
10. STATUTORY AND GENERAL INFORMATION

10.1 Share Capital

- (i) No shares shall be allotted or sold on the basis of this Prospectus later than twelve (12) months after the date of this Prospectus.
- (ii) There are no founder, management or deferred shares in the Company. There is only one class of shares in the Company, namely ordinary shares of RM1.00 each, all of which rank pari passu with one another.
- (iii) Save for the 3,100,000 shares reserved for eligible directors, employees, distributors and suppliers of Ornapaper Group, no other person has been or is entitled to be given an option to subscribe for any share, stock or debenture of the Company and its subsidiaries.
- (iv) Save as disclosed in paragraph (iii) above, as at the date of this Prospectus no person has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of the Company or any of its subsidiaries. Further no option for any shares, stocks or debentures of the Company or its subsidiaries has been granted to or exercised by any Director during the last financial year.
- (v) Save as disclosed in this Prospectus and the following, no ordinary shares or debentures of the Company or its subsidiaries have been issued or is proposed to be issued as partly or fully paid-up for cash or otherwise than for cash within the two (2) years immediately preceding the date of this Prospectus.

10.2 Articles of Association

The following provisions are reproduced from the Company's Articles of Association:-

(i) Transfer of shares

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

Transfer of securities

Subject to the restriction imposed by these Articles, Listing Requirements, the Central Depositories Act and the Rules (with respect to transfer of Deposited Security), the transfer of any listed security or class of listed security of the Company, shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of listed securities.

Execution of instrument of transfer etc.

Every instrument of transfer shall be in writing and in the prescribed form as approved under the Rules and shall be presented to the Central Depository with such evidence (if any) as the Central Depository may require, from time to time to prove that the title of the intending transferor and the intended transferee is a qualified person from time to time.

10. STATUTORY AND GENERAL INFORMATION (Cont'd)

No restriction on transfer

- (a) The Directors may in their absolute discretion decline to register any transfer of shares where the registration of the transfer would result in a contravention of or failure to observe the provisions of any laws in Malaysia or the transfer is in respect of a partly paid share in respect of which a call has been made and is unpaid.
- (b) In the case of deposited security, the Central Depository may refuse to register any transfer of deposited security that does not comply with the Central Depositories Act and Rules.
- (c) Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assigns alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

Subject to the provisions of the Act, Central Depositories Act, Rules and Listing Requirement, there shall be no restriction on the transfer of fully paid securities except where required by law or the transfer is in respect of a partly paid share in respect of which a call has been made and is unpaid.

Closing of transfer books and registers

The registration of transfer may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year or such number of days as may be prescribed by the Exchange. The Company shall give the Exchange prior written notice and publication in a daily newspaper circulating in Malaysia of the period of the intended suspension or closure and the purposes thereof, which notice shall be at least twelve (12) market days after the date of announcement to the exchange or such number of days as may be prescribed by the Exchange. In relation to the closure, the Company shall give written notice in accordance with the Rules to prepare the appropriate Record of Depositors.

Fee for registration

There shall be paid to the Company in respect of the registration of any Probate, Letters of Administration, Certificate of Marriage or Death, Power of Attorney or other document relating to or affecting the title to any shares, such fee, not exceeding Ringgit Malaysia Three (RM3.00) or such sum as may be fixed from time to time by the Exchange.

10. STATUTORY AND GENERAL INFORMATION (Cont'd)

Renunciation of shares may be recognised

Subject to the provisions of these Articles the Directors may recognize a renunciation of any share by the allottee thereof in favour of some other person.

On death of Member

Subject to the provisions of the Act, the Central Depositories Act and Rules, in case of the death of a Member the legal personal representatives of the deceased, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased holder from any liability in respect of any shares which had been held by him.

Shares of deceased or bankrupt Member

Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence being produced, as may from time to time properly be required by the Central Depository and subject to the Rules and as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Central Depository shall in either case in accordance with the provisions of written law, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy. Provided always that where the share is a Deposited Security, subject to the provisions of any written law, a transfer or withdrawal of the share may be carried out by the person becoming so entitled.

Evidence of representative

- (a) Subject to the provisions of the Act, the Central Depositories Act and Rules, where the registered holder of any share dies or becomes bankrupt, his personal representatives or the assignees of his estate as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the Central Depository in that behalf, be entitled to the same dividends and other advantages and to the same rights (whether in relation to meetings of the Company or to voting or otherwise) as the registered holder would have been entitled to if he had not died or become bankrupt.
- (b) The Company shall be entitled to charge a fee not exceeding Ringgit Malaysia Three (RM3.00) or such sum as may from time to time be prescribed by the Exchange on the registration of every probate, letter of administration, certificate of death or marriage, power of attorney or other instrument.

Transfer of stock

The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit; but the Directors may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the nominal amount of the shares from which the stock arose.

Definition

Such of the Articles of the Company as are applicable to paid-up shares shall apply to stock, and the word "share" and "shareholder" therein shall include "stock" and "stockholder".

10. STATUTORY AND GENERAL INFORMATION (Cont'd)

(ii) Remuneration of Directors

The provisions in the Company's Articles of Association in respect of the Directors are as follows:-

Remuneration of Directors

- (a) The remuneration of the Directors shall from time to time be determined by the Company in General Meeting subject to Articles 102(b) and (c) and Article 103. That remuneration shall be deemed to accrue from day to day. Remuneration paid by the Company to the alternate shall be deducted from the Director nominating him. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company.
- (b) Fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover.
- (c) Salaries payable to executive Directors may not include a commission on or percentage of turnover.

Increase in Directors' remuneration

Fees payable to directors shall not be increased except pursuant to a resolution passed at a General Meeting, where notice of the proposed increase has been given in the notice convening the meeting.

Remuneration for extra services

If any Director being willing and having been called upon to do so by the other Directors shall render or perform special or extraordinary services or travel or reside abroad for any business or purposes on behalf of the Company, he shall be entitled to receive such sum as the Directors may think fit for expenses and also such remuneration as the Directors may think fit, either as a fixed sum or as percentage of profits or otherwise but not a commission on or percentage of turnover and such remuneration may, as the Directors shall determine, be either in addition to or in substitution for any other remuneration he may be entitled to receive, and the same shall be charged as part of the ordinary working expenses of the Company.

Remuneration for professional services

Any Director may act by himself or through his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as auditor of the Company.

Alternate Director

- (a) Each Director shall have the power to nominate in writing under his hand any person approved for the purpose by a majority of the other Directors to act as his alternate ("Alternate Director") and on such appointment being so made and approved the Alternate Director shall in all respects be subject to the terms and conditions existing with reference to the other Directors and each Alternate Director, whilst acting in the place of the Director whom he represents, shall exercise and discharge all the duties and functions of such Director but shall look to such Director solely for his remuneration and shall not be entitled to claim remuneration from the Company.

10. STATUTORY AND GENERAL INFORMATION (Cont'd)

Committees

The Directors may establish any committees, local boards or agencies for managing any of the affairs of the Company, either in Malaysia or elsewhere, and may lay down, vary or annul such rules and regulations as they may think fit for the conduct of the business thereof, and may appoint any person or persons to be the member or members of any such committee or local board or agency and may fix their remuneration and may delegate to any such committee or local board or agency any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the member or members of any such committee or local board or agency, to fill any vacancies therein; or to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no persons dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

Remuneration of managing director

A Managing Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary or participation in profits, or partly in one way and partly in another) as the Directors may determine.

(iii) Voting and Borrowing Powers of directors

The provisions in the Company's Articles of Association dealing with voting and borrowing powers of the Directors in proposals, arrangements or contracts in which they are interested in their borrowing powers exercisable by them and how such borrowing powers can be varied are as follows:-

Power of director to borrow and issue debenture

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge any of the Company's or the subsidiaries' undertaking, property and uncalled capital as the case may be, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or a related third party.

Sale or Disposal of undertaking

Subject to the provisions of the Act and the Listing Requirements, the directors shall not acquire or dispose of an undertaking or property of a substantial value or dispose of a substantial portion of the Company's undertaking or property without the approval of the Company in General Meeting.

Power to maintain pension fund

The Directors may establish or arrange any contributory or non-contributory pension or superannuation scheme for the benefit of, or pay a gratuity, pension or emolument to any person who is or has been employed by or in the service of the Company or any subsidiary of the Company, or to any person who is or has been a Director or other officer of and holds or has held salaried employment in the Company or any such subsidiary and to the widow, family members or dependants of any such person. The Directors may also subscribe to any association or fund which they consider to be for the benefit of the Company or any of the Company's subsidiary or any such persons as aforesaid, and make payments for or towards any hospital or scholastic expenses or any insurance of any such persons. Provided that any Director holding such salaried employment shall be entitled to retain any benefit received by him hereunder subject only, where the Act requires, to proper disclosure to the Members and the approval of the Company in General Meeting.

10. STATUTORY AND GENERAL INFORMATION (Cont'd)

Execution of negotiable instruments and receipts for money paid

All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors from time to time by resolution determine.

Chairman casting vote

Subject to these Articles questions arising at any meeting of Directors shall be decided by a majority of votes, each Director having one (1) vote and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes the Chairman of the meeting shall have a second or casting vote except where if the quorum of the Meeting is two (2), and only two (2) Directors are competent to vote on the question at issue, or where only two directors form a quorum.

Disclosure of Directors' interest

A Director who is in any way, whether directly or indirectly interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with Section 131 of the Act.

Interest of Director in other Companies

A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interests in such other company unless the Company otherwise direct.

A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary thereby established.

Contracts or arrangements which the Directors can vote

A Director shall not vote in respect of any contract or arrangement in which he is directly or indirectly interested, and if he shall do so his vote shall not be counted, nor, shall he be counted in the quorum present at any Meeting, but subject to the provisions of the Act and the Listing Requirements neither of these prohibitions shall apply to:-

- (i) any arrangement for giving the Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
- (ii) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or
- (iii) any contract by a Director to subscribe for or underwrite shares or debentures of the Company; and
- (iv) any contract or arrangement with any other company in which he is interested only as an officer of the company and has no shareholding in the company.

10. STATUTORY AND GENERAL INFORMATION (Cont'd)

Provided that these prohibitions may at any time be suspended or relaxed to any extent, and either generally or in respect of any particular contract, arrangement or transaction, by the waiver of the Exchange.

General notice of interest in contracts

A general notice may be given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract which may after the date of the notice, be made with that company or firm and such notice shall be deemed a sufficient declaration of interest in regard to any contract so made if it specifies the nature and extent of his interest in the specified company or firm and his interest is not different in the general notice at the time any contract is made but no such notice shall be of any effect unless either it is given at a meeting of the Directors or the Director takes reasonable steps to ensure that it is brought up and read at the next meeting of the Directors after it is given.

Relaxation of restriction voting

A Director notwithstanding his interest may, provided that none of the other Directors present disagree, be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company, (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or whereat the terms of any such appointment as hereinafter mentioned are considered or whereat any decision is taken upon any contract or arrangement in which he is in any way interested PROVIDED ALWAYS that he has complied with Section 131 of the Act.

(iv) Changes in the share capital and variation of rights

The provision in the Company's Articles of Association as to the changes in capital or variation of rights, which are as stringent as those provided in the Companies Act, 1965 are as follows:-

Shares to be under control of directors

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, but subject to the Act and to these Articles, shares in the Company may be issued by the Directors and any such shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Directors, subject to any ordinary resolution of the Company, determine. No shares shall be issued at a discount except in compliance with the provisions of the Act.

Provided that

- (a) The Company shall not issue any shares which will have the effect of giving a controlling interest to any person, company or syndicate without prior approval of shareholders in General Meeting.
- (b) Every issue of shares or options to employees and/or Directors shall be approved by shareholders in general meeting and such approval shall specifically detail the amount of shares or options to be issued to each Director. Only Directors holding office in an executive capacity shall participate in such an issue of shares. However, non-executive Directors may subscribe for shares issued or offered pursuant to a public issue or public offer.

10. STATUTORY AND GENERAL INFORMATION (Cont'd)

- (c) The rights attaching to shares of a class other than ordinary shares be expressed in the Resolution creating the same.
- (d) Subject to the Act, the provisions of these Articles and the requirements of the Exchange, the Company shall have power to issue preference shares on such terms and conditions and carrying such rights or restrictions provided that the total nominal value of the issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time. The Company shall not, unless with the consent of existing preference shareholders at a class meeting, issue preference shares ranking in priority to the preference shares already issued but may issue preference shares ranking equally therewith.

Preference shares

- (a) Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited accounts, and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened:-
 - (i) for the purpose of reducing the Company's share capital, or winding up the Company, or sanctioning a sale of the whole of the Company's property, business and undertaking, or
 - (ii) where the proposition to be submitted to the meeting directly affects their rights and privileges attached to the share, or
 - (iii) when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months, or
 - (iv) during the winding up of the Company.
- (b) The holders of a preference share must be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up.
- (c) The repayment of preference capital other than redeemable preference capital, or any other alteration of preference shareholders' rights, may only be made pursuant to a special resolution of the preference shareholders concerned, PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

Modification of rights of different classes of shares

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate General Meeting of the holders of the shares of the class. To every such separate General Meeting the provisions of these Articles relating to the General Meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply.

10. STATUTORY AND GENERAL INFORMATION (Cont'd)

Conversion to be at General Meeting

The Company may by ordinary resolution passed at a General Meeting convert any paid up shares into stock and reconvert any stock into paid-up shares of any denomination.

Power to increase capital

The Company may from time to time, whether all the shares for the time being authorised shall have been issued or all shares for the time issued shall have been fully called up or not, by ordinary resolution increase its share capital by the creation and issuance of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividends, return of capital or otherwise as the Company by the resolution authorising such increase directs.

Consolidation cancellation and sub-division of capital

The Company may from time to time by ordinary resolution : -

- (a) Increase the share capital by the creation of new shares of such amount as the resolution shall prescribe;
- (b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) Subdivide its shares or any of them into shares of smaller amount than is fixed by the memorandum; so however that in the sub-division the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (d) Cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

Reduction of capital

The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner with, and subject to, any incident authorized, and consent required by law.

10.3 Directors and Substantial Shareholders

- (i) The names, addresses and occupations of the Directors are set out in the Corporate Information Section of this Prospectus.
- (ii) A Director is not required to hold any qualification share in the Company unless otherwise so fixed by the Company in general meeting.
- (iii) There are no existing or proposed service contracts (other than employment contracts) between the Directors and the Company or its subsidiary companies.
- (iv) No Director, senior executive officer or person nominated to become a Director or senior executive officer is or was involved in the following events:-
 - (a) a petition under any bankruptcy laws filed against such person or any partnership in which he was or is a partner or any corporation of which he was or is an executive officer;

10. STATUTORY AND GENERAL INFORMATION (Cont'd)

- (b) a conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (c) the subject of any order, judgement or ruling of any court, tribunal or governmental body of competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, Director or employee of a financial institution or engaging in any type of business practice or activity.
- (v) For the financial year ended 31 December 2001, the remuneration paid to the Directors of Ornapaper for services rendered in all capacities in the Company and its subsidiaries was RM273,200. For the financial year ending 31 December 2002, the amount payable to the Directors of Ornapaper is estimated to be RM286,860.
- (vi) Save as disclosed below, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in any business carrying on a similar trade as the Company and its subsidiary companies:-

Datuk Ting Chung Cheng holds a 25% equity interest in Chung Cheng Carton Co. Ltd, Taiwan. Chung Cheng Carton Co. Ltd operates principally as a converter in Taiwan by supplying carton boxes to the local Taiwanese manufacturers which does not compete directly with Ornapaper. Datuk Ting Chung Cheng is merely a passive investor and he has no management participation in Chung Cheng Carton Co. Ltd.

- (vii) According to the Register of Substantial Shareholders of Ornapaper as at 19 December 2002 (being the last practicable date prior to the printing of the Prospectus), the substantial shareholders of Ornapaper and their respective direct and indirect interest in the shares of the Company before and after the Public Issue and Offer for Sale are as follows:

Substantial shareholder	Before the Public Issue and Offer for Sale				After the Public Issue and Offer for Sale			
	Direct No. of shares	%	Indirect No. of shares	%	Direct No. of shares	%	Indirect No. of shares	%
Datuk Ting Chung Cheng	9,329,241	17.28	-	-	8,368,649	13.50	-	-
Pilihan SistematiK Sdn Bhd	4,664,620	8.64	-	-	4,184,324	6.75	-	-
Intisari Delima Sdn Bhd	20,773,886	38.47	-	-	18,634,888	30.06	-	-
Lembaga Tabung Haji	15,906,354	29.46	-	-	14,268,545	23.01	-	-
Ang Kwee Teng	-	-	20,773,886	38.47	-	-	18,634,888 [^]	30.06
See Wan Seng	-	-	20,773,886	38.47	-	-	18,634,888 [^]	30.06
Sai Han Siong	-	-	4,664,620	8.64	-	-	4,184,324 [*]	6.75
Sai Tzy Horng	-	-	4,664,620	8.64	-	-	4,184,324 [*]	6.75

[^] Deemed interested by virtue of his substantial shareholdings in Intisari Delima Sdn Bhd

^{*} Deemed interested by virtue of his substantial shareholdings in Pilihan SistematiK Sdn Bhd

- (viii) Based on the Register of Directors' Shareholdings as at 19 December 2002 (being the last practicable date prior to the printing of this Prospectus), the Directors of Ornapaper and their respective direct and indirect interests in the shares of the Company before and after the Public Issue and Offer for Sale are as follows:-

10. STATUTORY AND GENERAL INFORMATION (Cont'd)

Director	Before the Public Issue and Offer for Sale				After the Public Issue and Offer for Sale			
	Direct No. of shares	%	Indirect No. of shares	%	Direct No. of shares	%	Indirect No. of shares	%
Datuk Ting Chung Cheng	9,329,241	17.28	-	-	8,368,649	13.50	-	-
Ang Kwee Teng	-	-	20,773,886	38.47	-	-	18,634,888 [^]	30.06
See Wan Seng	-	-	20,773,886	38.47	-	-	18,634,888 [^]	30.06
Tuan Haji Azhar Bin Nayan	-	-	-	-	25,000	0.04	-	-
Siow Kee Yen	-	-	-	-	15,000	0.02	-	-
Adillah binti Ahmad Nordin	-	-	-	-	20,000	0.03	-	-

[^] Deemed interested by virtue of his substantial shareholdings in Intisari Delima Sdn Bhd

- (ix) Save as disclosed below, none of the Directors or experts has any interest, direct or indirect, in the promotion of or in any assets which have, within the two (2) years immediately preceding the date of this Prospectus, been acquired or proposed to be acquired or disposed or proposed to be disposed of or leased or proposed to be leased to the Company or its subsidiaries or any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company and its subsidiaries taken as a whole.

On 1 December 2002, Ornapaper completed the following acquisitions:-

- The entire issued and paid-up share capital of OISB(M) comprising 22,727,000 ordinary shares of RM1.00 each for a purchase consideration of RM54,779,833 satisfied by an issuance of 52,171,270 new ordinary shares of RM1.00 each in Ornapaper credited as fully paid-up at an issue price of approximately RM1.05 per ordinary share.
- The entire issued and paid-up share capital of OISB(BP) comprising 1,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM1,003,662 satisfied partly by an issuance of 477,934 new ordinary shares of RM1.00 each in Ornapaper credited as fully paid-up at an issue price of approximately RM1.05 per ordinary share and partly by a cash consideration of RM501,831.

The interests of the Directors and substantial shareholders of the Company in the aforesaid transactions are as follows:-

Name	Nature of Interest
Datuk Ting Chung Cheng	Director of OISB(M) and Ornapaper. He is the vendor of shares in OISB(M).
Ang Kwee Teng	Director of OISB(M) and Ornapaper. He is a substantial shareholder of Intisari Delima Sdn Bhd, the vendor of shares in OISB(M).
See Wan Seng	Director of OISB(M) and Ornapaper. He is a substantial shareholder of Intisari Delima Sdn Bhd, the vendor of shares in OISB(M).
Intisari Delima Sdn Bhd	Substantial shareholders of OISB(M) and Ornapaper. The company is the vendor of shares in OISB(M).
Lembaga Tabung Haji	Substantial shareholders of OISB(M) and Ornapaper. The company is the vendor of shares in OISB(M).
Pilihan Sistemati Sdn Bhd	Substantial shareholders of OISB(M) and Ornapaper. The company is the vendor of shares in OISB(M).

10. STATUTORY AND GENERAL INFORMATION (Cont'd)

10.4 General

- (i) The nature of the Group's business and the names of all corporations which are deemed to be related to the Company by virtue of Section 6 of the Companies Act 1965 are disclosed in Section 4.1 of this Prospectus.
- (ii) The time of the opening of the Application Lists is set out in Section 11.1 of this Prospectus.
- (iii) The amount payable in full on application is RM1.60 per Share.
- (iv)
 - (1) Underwriting fees are payable by the Company and Offerors to the Managing Underwriter and Underwriters mentioned in the Section 2.7 of this Prospectus at the rate of 2.5% of the Public Issue/Offer price of RM1.60 per share on the 5,100,000 Shares comprising 4,120,000 Public Issue Shares and 980,000 Offer Shares being underwritten. A management fee of 0.5% is payable to the Managing Underwriter on the value of the underwritten Shares;
 - (2) Placement fees at a placement rate of 2% of the indicative Public Issue price of RM1.60 per share in respect of successful placements made is payable by the Company to AmMerchant Bank as the placement agent;
 - (3) Brokerage at the rate of 1% of the indicative Public Issue/Offer price of RM1.60 per share is payable by the Company and Offerors in respect of successful applications bearing the stamp of AmMerchant Bank, member companies of the KLSE, members of the Association of Merchant Banks in Malaysia, members of the Association of Banks in Malaysia or MIH; and
 - (4) Expenses incidental to the listing and quotation of the entire issued and paid-up share capital of the Company on the KLSE amounting to approximately RM2,000,000 will be borne by the Company. The Offerors shall bear stamp duty, brokerage, underwriting commission, registration and transfer fees relating to the Offer Shares.
- (v) Save as disclosed in paragraph (iv) no commission, discounts, brokerages or other special terms have been paid, granted or are payable by the Company or its subsidiaries within the two (2) years immediately preceding the date of this Prospectus for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or debentures of the Company or its subsidiaries or in connection with the issue or sale of any capital of the Company or any of its subsidiaries and no Director, proposed Director, promoter or expert is or are entitled to receive any such payment.
- (vi) No amount or benefit has been paid or given within the two (2) years immediately preceding the date hereof, nor is it intended to be so paid or given, to any promoter.
- (vii) The Ornapaper Group has not established a place of business outside Malaysia.
- (viii) Except as disclosed in Sections 1.5 and 3 of this Prospectus, the Directors are not aware of any material information including trading factors or risks not mentioned elsewhere in this Prospectus which are unlikely to be known or anticipated by the general public and which would materially affect the profits of the Group.
- (ix) Except as disclosed in Section 3 and Section 7.4 of this Prospectus, the financial conditions and operations of the Group are not affected by any of the following:-
 - (a) Known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way;

10. STATUTORY AND GENERAL INFORMATION (Cont'd)

- (b) Material commitments for capital expenditure;
- (c) Unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from operations; and
- (d) Known trends or uncertainties that have had or will have a material favourable or unfavourable impact on revenues or operating income.

As far as the Directors are aware and except as disclosed in this Prospectus, the Group is not vulnerable to any specific factors or events of a particular nature other than those normal commercial risks experienced during the course of business.

- (x) As at the date of this Prospectus, the Company and its subsidiaries do not have any convertible debt securities.
- (xi) The name and address of the Auditors and Reporting Accountants of the Company are as set out in Corporate Information Section of this Prospectus.
- (xii) The manner in which copies of this Prospectus together with the official Application Forms and envelopes may be obtained is set out in Section 11 of this Prospectus.

10.5 Material Contracts

Save as disclosed hereunder, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by the Company and its subsidiaries within the two (2) years immediately preceding the date of this Prospectus:-

- (i) Underwriting Agreement dated 4 December 2002 between the Company, the Offerors and the Managing Underwriter and Underwriters for the underwriting of 5,100,000 Shares comprising 4,120,000 Public Issue Shares and 980,000 Offer Shares for an underwriting commission of 2.5% of the issue/offer price of RM1.60 per Share;
- (ii) A Share Swap Agreement between Ornapaper and Pilihan Sistemik Sdn Bhd, Selat Muhibbah Sdn Bhd, Intisari Delima Sdn Bhd, Datuk Ting Chung Cheng and Lembaga Tabung Haji dated 5 April 2002 for the acquisition of the entire issued and paid-up share capital of OISB(M) comprising 22,727,000 ordinary shares of RM1.00 each for a purchase consideration of RM54,779,833 satisfied by an issuance of 52,171,270 new ordinary shares of RM1.00 each in Ornapaper credited as fully paid-up at an issue price of approximately RM1.05 per ordinary share;
- (iii) A Share Swap Agreement between Ornapaper and OISB(M) and Tan Chin Hwee dated 5 April 2002 for the acquisition of the entire issued and paid-up share capital of OISB(BP) comprising 1,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM1,003,662 satisfied by an issuance of 477,934 new ordinary shares of RM1.00 each in Ornapaper credited as fully paid-up at an issue price of approximately RM1.05 per ordinary share and the remaining balance with a total cash consideration of RM501,831;

10. STATUTORY AND GENERAL INFORMATION (Cont'd)

- (iv) By five (5) separate sale and purchase agreements all dated 4 March 2002 between OISB(M) and Fairway Review Sdn Bhd ("FRSB"), OISB(M) agreed to purchase and FRSB agreed to sell five parcels of industrial lands held under HS(M) 471 to HS(M) 475 PT No. 4960 to PT No. 4964 all of Mukim Bachang, Daerah Melaka Tengah, Negeri Melaka for a total cash consideration of RM2,500,000 only. The completion date for all the abovementioned sale and purchase agreements is four (4) months from the date of receipt of the consent to transfer from the State Authority.
- (v) By a Subscription of Shares Agreement dated 9 November 2000 between OISB(M), Lembaga Tabung Haji, Datuk Ting Chung Cheng, Ang Kwee Teng and See Wan Seng, OISB(M) agreed to allot and issue 2,727,000 ordinary shares of OISB(M) to Lembaga Tabung Haji for a total cash consideration of RM8,862,750 only. The Register of Members of OISB(M) reveals that the 2,727,000 ordinary shares have been issued to Lembaga Tabung Haji on 2 January 2001.
- (vi) Strategic Alliance Agreements
- (a) Strategic Alliance Agreement dated 30th December 1997 between OISB(M) and Ornapaper Industry (Selangor) Sdn Bhd (452985-T) ("OIS") wherein OISB(M) consents to OIS using the name "Ornapaper" in consideration of OIS agreeing to market and promote the Products (as defined therein) to enhance and realise strategic alliance and give financial value to both OISB(M) and OIS and in further consideration of OIS agreeing to purchase all its materials to manufacture the said Products (as defined therein) from OISB(M). The duration of the aforesaid agreement is for a period of 8 years with the option to extend the aforesaid agreement exercisable by OISB(M). It is pertinent to note that OIS is not required to pay any licence fee to OISB(M).
- (b) Strategic Alliance Agreement dated 30th December 1997 between OISB(M) and Ornapaper Industry (Johor) Sdn Bhd (452984-H) ("OIJ") wherein OISB(M) consents to OIJ using the name "Ornapaper" in consideration of OIJ agreeing to market and promote the Products (as defined therein) to enhance and realise strategic alliance and give financial value to both OISB(M) and OIJ and in further consideration of OIJ agreeing to purchase all its materials to manufacture the said Products (as defined therein) from OISB(M). The duration of the aforesaid agreement is for a period of 8 years with the option to extend the aforesaid agreement exercisable by OISB(M). It is pertinent to note that OIJ is not required to pay any licence fee to OISB(M).
- (c) Strategic Alliance Agreement dated 10th April 1998 between OISB(M) and Ornapaper Industry (Perak) Sdn Bhd (183644-H) ("OIPK") wherein OISB(M) consents to OIPK using the name "Ornapaper" in consideration of OIPK agreeing to market and promote the Products (as defined therein) to enhance and realise strategic alliance and give financial value to both OISB(M) and OIPK and in further consideration of OIPK agreeing to purchase all its materials to manufacture the said Products (as defined therein) from OISB(M). The duration of the aforesaid agreement is for a period of 8 years with the option to extend the aforesaid agreement exercisable by OISB(M). It is pertinent to note that OIPK is not required to pay any licence fee to OISB(M).

10.6 Public Take-Overs

During the last financial year and the current financial year, there were:-

- (i) No public take-over offers by third parties in respect of the Company and its subsidiaries' shares.
- (ii) No public take-over offers by the Ornapaper Group in respect of other companies' shares.

10. STATUTORY AND GENERAL INFORMATION (Cont'd)

10.7 Material Litigation

Neither Ornapaper nor any of its subsidiaries is engaged in any material litigation, either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position or the business of the Company or any of its subsidiaries.

10.8 Consents

- (i) The written consents of the Adviser and Managing Underwriter, Underwriters, Solicitors, Principal Bankers, Registrars and Issuing House to the inclusion in this Prospectus of their names in the form and context in which their names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name, Accountants' Report, and their letters relating to the Profit Estimate and Forecast for the financial year ending 31 December 2002 and 31 December 2003 and Pro forma Consolidated Balance Sheets as at 31 August 2002 in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

10.9 Documents for Inspection

Copies of the following documents may be inspected at the registered office of the Company during office hours for a period of twelve (12) months from the date of the Prospectus:-

- (i) Memorandum and Articles of Association of Ornapaper and its subsidiary companies;
- (ii) The Directors' Report and Accountants' Report as included herein;
- (iii) The Reporting Accountants' Letters relating to the Profit Estimate and Forecast for the financial year ending 31 December 2002 and 31 December 2003 and Pro forma Consolidated Balance Sheets as at 31 August 2002 as included herein;
- (iv) The material contracts referred to in section 10.5 of this Prospectus;
- (v) The letters of consent referred to in section 10.8 of this Prospectus;
- (vi) Audited accounts of OISB(M) for the past five (5) financial years ended 31 December 2001 and eight (8) month period ended 31 August 2002; and
- (vii) Audited accounts of OISB(BP) for the past five (5) financial years ended 31 December 2001 and eight (8) month period ended 31 August 2002.

10. STATUTORY AND GENERAL INFORMATION (Cont'd)

10.10 Responsibility

- (i) AmMerchant Bank acknowledges that, to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts about the Offer, and Public Issue and the Group, and is satisfied that the consolidated profit estimate and forecast for the financial year ending 31 December 2002 and 31 December 2003 which the Directors of the Company are solely responsible have been stated by the Directors of the Company after due and careful inquiry and reviewed by the Reporting Accountants.

- (ii) This Prospectus has been seen and approved by the Directors of the Company and Offerors and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other material facts the omission of which would make any statement herein misleading.

[The rest of this page is intentionally left blank]