with the concurrence of the Minister of Finance, by order in the *Gazette*, transfer to BPA Lot 15 and Lot 37 and any such property so transferred shall vest in BPA without further assurance.

The Bintulu Port Authority (Transfer and Vesting of Property) Order 2000 ("Vesting Order") was gazetted on 14 December 2000 under P.U.(A) 456. The Vesting Order transfers and vests in BPA the properties of the Federal Government as specified in the First Schedule and the Second Schedule of the Vesting Order (which include Lot 15 and Lot 37) and is deemed to have come into operation on 17 August 1981. The transfer of Lot 15 and Lot 37 by the Federal Lands Commissioner in favour of BPA is pending its registration under the Land Code of the State of Sarawak whereby a form (prescribed under the Land Code of the State of Sarawak) will have to be lodged by the Federal Lands Commissioner and BPA with the relevant land office or land registry together with the approvals of the Superintendent and the State Planning Authority.

Notwithstanding, the Demised Property identified as the alienated land includes "*inner breakwater, navigational aids, wharves, jetties and approach bridges*" ("Port Structures"). If these Port Structures are constructed into the sea and not on the land, it is uncertain whether titles can be issued in respect of them under the Land Code of the State of Sarawak as discussed in the paragraph below. If it is uncertain whether titles can be issued in respect of them, a valid Memorandum of Sub-lease cannot be given by BPA to BPSB in respect of the same. However, BPA can under the Land Code of the State of Sarawak apply for a licence or right of use of the Port Structures. As the Privatisation Agreement contemplates that BPA creates a Memorandum of Sub-lease (Alienated Land) and a Memorandum of Sub-lease (Applied Land) in favour of BPSB, any variation from a sub-lease to a licence in respect of the Port Structures require an amendment to the Privatisation Agreement.

In the case of the land identified as 'Applied Land', they are actually manmade structures constructed into the sea such as the outer breakwater, the LNG-1 Jetty and the Petroleum Jetty. These manmade structures extend from parts of Lot 15 or Lot 37. If titles can be issued in respect of the lands (including the seabed) (together referred to as the "Applied Land") on which such manmade structures are erected by the Government of the State of Sarawak under the Land Code for the State of Sarawak in favour of the Federal Lands Commissioner and subsequently, for such titles to vest in BPA pursuant to section 8(3) of the Bintulu Port Authority Act, 1981, or by transfer in other lawful manner, then BPA can execute a valid and registrable Memorandum of Sub-lease (Applied Land) over the applied land. For such Memorandum of Sub-lease (Applied Land) to be registered, the approval of the State Planning Authority as stated above and if the sub-lease exceeds three (3) years, the approval of the Minister of Transport as referred to above would be required. However, it is uncertain whether titles can be issued in respect of the Applied Land under the Land Code for the State of Sarawak. If this is the position, then, BPA can under the Land Code of the State of Sarawak apply for a licence or right of use to the Applied Land. If a licence or right of use is granted to the Applied Land, then, a valid Memorandum of Sub-lease cannot be given by BPA to BPSB in respect of the Applied Land. Again, as the Privatisation Agreement contemplates that BPA creates a Memorandum of Sub-lease (Alienated Land) and a Memorandum of Sub-lease (Applied Land) in favour of BPSB, any variation from a sub-lease to a licence in respect of the applied land may require an amendment to the Privatisation Agreement.



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**4. RISK FACTORS (Continued)**


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The Privatisation Agreement though provides that the Government shall cause the Federal Lands Commissioner to transfer the Demised Property to BPA with a view to BPA sub-leasing the Demised Property to BPSB. However, the Demised Property identified as the Applied Land has not been alienated to the Federal Lands Commissioner. The issues relating to this have been set out above. Relief by way of specific performance against the Government cannot also be granted by a court under the provisions of the Government Proceedings Act, 1956. Consequently, any recourse by BPSB against the Government for breach of this provision under the Privatisation Agreement would be restricted to remedies like damages and the Government cannot be compelled to transfer the Demised Property.

In addition to the above, the right of BPSB to use the Demised Property under the Agreement to Sub-lease (Alienated Land) and Agreement to Sub-lease (Applied Land) is subject to the terms and conditions set out in the form of Memorandum of Sub-lease annexed to the Agreement to Sub-lease (Alienated Land) and Agreement to Sub-lease (Applied Land). Some of the terms and conditions are set out below:-

- (a) If:-
- Any of the rent in respect of the Demised Property identified as the alienated land and the applied land or any part of it shall remain unpaid for 21 days after such rent shall become due (whether formally demanded or not); or
  - Any terms and conditions on the part of BPSB shall not be performed or observed; or
  - The Privatisation Agreement or if either the Licence dated 31 December 1992 between BPA and BPSB ("Licence") or the Agreement for the Sale of Business dated 31 December 1992 between BPA and BPSB ("Sale of Business") entered into pursuant to the Privatisation Agreement shall be terminated for any reason whatsoever; or
  - BPSB discontinue totally the operation on the Demised Property identified as the alienated land and the applied land or cease to use the Demised Property identified as the alienated land and the applied land for the purpose agreed to (except if such discontinuance and cessation are brought about by force majeure or event beyond the control of BPSB); or
  - BPSB goes into liquidation or becomes insolvent or is wound up either compulsorily or voluntarily except for the purpose of reconstruction or amalgamation or if BPSB enters into any arrangement or composition for the benefit of BPSB's creditors; or
  - BPSB suffers distress or execution to be levied on BPSB's business, goods or property of any description or character; or
  - BPSB's business is taken over by any of BPSB's creditors; or
  - The Government at any time requires the Demised Property for the use of the Government;

Then BPA may re-enter the Demised Property and thereupon the sub-lease shall be terminated.

- (b) On the expiry of the sub-lease term, all the buildings and other structures including the fixtures erected by BPSB on the Demised Property shall without any payment by BPA become the property of BPA.
- (c) BPSB shall pay any increase in quit rent in the event the State Government of Sarawak imposes an increase in the quit rent or any other charges, taxes incidental to the quit rent or otherwise imposed in respect of all or any part of the Demised Property. Where such increase is in respect of part of the Demised Property, any increase in such payment shall be in proportion to the area of such affected area to the total area of the Demised Property.

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**4. RISK FACTORS (Continued)**


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Furthermore, it is also proposed that the lands on which the BICT, Small Craft Harbour and Gravel Jetty are located (most of which are part of Lot 15 and Lot 37) would be sub-leased by BPA to BPSB. These lands do not constitute part of the Demised Property and are not subject to the Agreement to Sub-lease (Alienated Land) and the Agreement to Sub-lease (Applied Land).

Before the terms of the sub-lease had been agreed to by BPA and BPSB, BPSB had been allowed by BPA to occupy and erect structures that now form the BICT, the Small Craft Jetty and the Gravel Jetty. Following certain negotiations, the terms of the sub-lease between the parties have been agreed to in-principle and the parties have also agreed in-principle on the amount of the new annual rent to be paid by BPSB to BPA. However, as part of the sub-lease is in respect of structures over the sea, the seabed on which these structures stand which is now has not been alienated to the Federal Lands Commissioner, would have to be first alienated. The uncertainties in respect of alienating land constituting the seabed have been discussed above. The grant of the sub-lease would also be subject to the approvals of the Superintendent (defined under the Land Code for the State of Sarawak) and the State Planning Authority (defined under the Land Code for the State of Sarawak) which would have to be obtained before the Memorandum of Sub-lease (Alienated Land) and Memorandum of Sub-lease (Applied Land) can be presented for registration with the relevant land office or land registry. The cooperation of the Federal Lands Commissioner and the Government would also be necessary before such a sub-lease can be created as those lands currently held or which are alienated to the Federal Lands Commissioner would have to be vested in BPA beforehand. The vesting of such lands in BPA is not the subject of any agreement with the Government unlike the Demised Property which is the subject of the Privatisation Agreement as set out above.

**(vii) Rights of the BHB Special Shareholder**

The BHB Special Share is held by MoF Inc. which confers MoF Inc. certain rights as the BHB Special Shareholder. These special rights include, inter alia, the following:-

- (a) The right to appoint not more than four (4) persons at any time as Director in BHB;
- (b) The right to repayment of the capital paid up on the BHB Special Share in priority to any other member in the event of a winding-up of BHB; and
- (c) The right to require the Company to redeem the BHB Special Share at par at any time.

Certain matters, in particular, the alteration of specified Articles (including the Articles relating to the limitation on shareholdings), any substantial disposal of assets, amalgamation, merger and takeover, require the approval of the holder of the BHB Special Share. However, the BHB Special Share does not carry any right to vote at General Meetings but the BHB Special Shareholder is entitled to attend and speak at such meetings.

**(viii) Rights of the BPSB Special Shareholder**

As part of the privatisation of operations and undertakings of BPA, a BPSB Special Share was granted to MoF Inc. whereby under the Privatisation Agreement, certain rights were conferred to MoF Inc. as the BPSB Special Shareholder. Similar to the rights given to MoF Inc. as the BHB Special Shareholder, the special rights of the BPSB Special Shareholder include, inter alia, the following:-

- (a) The right to appoint not more than three (3) persons at any time as Director in BPSB;
- (b) The right to repayment of the capital paid up on the BPSB Special Share in priority to any other member in the event of a winding-up of BPSB; and

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**4. RISK FACTORS (Continued)**


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- (c) The right to require the Company to redeem the BPSB Special Share at par at any time.

Certain matters, in particular, the alteration of specified Articles (including the Articles relating to the limitation on shareholdings), any substantial disposal of assets, amalgamation, merger and takeover, require the approval of the holder of the BPSB Special Share. However, the BPSB Special Share does not carry any right to vote at General Meetings but the BPSB Special Shareholder is entitled to attend and speak at such meetings.

**(ix) Relationship with PETRONAS**

Pursuant to the IPO, PETRONAS will own 20% of BHB's equity. As a substantial shareholder in BHB, PETRONAS may have the ability to influence the business decisions and the direction of the Company, including the determination on all matters submitted for shareholders' vote particularly on matters relating to tariffs on the LNG jetties. PETRONAS may be biased in its decision as its subsidiaries namely, MLNG and MLNG Dua, are the largest contributors to BHB's earnings in 1999, accounting for approximately 81.5% of the Group's revenue. However, the KLSE Listing Requirements would preclude PETRONAS from voting on matters in which it has interest.

**(x) Customer Concentration**

The Group relies heavily on LNG as its principal source of income. In 1999, LNG accounted for 81.5% of the Group's total revenue and 64.4% of the total throughput handled. However, the BHB Group does not view this as a threat to the Group as the LNG-1 and LNG-2 Jetties are dedicated facilities for the exclusive use of MLNG and MLNG Dua plants and BHB's income from the handling of LNG vessels and cargo is assured for as long as MLNG and MLNG Dua (and MLNG Tiga once the MLNG Tiga plant commences production in 2002) have buyers for their products. Presently, MLNG and MLNG Dua have secured contracts for the supply of LNG to Taiwanese, Japanese and Korean utilities companies. The current contracts to supply these customers are long-term in nature, extending up to twenty (20) years. Furthermore, PETRONAS has estimated that the recoverable gas reserves in the Central Luconia Gas Field will last for another forty-six (46) years, assuming that the existing production levels are maintained. BHB views that, rather than a source of threat, such dependence is actually a source of strength as the income stream stemming from the relationship is stable and long-term in nature.

**(xi) Competition**

BHB Group faces competition principally in two forms:-

- (a) In terms of being the licensed operator of Bintulu Port; and  
 (b) In terms of competing for cargo traffic with other ports in the region.

As set out in (v) above, BPSB was granted by BPA a thirty (30)-year licence commencing on 1 January 1993 to carry out the business of operating, managing, maintaining and providing port facilities and services in Bintulu Port. Notwithstanding, the conditions of the licence are subject to review by BPA every three (3) years or from time to time. At the end of the existing licensing period, the renewal of the licence is also at the discretion of BPA. BPA may revoke the licence given to BPSB or decide not to extend the licensing period and in turn award it to another operator if BPSB failed to comply with the terms and conditions of the licence. As indicated above, the Directors of BHB are of the opinion that the probability of a revocation or non-extension appears unlikely as BPSB has adhered to the terms of the Licence Agreement and, in the opinion of the Directors, continues to perform satisfactorily since the granting of the licence.

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**4. RISK FACTORS (Continued)**

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In terms of competing for cargo traffic, Bintulu Port faces competition from other ports within the region, for instance the Port of Muara in Brunei Darussalam for international cargo traffic and the ports of Miri, Kuching and the river ports on the mouth of Rajang River under the jurisdiction of the Rajang Port Authority ("Rajang Ports") for cargo originating from or bound for the Port's hinterland.

However, such competition would only be isolated to certain types of cargo. Competition for international cargo traffic with the Port of Muara would probably be confined to transshipments of containers and general cargo to and from the BIMP-EAGA area. Here, the Directors of BHB are of the opinion that Bintulu Port can make a major impact in competing for cargo traffic in the BIMP-EAGA area as the Port is at a comparative advantage in terms of infrastructure. In BICT, the Port is able to provide modern facilities and deep-water berthing to be able to serve the latest generation of post-panamax container vessels. With these, BHB is confident that Bintulu Port is poised to take advantage of the growth and development in the region's trade.

Notwithstanding, the effects of competition would not be significant to BHB Group's revenue and earnings as there is no foreseeable competition for the LNG traffic, the provider of the bulk of the Group's income. As the facilities serving the LNG traffic are dedicated facilities and exclusive to Bintulu Port, the Directors of BHB are of the opinion that the Group is in the position of strength to deal with any competition in other sectors of its business.

**(xii) Port Development**

Within the Bintulu Port itself, the development of new port structures with the aim to increase the capacity of Bintulu Port has been planned. The development of BPA's land at Bintulu Port will be carried out by BPA or offered to other party, if necessary. In relation to the provision of port operating services to area outside the Demised Property and leased property, BPA presently does not have any plan to let other parties to provide such services other than BPSB.

**(xiii) Hazardous Cargo Risks**

As a conduit for the export of the products from the Bintulu petrochemical industry, the BHB Group is subject to risks inherent in the provision of cargo handling services, which includes transfer of hazardous and inflammable cargo from the LNG, LPG, ammonia and middle distillate plants to the Port and from the Port to the transport vessels. The BHB Group is aware of the risk and ensures that priority is given for safety in all its operations as demonstrated by the award to the Port of the Gold Award in Occupational Safety & Health by the Malaysian Society for Occupational Safety & Health in 1995, 1996, 1998 and 1999 as well as the Occupational Safety & Health Award 2000 (Transportation, Storage and Communication) given by the Ministry of Human Resource. The Port's safety standards have also been internationally recognised as confirmed by the receipt of a Safety Award from British Safety Council in 1999 and a similar award from the World Safety Organisation in October 2000. The Port has also been certified as possessing a management system in relation to the provision of port services with a standard befitting the award of ISO 9002 certification by Lloyd Register Quality Assurance, UK in 1998.

**(xiv) Dependence on Key Personnel**

The Group believes that its continued success will depend, to a significant extent, upon the abilities and continued efforts of its existing Directors and senior management. The loss of any key member of the Board of Directors and senior management could adversely affect the Group's continued ability to compete. One of the strong aspects of the Group is the large number of long-serving key personnel and low turnover of skilled staff. Every effort is presently made to groom younger members of the senior management to ensure a smooth transition in the management team, should changes occur.

**4. RISK FACTORS** *(Continued)*

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**(xv) Achievability of Forward-looking Statements**

This Prospectus includes forward-looking statements i.e. those other than statements of historical facts. Although the Group believes that the expectations reflected in such forward-looking statements are reasonable at this time, there can be no assurance that such expectations will materialise. Any deviation of its actual performance from the expectations may have adverse effect to the Group's financial and business performance.

Save as disclosed above and apart from normal commercial risk, the Group is not vulnerable to any specific factors or events.

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## 5. SHARE CAPITAL

	RM
<i>Authorised</i>	
<i>Ordinary</i>	
1,000,000,000 ordinary shares of RM1.00 each	1,000,000,000
<i>BIB Special Share</i>	
1 Special Rights Redeemable Preference Share of RM1.00	1
<b>Total</b>	<b>1,000,000,001</b>
<i>Issued and fully paid-up</i>	
<i>Ordinary</i>	
300,000,000 existing ordinary shares of RM1.00 each	300,000,000
<i>BHB Special Share</i>	
1 Special Rights Redeemable Preference Share of RM1.00	1
<i>To be issued and fully paid-up pursuant to the Public Issue</i>	
100,000,000 new ordinary shares of RM1.00 each [Note (i)]	100,000,000
<b>Total</b>	<b>400,000,001</b>
<i>To be offered for sale by MoF Inc. pursuant to the Restricted Offer for Sale</i>	
136,000,000 existing ordinary shares of RM1.00 each [Note (ii)]	136,000,000

*Note:-*

- (i) For the 100,000,000 new BHB Shares to be issued pursuant to the Public Issue, the issue price in respect of the 72,700,000 Fixed Price Issue Shares of RM2.00 per BIB Share is payable in full on application or acceptance and the issue price in respect of the 27,300,000 Tender Shares is payable in full within three (3) Business Days upon notification of allocation.
- (ii) The issue price in respect of the 136,000,000 Restricted Offer Shares of RM2.00 per BIB Share is payable in full upon acceptance.

There are two (2) classes of shares in the Company, namely ordinary shares of RM1.00 each and the BHB Special Share.

The Issue Shares, upon allotment and issue, will rank pari passu in all respects with the other existing issued and paid-up ordinary shares of the Company including voting rights and will be entitled to all rights and dividends and distributions that may be declared subsequent to the date of this Prospectus

Subject to any special rights attaching to the BHB Special Share and any shares that may be issued by the Company in the future, the shareholders of ordinary shares in the Company shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and the whole of any surplus in the event of liquidation of the Company, in accordance with its Articles of Association.

At every general meeting of BHB, each shareholder shall be entitled to vote in person or by proxy or by attorney, and on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder, shall have one vote and on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held. A proxy may but need not be a member of the Company.