

1. CORPORATE INFORMATION**BOARD OF DIRECTORS**

Name	Address	Occupation	Nationality
Lim Chun Yow (Group Managing Director)	53, Jalan Laksamana Cheng Ho 1 Taman Laksamana Cheng Ho Jalan Ayer Leleh 75100 Melaka	Director	Malaysian
Tan See Khim (Executive Director)	A-05-04 Block A, Vista Komanwel Bukit Jalil 57000 Kuala Lumpur	Director	Malaysian
Hey Shiow Hoe (Executive Director)	82-15-26 De Tropicana Condominium Jalan 2/116B Kuchai Entrepreneurs' Park 58200 Kuala Lumpur	Director	Malaysian
Boo Chin Liong (Independent Non-Executive Director)	20 Jalan Cendrawasih Kg Merdeka 83000 Batu Pahat Johor	Advocate & Solicitor	Malaysian
Koh Chin Koon (Independent Non-Executive Director)	60E Pengkalan Rama Pantai 75100 Melaka	Chartered Accountant	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Boo Chin Liong	Chairman	Independent Non-Executive Director
Koh Chin Koon	Member	Independent Non-Executive Director
Lim Chun Yow	Member	Group Managing Director

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1. CORPORATE INFORMATION (Cont'd)

- COMPANY SECRETARY** : Teo Soon Mei
MAICSA (7018590)
No. 9 Jalan OZ 17
Ozana Impian
75450 Bukit Katil
Melaka
Tel : 606-286 6163
- REGISTERED OFFICE** : 5A, Jalan Wawasan 2
Kawasan Perindustrian Sri Gading
83300 Batu Pahat
Johor Darul Takzim

Tel : 607-455 7633
Fax : 607-455 7699
E Mail : enquiry@bpplastics.com.my
- HEAD/MANAGEMENT OFFICE** : 5A, Jalan Wawasan 2
Kawasan Perindustrian Sri Gading
83300 Batu Pahat
Johor Darul Takzim

Tel : 607-455 7633
Fax : 607-455 7699
E Mail : enquiry@bpplastics.com.my
Website: www.bpplastics.com.my
- AUDITORS AND REPORTING ACCOUNTANTS** : Ernst & Young (AF 0039)
Lot 1, 6th Floor
Menara Pertam, Jalan BBP2,
Taman Batu Berendam Putra
Batu Berendam
75350 Melaka
Tel: 606-336 2399
- SOLICITORS FOR THE LISTING** : Lee Choon Wan & Co
No 12, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur
Tel: 603-2093 0078
- PROFESSIONAL AND INDEPENDENT VALUERS** : Colliers Jordan Lee & Jaafar (JH) Sdn. Bhd.
(136779-K)
Suite 326, 3rd Floor
Pan Global Plaza
Jalan Wong Ah Fook
80000 Johor Bahru
Tel: 607-223 2299
- PRINCIPAL BANKERS** : Malayan Banking Berhad (3813-K)
No. 32-34, Jalan Rahmat
83000 Batu Pahat
Johor Darul Takzim
Tel: 607-434 1441

1. CORPORATE INFORMATION (Cont'd)

PRINCIPAL BANKERS (CONT'D)

Maybank International (L) Ltd (900003A)
Level 16(B), Main Office Tower
Financial Park Labuan
Jalan Merdeka
87000 Labuan
Federal Territory Malaysia
Tel: 087-414406

Overseas-Chinese Banking Corporation Limited
(940026C)
Labuan Branch
Level 8(C), Main Office Tower
Financial Park Labuan
Jalan Merdeka
87000 Labuan
Federal Territory Malaysia
Tel: 087-423381

RHB Bank Berhad (6171-M)
89, Jalan Rahmat
83000 Batu Pahat
Johor Darul Takzim
Tel: 607-431 7000

ISSUING HOUSE

: MIDF Consultancy And Corporate Services Sendirian
Berhad (11324-H)
Tingkat 12, Bangunan MIDF
195A, Jalan Tun Razak
50400 Kuala Lumpur
Tel: 603-2161 3355

REGISTRAR

: Securities Services (Holdings) Sdn Bhd (36869-T)
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel: 603-2084 9000

**ADVISER AND JOINT MANAGING
UNDERWRITER**

: Aseambankers Malaysia Berhad (15938-H)
33rd Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Tel: 603-2059 1888

**JOINT MANAGING
UNDERWRITER**

: Mercury Securities Sdn Bhd (113193-W)
Lot 6-05, Aras 6 Block Menara
Menara Milenium
8 Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2094 2828

1. CORPORATE INFORMATION (Cont'd)

UNDERWRITERS	:	Aseambankers Malaysia Berhad (15938-H) 33rd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel: 603-2059 1888
		Mercury Securities Sdn Bhd (113193-W) Lot 6-05, Aras 6 Block Menara Menara Milenium 8 Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur Tel: 603-2094 2828
		Mayban Securities Sendirian Berhad (165630-M) 8 th Floor MaybanLife Tower C Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel: 603-2297 8888
		M&A Securities Sdn Bhd (15017-H) M&A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel: 605-241 9800
INDEPENDENT MARKET RESEARCHERS	:	Infocredit D&B (Malaysia) Sdn Bhd (527570-M) Level 9-3A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Tel: 603-2718 1000
LISTING SOUGHT	:	Main Board of Bursa Securities

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2. SUMMARY INFORMATION

THE SUMMARY INFORMATION SET OUT BELOW IS DERIVED FROM THIS PROSPECTUS 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 OR NOT TO INVEST IN THE SHARES OF THE COMPANY.

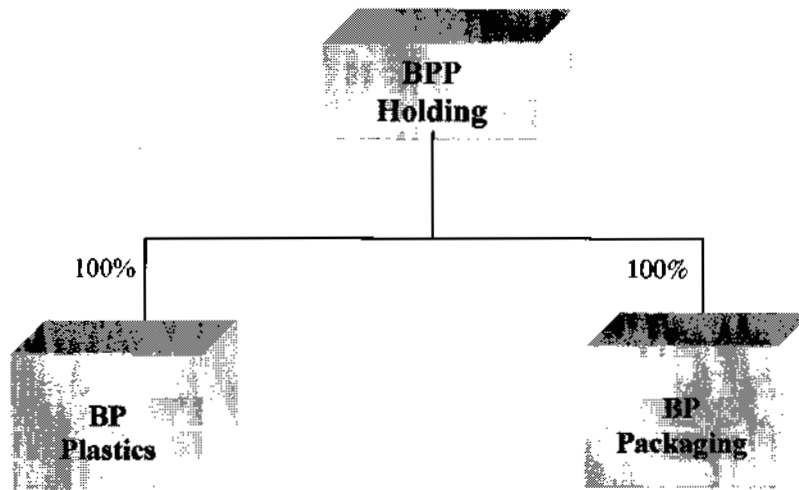
2.1 Incorporation, Principal Activities And Group Structure

BPP Holding, an investment holding company, was incorporated in Malaysia under the Act on 9 March 2004.

Its subsidiary companies, BP Plastics and BP Packaging, are involved in manufacturing and trading of plastic products respectively.

Detailed information on the incorporation, principal activities and group structure of the BPP Holding Group is set out in section 5 of this Prospectus.

The corporate structure of the BPP Holding Group after the Acquisitions is illustrated below:-



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2. SUMMARY INFORMATION (Cont'd)

2.2 Substantial Shareholders/Promoters, Directors And Key Management

2.2.1 Substantial Shareholders/Promoters

The shareholdings of the Substantial Shareholders/Promoters of BPP Holding before and after the Public Issue, Offer For Sale and assuming full exercise of ESOS Options are as follows:-

Name	Nationality / Place of Incorporation	No. of BPP Holding Shares Held Before Public Issue and OFS		No. of BPP Holding Shares Held After Public Issue and OFS		No. of BPP Holding Shares Held After Public Issue, OFS And Full Exercise of ESOS Options	
		Direct	% Indirect	Direct	% Indirect	Direct	% Indirect
LG Capital	Malaysia	54,000,000	48.21	54,000,000	45.00	54,000,000	41.54
Lim Chun Yow	Malaysian	19,000,002	16.97	54,000,000*	5.84	7,980,002*	6.14
Tan See Khim	Malaysian	18,999,999	16.96	54,000,000*	5.83	7,979,999*	6.13
Hey Shioh Hoe	Malaysian	18,999,999	16.96	54,000,000*	5.83	7,979,999*	6.13

Note:

* Deemed interest by virtue of his shareholding of more than 15% in LG Capital pursuant to Section 6A of the Act.

^ Assuming full exercise of the initial grant of up to 10,000,000 ESOS Options to the Eligible Employees and Directors of the Company.

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2. SUMMARY INFORMATION (Cont'd)

2.2.2 Directors

The shareholdings of the Directors of BPP Holding before and after the Public Issue, Offer For Sale and assuming full exercise of ESOS Options are as follows:-

Name	Designation	Nationality	No. of BPP Holding Shares Held Before Public Issue and OFS		No. of BPP Holding Shares Held After Public Issue and OFS		No. of BPP Holding Shares Held After Public Issue, OFS And Full Exercise of ESOS Options							
			Direct	Indirect	Direct	Indirect	Direct	Indirect						
Lim Chun Yow	Group Managing Director	Malaysian	19,000,002	16.97	54,000,000*	48.21	7,000,002	5.84	54,000,000*	45.00	7,980,002**	6.14	54,000,000*	41.54
Tan See Khim	Executive Director	Malaysian	18,999,999	16.96	54,000,000*	48.21	6,999,999	5.83	54,000,000*	45.00	7,979,999**	6.13	54,000,000*	41.54
Hey Shioh Hoe	Executive Director	Malaysian	18,999,999	16.96	54,000,000*	48.21	6,999,999	5.83	54,000,000*	45.00	7,979,999**	6.13	54,000,000*	41.54
Boo Chin Liong	Independent Non-Executive Director	Malaysian	-	-	-	-	18,000 [#]	- [^]	-	-	118,000**	0.09	-	-
Koh Chin Koon	Independent Non-Executive Director	Malaysian	-	-	-	-	18,000 [#]	- [^]	-	-	118,000**	0.09	-	-

Notes:

* Deemed interest by virtue of his shareholding of more than 15% in LG Capital pursuant to Section 6A of the Act.

Assuming full subscription of his entitlement for the pink form allocation pursuant to the Public Issue.

[^] Less than 0.01 %.

** Assuming full exercise of the initial grant of up to 10,000,000 ESOS Options to the Eligible Employees and Directors of the Company.

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2. SUMMARY INFORMATION (Cont'd)

2.2.3 Key Management

The shareholdings of the key management of BPP Holding Group before and after the Public Issue, Offer For Sale and assuming full exercise of ESOS Options are as follows:-

Name	Designation	Nationality / Place of Incorporation	No. of BPP Holding Shares Held Before Public Issue and OFS		No. of BPP Holding Shares Held After Public Issue and OFS		No. of BPP Holding Shares Held After Public Issue, OFS And Full Exercise of ESOS Options							
			Direct	%	Direct	%	Direct	%	Indirect	%				
Lim Chun Yow	Group Managing Director	Malaysian	19,000,002	16.97	54,000,000*	48.21	7,000,002	5.84	54,000,000*	45.00	7,980,002^	6.14	54,000,000*	41.54
Tan See Khim	Executive Director	Malaysian	18,999,999	16.96	54,000,000*	48.21	6,999,999	5.83	54,000,000*	45.00	7,979,999^	6.13	54,000,000*	41.54
Hey Shiow Hoe	Executive Director	Malaysian	18,999,999	16.96	54,000,000*	48.21	6,999,999	5.83	54,000,000*	45.00	7,979,999^	6.13	54,000,000*	41.54
Lee Kuan Hook	Accountant	Malaysian	-	-	-	-	58,000^	0.05	-	-	179,000^	0.14	-	-
Kaw (Foo) See Boon	Production Manager	Malaysian	-	-	-	-	76,000^	0.06	-	-	245,000^	0.19	-	-
Yue Ah Huay	Production Manager	Malaysian	-	-	-	-	110,000^	0.09	-	-	730,000^	0.56	-	-
Hey Siew Yong	Administration Manager	Malaysian	-	-	-	-	110,000^	0.09	-	-	730,000^	0.56	-	-
Hey Sio Tong	Finance and Accounts Manager	Malaysian	-	-	-	-	110,000^	0.09	-	-	730,000^	0.56	-	-
Kelly Tan Eng Seng	Human Resource Manager	Malaysian	-	-	-	-	58,000^	0.05	-	-	195,000^	0.15	-	-
Lim Chin Hwee	Assistant Maintenance Manager	Malaysian	-	-	-	-	65,000^	0.05	-	-	180,000^	0.14	-	-
Ha Tian Cheen	Assistant Quality Assurance Manager	Malaysian	-	-	-	-	65,000^	0.05	-	-	180,000^	0.14	-	-

Notes:

* Deemed interest by virtue of his shareholding of more than 15% in LG Capital pursuant to Section 6A of the Act.

Assuming full subscription of the pink form allocation pursuant to the Public Issue.

^ Assuming full exercise of the initial grant of up to 10,000,000 ESOS Options to the Eligible Employees and Directors of the Company.

2. SUMMARY INFORMATION (Cont'd)

Detailed information on the Substantial Shareholders/Promoters, Directors and key management is set out in section 6 of this Prospectus.

2.3 Financial Highlights

The following table sets out the summary of the proforma profit records of the BPP Holding Group for the past five (5) FYE 31 December 2004.

This summary has been extracted from the Accountants' Report as set out in section 11 of this Prospectus and prepared based on the assumption that BPP Holding Group has been in existence throughout the years under review.

The proforma consolidated results have been prepared for illustrative purposes and should be read in conjunction with the accompanying notes and assumptions thereto as included in the Accountants' Report.

	←————— Audited —————→				
	←————— FYE 31 December —————→				
	2000	2001	2002	2003	2004
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	24,669	33,922	47,718	64,903	122,051
Cost of sales	(17,137)	(22,999)	(32,387)	(45,177)	(92,127)
Gross profit	7,532	10,923	15,331	19,726	29,924
Other income	61	139	155	441	851
General, administrative and selling expenses	(1,855)	(2,899)	(4,314)	(4,864)	(9,386)
EBITDA	5,738	8,163	11,172	15,303	21,389
Interest expense	(164)	(554)	(244)	(159)	(265)
Depreciation	(798)	(1,930)	(2,068)	(2,220)	(3,244)
PBT	4,776	5,679	8,860	12,924	17,880
Taxation	(824)	(961)	(1,060)	(2,258)	(3,168)
PAT	3,952	4,718	7,800	10,666	14,712
Number of ordinary shares of RM0.50 each assumed to be issued ('000)	112,000	112,000	112,000	112,000	112,000
Gross EPS (sen)	4.26	5.07	7.91	11.54	15.96
Net EPS (sen)	3.53	4.21	6.96	9.52	13.14

2. SUMMARY INFORMATION (Cont'd)

Notes:

- (1) *The proforma consolidated financial results have been prepared based on the audited financial statements after time apportionment for BP Plastics for 15 months financial period ended 31 December 2000 in order to be coterminous with the financial year end of the Group.*
- (2) *There were no extraordinary or exceptional items in all the financial years under review.*
- (3) *There were no MI in all the financial years under review.*
- (4) *The gross EPS has been calculated based on the PBT divided by the issued and paid up share capital of 112,000,000 ordinary shares assumed to be in issue before the Public Issue.*
- (5) *The net EPS has been calculated based on the PAT divided by the issued and paid up share capital of 112,000,000 ordinary shares assumed to be in issue before the Public Issue.*
- (6) *The taxation has been adjusted to reflect the under/over provision of deferred taxation in the respective financial years.*

Please refer to sections 10 and 11 of this Prospectus for more details of the proforma consolidated financial results of BPP Holding for the past five (5) FYE 31 December 2004.

2.4 **Summary Of Proforma Consolidated Balance Sheets Of BPP Holding Group As At 31 December 2004**

The following is a summary of the proforma consolidated balance sheets of BPP Holding as at 31 December 2004, prepared for illustration purposes only to show the effect of the Public Issue, Offer For Sale and assuming the full exercise of the ESOS Options as well as estimated Listing expenses on the assumption that the transactions were completed on 31 December 2004.

The proforma consolidated balance sheets have been extracted from and should be read in conjunction with the accompanying notes and assumptions included in the proforma consolidated balance sheets set out in section 10.11 of this Prospectus.

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2. SUMMARY INFORMATION (Cont'd)

	Audited consolidated balance sheet of BPP Holding as at 31 December 2004	Adjustment I	Proforma I	Adjustment II	Proforma II
	RM'000	RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	37,542		37,542		37,542
Negative goodwill	(2,243)		(2,243)		(2,243)
	<u>35,299</u>		<u>35,299</u>		<u>35,299</u>
CURRENT ASSETS					
Inventories	20,023		20,023		20,023
Trade receivables	16,831		16,831		16,831
Other receivables	2,632		2,632		2,632
Cash and bank balances	17,780	7,800	25,580	21,600	47,180
	<u>57,266</u>	<u>7,800</u>	<u>65,066</u>	<u>21,600</u>	<u>86,666</u>
CURRENT LIABILITIES					
Short term borrowings	1,827		1,827		1,827
Trade payables	11,814		11,814		11,814
Other payables	2,753		2,753		2,753
Tax payable	1,263		1,263		1,263
	<u>17,657</u>		<u>17,657</u>		<u>17,657</u>
NET CURRENT ASSETS	<u>39,609</u>	<u>7,800</u>	<u>47,409</u>	<u>21,600</u>	<u>69,009</u>
	<u>74,908</u>	<u>7,800</u>	<u>82,708</u>	<u>21,600</u>	<u>104,308</u>
FINANCED BY :					
Share capital	56,000	4,000	60,000	9,000	69,000
Retained profits	5,969		5,969		5,969
Share premium	1	3,800	3,801	12,600	16,401
Shareholders' equity	<u>61,970</u>	<u>7,800</u>	<u>69,770</u>	<u>21,600</u>	<u>91,370</u>
Term loans	7,826		7,826		7,826
Deferred taxation	5,112		5,112		5,112
Non-current liabilities	<u>12,938</u>		<u>12,938</u>		<u>12,938</u>
	<u>74,908</u>	<u>7,800</u>	<u>82,708</u>	<u>21,600</u>	<u>104,308</u>
Net tangible assets per share (RM)	<u>0.57</u>		<u>0.60</u>		<u>0.68</u>

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2. SUMMARY INFORMATION (Cont'd)

Notes: -

Proforma I - Proforma I incorporates the Public Issue of 8,000,000 new ordinary shares of RM0.50 each by the Company at an issue price of RM1.20 per share.

The Offer For Sale does not have any effect on the proforma consolidated balance sheets of BPP Holding Group.

The total gross proceeds of RM26.822 million from the Rights Issue and Public Issue will be utilised as follows: -

	RM'000
Purchase of land and construction of factory or purchase of land and factory	7,500
Purchases of plant and machinery	15,520
Working capital	2,002
Estimated share issue expenses	1,800
	<u>26,822</u>

Estimated share issue expenses of RM1,800,000 will be written off against the share premium account.

Proforma II - Proforma II incorporates Proforma I and the full exercise of the ESOS Options of up to 18,000,000 new ordinary shares of RM0.50 each by the Company at RM1.20 per share.

The ESOS is not expected to have any effect on the NTA per share of the Group until such time as the Options granted under the ESOS are exercised. Any potential effect of the ESOS on the NTA of the Group in the future would depend on the number of Options granted and exercised at any point in time as well as the price payable upon the exercise of the Options.

Detailed proforma consolidated balance sheets and the Reporting Accountants' letter thereon are set out in section 10.11 of this Prospectus respectively.

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2. SUMMARY INFORMATION *(Cont'd)*

2.5 Consolidated Profit And Dividend Forecast

2.5.1 Consolidated Profit Forecast

The consolidated profit forecast of BPP Holding Group for FYE 31 December 2005 is as follows:-

FYE 31 December	Forecast 2005 RM'000
Revenue	165,052
PBT	20,635
Taxation	(3,929)
PAT	16,706
Weighted average number of ordinary shares in issue ('000) ¹	118,667
Enlarged number of ordinary shares in issue ('000)	120,000
Based on weighted average number of ordinary shares in issue	
Gross EPS (sen)	17.39
Net EPS (sen)	14.08
Gross PE Multiple based on Issue/Offer Price of RM1.20 per share (times)	6.90
Net PE Multiple based on Issue/Offer Price of RM1.20 per share (times)	8.52
Based on enlarged number of ordinary shares assumed in issue²	
Gross EPS (sen)	17.20
Net EPS (sen)	13.92
Gross PE Multiple based on Issue/Offer Price of RM1.20 per share (times)	6.98
Net PE Multiple based on Issue/Offer Price of RM1.20 per share (times)	8.62

Note:

1. *Assuming completion of the Public Issue by February 2005 and no exercise of ESOS Options.*
2. *For illustrative purpose only.*

The Reporting Accountants' letter on the consolidated profit forecast together with the principal bases and assumptions and the Directors' analysis are set out in sections 10.7 and 10.8 of this Prospectus respectively.

2. SUMMARY INFORMATION (Cont'd)

2.5.2 Dividend Forecast

FYE 31 December	Forecast 2005
Gross tax-exempt dividend per ordinary share (sen)	5.00
Net tax-exempt dividend per ordinary share (sen)	5.00
Gross dividend yield based on the Issue/Offer Price of RM1.20 per ordinary share (%)	4.17
Net dividend yield based on the Issue/Offer Price of RM1.20 per ordinary share (%)	4.17
Net dividend cover (times)	2.78

2.6 Proforma Consolidated NTA

	Proforma Group NTA RM'000	NTA per BPP Holding Share RM
After adjusting for the Public Issue, Offer For Sale and assuming full exercise of the ESOS Options	93,613	0.68

2.7 Qualifications Of Audited Accounts

There were no qualifications reported in the audited accounts of BPP Holding Group for the past five (5) financial years ended 31 December 2004.

2.8 Summary Of Material Risk Factors

An investment in the shares listed involves a number of risks, some of which, including market, industry, liquidity, credit, operations, legal and regulatory risks, could be substantial and are inherent in the business of the Group. Investors should rely on their own evaluations and to carefully consider the following risk factors (which may not be exhaustive), before subscribing to any of the Issue/Offer Shares, which are the subject of this Prospectus.

The risk factors that should be considered include, but are not limited to the following:-

- Marketability of BPP Holding Shares;
- Ownership and control of the Group;
- Business risks;
- Key management and key personnel;
- Political, social and economic considerations;
- Profit forecast;
- Foreign exchange fluctuations;
- Domestic borrowings;
- Cross default risks and borrowings agreements;
- Governmental control and regulation;
- Insurance coverage on the Group's assets;
- Changes in technology;
- Competition;
- Environmental concerns and pressure groups;
- Capital and labour intensiveness;
- Dependency on other industries;
- Delay in the Listing; and
- Forward-looking statements.

2. SUMMARY INFORMATION (Cont'd)

Please refer to Section 4 for details of the abovesaid material risk factors, which should be considered by prospective investors. Investors are advised to carefully consider the material risk factors, together with other information contained in this Prospectus before subscribing to any of the Issue/Offer Shares, which are the subject of this Prospectus.

2.9 Principal Statistics Relating To The Public Issue/Offer For Sale

2.9.1 Share Capital

The following statistics relating to the Listing are derived from the full text of this Prospectus and should be read in conjunction with the text.

	RM
Authorised :	
200,000,000 ordinary shares of RM0.50 each	100,000,000
Issued and fully paid-up:	
Existing 112,000,000 ordinary shares of RM0.50 each	56,000,000
To be issued pursuant to the Public Issue:	
8,000,000 new ordinary shares of RM0.50 each	4,000,000
Enlarged share capital upon Listing	
120,000,000 ordinary shares of RM0.50 each	60,000,000
To be issued pursuant to full exercise of ESOS Options*:	
18,000,000 ordinary shares of RM0.50 each	9,000,000
Enlarged share capital upon full exercise of ESOS Options:	
138,000,000 ordinary shares of RM0.50 each	69,000,000
To be offered pursuant to the Offer for Sale:	
36,000,000 ordinary shares of RM0.50 each	18,000,000

Note:

* Based on 15% of enlarged share capital upon Listing.

2.9.2 Indicative Issue/Offer Price Per Ordinary Share

Issue/Offer Price per Share RM1.20

2.9.3 Status Of The Issue/Offer Shares

There is only one class of share in the Company, namely, ordinary shares of RM0.50 each, all of which rank pari passu with one another. The Issue/Offer Shares will rank pari passu in all respects with the existing issued and paid-up ordinary shares of the Company including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of this Prospectus.

2. SUMMARY INFORMATION (Cont'd)

2.10 Utilisation Of Proceeds

The total gross proceeds of RM26.822 million from the Rights Issue and Public Issue shall accrue entirely to BPP Holding and will be utilised as follows:-

Particulars	RM'000	Expected Time Frame for Utilisation of Proceeds
1. Purchase of land and construction of factory or purchase of land and factory ¹	7,500	within 2 years after date of the Listing
2. Purchases of plant and machinery ²	15,520	within 2 years after date of the Listing
3. Working capital	2,002	within 3 months after date of the Listing
4. Estimated Listing expenses	1,800	within 3 months after date of the Listing
Total	26,822	

Notes :

¹ The Group plans to utilise RM7.5 million to acquire a piece of land and construct a factory in close proximity to its existing land and factories. BP Plastics has entered into a Sale and Purchase Agreement on 25 November 2004 with Kontena Nasional Berhad ("Kontena") to purchase the piece of leasehold land held under HS (D) 28431 P.T.D No. 29032, Mukim Simpang Kanan, District of Batu Pahat, State of Johor Darul Takzim bearing the postal address of Lot 244, Kawasan Perindustrian Sri Gading, 83000 Batu Pahat, Johor measuring approximately 10 acres ("Said Land") for the purchase price of RM3,702,600. The sale and purchase of the Said Land is subject to and conditional upon Kontena obtaining, at its own costs and expense, the consent in writing of the State Authority to transfer the Said Land to BP Plastics. Upon the execution of the agreement, RM370,260 ("Deposit") has been paid to Kontena's solicitors who shall hold the same as stakeholders and are authorised to release the Deposit only upon receipt of the consent in writing of the State Authority.

² The Group intends to utilise approximately RM15.52 million to acquire several machinery and equipment including equipment for its multi-layer blown films. As at to date, the Group has acquired and paid for 2 units of extruding machines and 1 unit of printing machine amounting to approximately RM484,000. The Group has also placed a purchase order for 4 units of stretch film automatic rewinder for a contract price of Euro105,000.

In the event that the proposed utilisation under notes (1) and (2) above do not materialise, the total proceeds of RM23.02 million less RM0.484 million will be utilised to repay the Group's bank borrowings (except for borrowings from Malayan Banking Berhad Group as disclosed in section 8.2 of this Prospectus) which amounted to RM6.219 million as at 3 January 2005 and as general working capital. The Company undertakes that any variation to the proposed utilisation of proceeds (other than the abovementioned), if any, will be announced to the shareholders of BPP Holding and if necessary, to obtain the shareholders' approval.

BPP Holding shall bear all expenses such as brokerage, underwriting commission and registration fee relating to the Public Issue together with all other expenses and fees incidental to the Listing estimated at RM1.8 million.

No part of the gross proceeds arising from the Offer For Sale is receivable by BPP Holding. The gross proceeds from the Offer For Sale shall accrue entirely to the Offerors. The Offerors shall bear the stamp duty and other charges relating to the Offer For Sale.

Details of the proposed utilisation are set out in section 3.7 of this Prospectus.

2. SUMMARY INFORMATION (Cont'd)**2.11 Working Capital, Material Litigations, Material Commitments, Borrowings And Contingent Liabilities****(i) Working Capital**

The Board is of the opinion that after taking into account the funds generated from its existing operations, the banking facilities available and the net proceeds from the Rights Issue and Public Issue, BPP Holding Group will have sufficient working capital for a period of twelve (12) months from the date of this Prospectus.

(ii) Material Litigations

As at 3 January 2005, (being the latest practicable date prior to the printing of this Prospectus), the Company and its Subsidiary Companies are not engaged in any legal action, proceeding, arbitration or prosecution for any criminal offence, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its Subsidiary Companies and the Directors do not know of any proceedings pending or threatened or any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of BPP Holding or its Subsidiary Companies.

(iii) Material Capital Commitments

Save as disclosed below, as at 3 January 2005, (being the latest practicable date prior to the printing of this Prospectus), the Directors of BPP Holding are not aware of any capital commitments which, upon becoming enforceable, may have a material impact on the profit or net assets value of the BPP Holding Group.

- (a) Sale and Purchase Agreement dated 25 November 2004 between Kontena Nasional Berhad (Company No. 11065-T) ("Kontena") and BP Plastics wherein Kontena agreed to sell and BP Plastics agreed to purchase all that piece of leasehold land held under HS (D) 28431 P.T.D No. 29032, Mukim Simpang Kanan, District of Batu Pahat, State of Johor Darul Takzim bearing the postal address Lot 244, Kawasan Perindustrian Sri Gading, 83000 Batu Pahat, Johor and measuring approximately 10 acres ("Said Land") for the purchase price of RM3,702,600. Upon the execution of the agreement, RM370,260 ("Deposit") has been paid to Kontena's solicitors who shall hold the same as stakeholders and are authorised to release the Deposit only upon receipt of the consent in writing of the State Authority as referred to below.

The Said Land is subject to a restriction in interest that is "Tanah yang dikurniakan ini tidak boleh dijual, dipajak, dicagar, digadai atau dipindahmilik dengan apa cara sekalipun, termasuk dengan cara menggunakan segala surat perjanjian yang bertujuan untuk melepaskan/menjual tanah ini tanpa kebenaran Penguasa Negeri". As such, the sale and purchase of the Said Land is subject to and conditional upon Kontena obtaining, at its own costs and expense, the consent in writing of the State Authority to transfer the Said Land to BP Plastics ("Condition Precedent").

2. SUMMARY INFORMATION (Cont'd)

In the event that the Condition Precedent shall not have been fulfilled by Kontena on or before the expiry of Six (6) months from the date of the Agreement ("the Termination Date"), BP Plastics shall grant to Kontena a further term of three (3) months from the Termination Date ("the Extended Termination Date") or such further term to be mutually agreed by the parties, to fulfill the Condition Precedent. In the event the Condition Precedent is not fulfilled within the Extended Termination Date, BP Plastics shall have the option to terminate this agreement and thereafter, Kontena's solicitors shall cause to be refunded to BP Plastics all monies released to them pursuant to the sale and purchase on or before the expiry of Fourteen (14) days from the date of the termination notice and upon such refund Kontena shall be at liberty to sell or otherwise deal with the Said Land in such manner and to such persons as Kontena shall deem fit.

In the event BP Plastics shall fail to complete the sale and purchase of the Said Land in accordance with the provisions of the agreement, the Vendor shall be entitled to either the remedy of specific performance or to terminate the agreement whereupon a sum equivalent to the Deposit shall be forfeited as agreed liquidated damages and all sums paid to Kontena towards account of the purchase price (less the Deposit) shall be refunded to BP Plastics.

In the event Kontena shall fail to complete the sale and purchase of the Said Land in accordance with the provisions of the agreement, BP Plastics shall be entitled to either the remedy of specific performance or to terminate the agreement whereupon a sum equivalent to the Deposit shall be forfeited as agreed liquidated damages and all sums paid to Kontena towards account of the purchase price (including the Deposit) shall be refunded to BP Plastics.

- (b) Purchase Order dated 27 November 2004 between MAKLAUS srl and BP Plastics for a contract price of EUR105,000 whereby MAKLAUS srl agreed to supply 4 units of stretch film automatic rewinder for manual use to BP Plastics. Payment would be made upon delivery of the equipment.

(iv) Borrowings

Save for the short term loan of approximately RM2.018 million and the long term loan of approximately RM7.635 million, all of which are interest bearing, as at 3 January 2005 (being the latest practicable date at which such amount could be calculated prior to the date of this Prospectus), the BPP Holding Group does not have any other borrowings, indebtedness in the form of borrowings, including bank overdraft, liabilities under acceptances and hire purchase.

Details of the Group's outstanding bank borrowings and overdrafts facilities are as follows:-

	RM'000
<u>Short term</u>	
Interest bearing	2,018
<u>Long term</u>	
Interest bearing	7,635
Total outstanding borrowings	9,653

There have been no such instances of default on payments, either interest and/ or principal sums in respect of any borrowings throughout the past one (1) financial year and the subsequent financial period thereof, immediately preceding the date of this Prospectus.

2. SUMMARY INFORMATION (Cont'd)

(v) Contingent Liabilities

As at 3 January 2005, (being the latest practicable date prior to the printing of this Prospectus), the Directors of BPP Holding are not aware of any contingent liabilities which, upon becoming enforceable, may have a material impact on the profit or net assets value of the BPP Holding Group.

Details on the working capital, material litigations, material commitments, borrowings and contingent liabilities are set out in section 10 of this Prospectus.

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3. PARTICULARS OF THE PUBLIC ISSUE/OFFER FOR SALE

This Prospectus is dated 26 January 2005. A copy of this Prospectus has been registered with the SC. A copy of this Prospectus, together with the form of application, has also been lodged with the ROC and neither SC nor ROC takes any responsibility for its contents.

Approvals have been obtained from the SC in respect of the Public Issue and Offer for Sale on 16 July 2004. The approval from the SC shall not be taken to indicate that the SC recommends the initial public offering and/or the flotation of BPP Holding on the Main Board of Bursa Securities. Prospective investors should rely on their own evaluation to assess the merits and risks of any investments in the Company.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed BPP Holding Shares as a prescribed security. In consequence thereof, the shares issued/offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Issue Shares will be carried out in accordance with the Security Industry (Central Depositories) Act 1991 and the Rules.

An application will be made to Bursa Securities within three (3) market days from the date of this Prospectus for admission to the Official List of the Main Board of Bursa Securities and for permission to deal in and for the listing of and quotation for the entire issued and paid-up ordinary shares of RM0.50 each in BPP Holding, including the Issue Shares and the Offer Shares, which are the subject of this Prospectus. These ordinary shares will be admitted to the Official List of Main Board of Bursa Securities and official quotation will commence after the receipt of confirmation from Bursa Depository that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Acceptance of the Applications will be conditional upon permission being granted by Bursa Securities to deal in and for the listing of and quotation for the entire issued and fully paid-up share capital of BPP Holding on the Main Board of Bursa Securities. Accordingly, monies paid in respect of any application accepted from the Applications will be returned without interest if the said permission for Listing is not granted within six (6) weeks from the date of issue 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 Bursa Securities within the aforesaid timeframe.

Only an applicant who has a CDS account can make an Application by way of an Application Form. The applicant shall furnish his/her CDS account number in the space provided in the Application Form and he/she shall be deemed to have authorised Bursa Depository to disclose information pertaining to the CDS account to MIDFCCS or the Company. Where an applicant does not presently have a CDS account, he/she should open a CDS account at an ADA prior to making an application for the Issue Shares and Offer Shares. If a successful applicant fails to state his/her CDS account number, MIDFCCS under the instruction of the Company will reject the Application. In the case of an application by way of Electronic Share Application, only an applicant who is an individual and has CDS account can make an Electronic Share Application.

Pursuant to the Listing Requirements on shareholding spread, at least 25% of the issued and paid-up share capital of the Company must be held by a minimum number of 1,000 public shareholders holding not less than 100 shares each, upon completion of the Public Issue and the Offer For Sale and at the point of Listing. **In the event that the above requirement is not met pursuant to the Public Issue and the Offer For Sale, the Company may not be allowed to proceed with its Listing on the Main Board of Bursa Securities. In the event thereof, monies paid in respect of all Applications will be returned without interest if the said permission is not granted.**

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

3. PARTICULARS OF THE PUBLIC ISSUE/OFFER FOR SALE (Cont'd)

The distribution of this Prospectus is subject to Malaysian law and the Company takes no responsibility for the distribution of this Prospectus outside Malaysia. Persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an invitation to apply for or offer to sell any Issue Shares and Offer Shares in any jurisdiction in which such invitation or offer is not authorised or lawful or to any person to whom it is unlawful to make such invitation or offer.

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

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

3.1 Opening And Closing Of The Application

Applications will be accepted from 10.00 a.m. on 26 January 2005 and will close at 5.00 p.m. on 7 February 2005 or such other date or dates as the Directors of BPP Holding and/or the Offerors together with the Joint Managing Underwriters in their absolute discretion may decide. Should the closing date of the Application be changed, the dates for balloting and allotment of the Issue Shares and Offer Shares, and the listing of and quotation for the entire issued and paid-up share capital of BPP Holding on the Main Board of Bursa Securities would be changed accordingly. Any change to the closing date of the Application will be published in a widely circulated English and Bahasa Malaysia newspaper in Malaysia.

3.2 Date Of Special Events

Opening of the Public Issue/Offer For Sale	:	26 January 2005
Closing of the Public Issue/Offer For Sale	:	7 February 2005
Tentative Balloting Date	:	14 February 2005
Tentative Allotment Date	:	17 February 2005
Tentative Listing Date	:	23 February 2005

3.3 Purposes Of The Public Issue And Offer For Sale

The purposes of the Public Issue and Offer For Sale are as follows:-

- (i) To provide BPP Holding with access to the capital market to raise funds to finance the future growth and expansion of the Group;
- (ii) To provide additional funds to meet the present and future working requirements of the BPP Holding Group;
- (iii) To further enhance the Group's corporate reputation and assist the Group in expanding its customer base in Malaysia and internationally;
- (iv) To provide an opportunity for the Malaysian public, institutional investors, Independent Non-Executive Directors and employees of the BPP Holding Group to participate in the continuing growth of the Group; and
- (v) To enable BPP Holding to meet the National Development Policy objective on 30% Bumiputera shareholding upon Listing.

3. PARTICULARS OF THE PUBLIC ISSUE/OFFER FOR SALE (Cont'd)

3.4 Number And Class Of Securities To Be Issued/Offered

	RM
<i>Authorised :</i>	
200,000,000 ordinary shares of RM0.50 each	100,000,000
<i>Issued and fully paid-up:</i>	
Existing 112,000,000 ordinary shares of RM0.50 each	56,000,000
<i>To be issued pursuant to the Public Issue:</i>	
8,000,000 new ordinary shares of RM0.50 each	4,000,000
<i>Enlarged share capital upon Listing</i>	
120,000,000 ordinary shares of RM0.50 each	60,000,000
<i>To be issued pursuant to full exercise of ESOS Options*:</i>	
18,000,000 ordinary shares of RM0.50 each	9,000,000
<i>Enlarged share capital upon full exercise of ESOS Options:</i>	
138,000,000 ordinary shares of RM0.50 each	69,000,000
<i>To be offered pursuant to the Offer For Sale:</i>	
36,000,000 ordinary shares of RM0.50 each	18,000,000

Note

* Based on 15% of the enlarged share capital upon Listing.

There is only one class of shares in the Company, namely, ordinary shares of RM0.50 each, all of which rank pari passu with one another. The Issue/Offer Shares will rank pari passu in all respects with the other existing issued and paid-up ordinary shares of the Company including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of this Prospectus.

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

Each ordinary shareholder shall be entitled to vote at any general meeting of the Company 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.

The new ordinary shares of RM0.50 each in BPP Holding will, upon allotment and issue, rank pari passu in all respect with the existing ordinary shares of BPP Holding except that they shall not be entitled to any dividends, rights, allotments or other distributions declared prior to the date of allotment of the new ordinary shares.

3. PARTICULARS OF THE PUBLIC ISSUE/OFFER FOR SALE (Cont'd)

3.5 Details Of The Public Issue And Offer For Sale

In conjunction with the listing of BPP Holding, the Company will undertake the Public Issue of 8,000,000 new ordinary shares of RM0.50 each and Offer For Sale of 36,000,000 ordinary shares of RM0.50 each at an Issue/Offer price of RM1.20 per ordinary share. The Issue Shares and Offer Shares will be allocated in the following manner:-

(i) Bumiputera Investors Approved by MITI

36,000,000 Offer Shares have been reserved for Bumiputera investors approved by MITI.

(ii) Eligible Employees And Independent Non-Executive Directors

2,000,000 Issue Shares will be reserved for Eligible Employees and Independent Non-Executive Directors of BPP Holding Group.

The shares will be allocated to 159 Eligible Employees and Independent Non-Executive Directors of the Group based on the following criteria as approved by the Company's Board of Directors:-

- (a) Job position; and
- (b) Length of service

Details of the Independent Non-Executive Directors' pink form allocation are as follows:

Name	Designation	Pink Form Allocation Number of Shares
Boo Chin Liong	Independent Non-Executive Director	18,000
Koh Chin Koon	Independent Non-Executive Director	18,000
Total		36,000

In the event of under subscription, they will be made available for application by the Malaysian Public.

(iii) Malaysian Public

6,000,000 Issue Shares will be made available for application by Malaysian citizens, societies, co-operatives and institutions of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, societies, co-operatives and institutions.

8,000,000 ordinary shares of RM0.50 each which are made available to the Malaysian Public and Eligible Employees and Independent Non-Executive Directors of BPP Holding have been fully underwritten. Details of the brokerage fee and underwriting commission relating to the Public Issue are set out in this section 3.10 of the Prospectus.

3. PARTICULARS OF THE PUBLIC ISSUE/OFFER FOR SALE (Cont'd)

3.6 Basis Of Arriving At The Issue/Offer Price

The Issue/Offer Price of RM1.20 per ordinary share was determined and agreed upon by the Company, Offerors and Aseambankers as the Adviser, Joint Managing Underwriter and one of the Underwriters based on inter alia, the following factors:-

- (a) the Group's financial and operating history and conditions as outlined in section 10 of this Prospectus;
- (b) the prospects of the industry in which the Group operates as outlined in section 5 of this Prospectus;
- (c) the net PE Multiple of 8.62 times based on the forecast net EPS of 13.92 sen as set out in section 10 of this Prospectus;
- (d) the proforma Group NTA per share of RM0.68 after the Public Issue, Offer For Sale and assuming full exercise of the ESOS Options as set out in section 10 of this Prospectus; and
- (e) the forecast net dividend yield of 4.17% as set out in section 10 of this Prospectus.

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3. PARTICULARS OF THE PUBLIC ISSUE/OFFER FOR SALE (Cont'd)

3.7 Utilisation Of Proceeds

The Rights Issue and Public Issue are expected to raise total gross proceeds of approximately RM26.822 million and would be utilised by the Group in the following manner:-

Particulars	RM'000	Expected Time Frame for Utilisation of Proceeds
1. Purchase of land and construction of factory or purchase of land and factory ¹	7,500	within 2 years after date of the Listing
2. Purchases of plant and machinery ²	15,520	within 2 years after date of the Listing
3. Working capital	2,002	within 3 months after date of the Listing
4. Estimated Listing expenses	1,800	within 3 months after date of the Listing
Total	26,822	

Notes :

¹ The Group plans to utilise RM7.5 million to acquire a piece of land and construct a factory in close proximity to its existing land and factories. BP Plastics has entered into a Sale and Purchase Agreement on 25 November 2004 with Kontena Nasional Berhad ("Kontena") to purchase the piece of leasehold land held under HS (D) 28431 P.T.D No. 29032, Mukim Simpang Kanan, District of Batu Pahat, State of Johor Darul Takzim bearing the postal address of Lot 244, Kawasan Perindustrian Sri Gading, 83000 Batu Pahat, Johor measuring approximately 10 acres ("Said Land") for the purchase price of RM3,702,600. The sale and purchase of the Said Land is subject to and conditional upon Kontena obtaining, at its own costs and expense, the consent in writing of the State Authority to transfer the Said Land to BP Plastics. Upon the execution of the agreement, RM370,260 ("Deposit") has been paid to Kontena's solicitors who shall hold the same as stakeholders and are authorised to release the Deposit only upon receipt of the consent in writing of the State Authority.

² The Group intends to utilise approximately RM15.52 million to acquire several machinery and equipment including equipment for its multi-layer blown films. As at to date, the Group has acquired and paid for 2 units of extruding machines and 1 unit of printing machine amounting to approximately RM484,000. The Group has also placed a purchase order for 4 units of stretch film automatic rewinder for a contract price of Euro105,000.

The net proceeds after deducting estimated Listing expenses of RM1.8 million is RM25.022 million.

In the event that the proposed utilisation under notes (1) and (2) above do not materialise, the total proceeds of RM23.02 million less RM0.484 million will be utilised to repay the Group's bank borrowings (except for borrowings from Malayan Banking Berhad Group as disclosed in section 8.2 of this Prospectus) which amounted to RM6.219 million as at 3 January 2005 and as general working capital. The Company undertakes that any variation to the proposed utilisation of proceeds (other than the abovementioned), if any, will be announced to the shareholders of BPP Holding and if necessary, to obtain the shareholders' approval.

The estimated RM1.8 million in respect of expenses and fees incidental to the listing of and quotation for the entire issued and paid-up share capital of BPP Holding on the Main Board of Bursa Securities shall be borne by the Company.

3. PARTICULARS OF THE PUBLIC ISSUE/OFFER FOR SALE *(Cont'd)*

No part of the gross proceeds which amount to approximately RM43.20 million arising from the Offer For Sale is receivable by BPP Holding. The gross proceeds from the Offer For Sale shall accrue entirely to the Offerors. The Offerors shall bear the stamp duty and other charges relating to the Offer For Sale.

There is no minimum subscription to be raised from the Public Issue as the Issue Shares are fully underwritten.

3.8 Underwriters

The names of the Underwriters are as follows:-

Joint Managing Underwriters	:	Ascambankers Mercury Securities Sdn Bhd
Underwriters	:	Aseambankers Mercury Securities Sdn Bhd Mayban Securities Sendirian Berhad M&A Securities Sdn Bhd

The Underwriters may withdraw from their obligations under the Underwriting Agreement after the opening of the offer in the event that any of the warranties, representations, or undertakings given by the Company is breached prior to the Listing date and on the occurrence of any unforeseen circumstances beyond the reasonable control of the contracting parties.

3.9 Salient Terms Of The Underwriting Agreement

The Joint Managing Underwriters and the Underwriters mentioned herein have agreed to underwrite the following:-

- (i) 6,000,000 new ordinary shares in BPP Holding of RM0.50 each available for application by the Malaysian Public; and
- (ii) 2,000,000 new ordinary shares in BPP Holding of RM0.50 each available for application by Eligible Employees and Independent Non-Executive Directors of BPP Holding Group.

The salient terms of the underwriting agreement dated 3 September 2004 are as follows:-

3.9.1 Covenants And Undertakings By The Company

In consideration of the Underwriters agreeing, at the request of the Company, to underwrite all the Issue Shares ("the Underwritten Shares"), the Company covenants and undertakes to the Underwriters as follows:-

- (a) **Announcements:** the Company shall notify in writing and discuss with the Underwriters any announcement proposed to be made to the public which would conflict in any material respect with any statement in the Prospectus but the giving of any such notice or any such discussion shall not affect or prejudice the rights of any of the Underwriters hereunder;

3. PARTICULARS OF THE PUBLIC ISSUE/OFFER FOR SALE (Cont'd)

- (b) **Prospectus:** the Prospectus shall be in such form and substance satisfactory and acceptable to and approved by the SC and Bursa Securities and shall not contain any untrue statement or omit to state a material fact required or necessary to be stated therein to make the statements therein true, accurate and not misleading, and the Company shall promptly furnish to the Underwriters as many copies of the Prospectus as the Underwriters may reasonably request;
- (c) **Revision of Prospectus:** if any event shall occur or condition exist as a result of which it is necessary, in the opinion of the Company, after consultation with the Underwriters, to further amend or supplement the Prospectus in order that the Prospectus will not include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein true, accurate and not misleading in light of the circumstances existing at the time it is delivered to a purchaser, or if it shall be necessary to amend or supplement the Prospectus in order to comply with the requirements of the SC Act or such relevant guidelines issued by the relevant regulatory authorities, prompt notice shall be given without any delay, and confirmed in writing, to the Underwriters, and the Company shall prepare and file or register as soon as practicable such amendment or supplement to the Prospectus as may be necessary to correct such misstatement or omission or to make the Prospectus comply with such requirements and the Company shall furnish to the Underwriters, without charge, such number of copies of such amendment or supplement as the Underwriters may reasonably request. In this respect, the filing of any such amendment or supplement shall not constitute a waiver of any of the provisions set out in this Agreement;
- (d) **Distribution of Prospectus:** the Company shall not distribute the Prospectus or any relevant application forms for the Issue Shares or other material in any country or jurisdiction other than Malaysia;
- (e) **Compliance with the Act and the SC Act:** the Company shall comply with all relevant requirements and provisions of the Act and the SC Act in relation to the Public Issue and the Prospectus;
- (f) **Consents and Approvals:** all authorisations, approvals, consents or other orders required by the Company under the laws of Malaysia not already obtained by the Company for or in connection with the Public Issue shall be obtained and be in force and all other actions shall be taken by the Company to comply with all legal and other requirements necessary to ensure that the Public Issue shall not infringe any existing laws or terms of any such authorizations, approvals, consents or orders;
- (g) **Listing on Bursa Securities and Compliance:** the Company shall make the relevant application to Bursa Securities and obtain the approval of Bursa Securities for the Public Issue and the listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of Bursa Securities and shall, at all times, maintain the said listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of Bursa Securities, and shall comply with all conditions imposed by the SC and Bursa Securities, if any, in respect thereof and/or in respect of the Public Issue;
- (h) **Public Issue:** the Public Issue shall be on the terms and conditions of the Prospectus and the Company shall apply the proceeds of the Issue Shares solely for the purposes set out in the letter of approval of the SC dated 16 July 2004;

3. PARTICULARS OF THE PUBLIC ISSUE/OFFER FOR SALE (Cont'd)

- (i) **Undertaking to Inform:** the Company shall promptly and without any delay notify the Underwriters of and provide the Underwriters with any facts, information, situations or circumstances which the Underwriters may reasonably need or require in relation to the Public Issue or which the Company believes may have or is likely to have a material adverse effect on the success of the Public Issue or on the sale of any Underwritten Shares and in particular and without prejudice to the generality of the foregoing, of any material adverse effect on the financial condition or business or operations of the Company, or on the prospects or future financial condition or business or operations of the Company or which affect any of the aforesaid representations or warranties at any time prior to the Closing Date or the Extended Closing Date, as the case may be, and take such steps as may be reasonably requested by the Underwriters to remedy and/or publicise the same;
- (j) **Closing Date:** the Closing Date unless extended in accordance with the provisions of this Agreement, shall not be later than ten (10) Market Days following the date of the Prospectus. In this respect, any extension to the Closing Date shall require the approval of the Company and the Joint Managing Underwriters, who may, in their sole and absolute discretion, agree to the same subject to the approvals of the relevant authorities;
- (k) **Notice of Certain Events:** Without prejudice to the generality of **Clause 4.1 (i)** of the Underwriting Agreement, the Company shall promptly and without any delay notify the Underwriters of the following:
- (i) the transmittal to the SC for filing or registration of any supplement to the Prospectus;
 - (ii) the receipt of any comments from the SC with respect to the Prospectus or any supplement to the Prospectus;
 - (iii) any request by the SC for any amendment or supplement to the Prospectus or for additional information; and
 - (iv) the issuance by the SC of any order suspending the effectiveness of the listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of Bursa Securities or the initiation of any proceedings for that purpose. In this respect, the Company shall make every reasonable effort to prevent the issuance of any such order and, if any such order is issued, to obtain the lifting thereof at the earliest possible time unless the Company shall, in consultation with the Underwriters, determine that it is not in its best interest to do so;
- (l) **Costs:** the Company shall pay all and any stamp duties and other fees, taxes or duties, including any interest and penalties resulting from delay or omission on the part of the Company, payable in Malaysia on or in connection with the execution and enforcement of the Underwriting Agreement, the Public Issue and/or the creation, issue and allotment of the Issue Shares;
- (m) **Further Assurance:** the Company shall execute and do and procure all other persons, if necessary, to execute and do all such further deeds, assurance, acts and things as may be reasonably required in order to implement and complete the Public Issue so that full effect may be given to the terms and conditions of this Agreement;

3. PARTICULARS OF THE PUBLIC ISSUE/OFFER FOR SALE (Cont'd)

- (n) **Delivery of Resolutions:** the Company shall deliver to the Underwriters, certified true copies of all relevant resolutions of the board of directors and shareholders of the Company relating to the Public Issue and this Agreement as the Underwriters may reasonably require; and
- (o) **Conditions Precedent:** the Company shall use its best endeavours to procure the fulfillment of all the conditions precedent in **Clause 6.1** of the Underwriting Agreement.

3.9.2 Conditions Precedent For Underwriting

3.9.2.1 The obligations of the Underwriters under this Agreement shall be conditional upon the fulfillment and/or satisfaction of the following:-

- (a) the Bursa Securities having agreed in principle on or prior to the Closing Date or such other date as may be agreed between the Joint Managing Underwriters and the Company, to the listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of Bursa Securities;
- (b) the issuance of and subscription for the Issue Shares pursuant to and in accordance with the provisions hereof and in the Prospectus not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any agency, legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);
- (c) the registration of the Prospectus with the SC pursuant to the SC Act and subsequent lodgement of the Prospectus with the ROC;
- (d) there having been, as at any time hereafter up to and including the Closing Date or the Extended Closing Date, as the case may be, no event of default pursuant to the provisions herein contained, and no breach of any representation, warranty, covenant, undertaking or obligation of the Company in the Underwriting Agreement or which is contained in any certificate, statement, or notice provided under or in connection with the Underwriting Agreement or which proves to be incorrect in any material respect;
- (e) the Public Shareholding Spread being met upon the listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of Bursa Securities or, subject to the respective approvals of SC and the Bursa Securities, within six (6) months or such other period as may be approved by the relevant authorities from the date of the listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of Bursa Securities;
- (f) all agreements in relation to the Offer for Sale, in a form acceptable to the Joint Managing Underwriters, having been duly executed prior to the issuance of the Prospectus;

3. PARTICULARS OF THE PUBLIC ISSUE/OFFER FOR SALE (Cont'd)

- (g) the shares in respect of the Offer for Sale having been fully subscribed by the Bumiputera investors approved by MITI or, subject to the respective approvals of SC, FIC, MITI and any other relevant authorities, the shares in respect of the Offer for Sale having been deposited in a stakeholders' account up to six (6) months or such other period as may be approved by the relevant authorities from the date of the listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of the Bursa Securities, in accordance with a stakeholder agreement to be entered into between the Offerors and the stakeholder(s) to be appointed;
- (h) the issuance of the Prospectus within two (2) months from the date of the Underwriting Agreement or such other date as may be mutually agreed between the parties in writing;
- (i) the Joint Managing Underwriters having been satisfied that the Company has complied and that the Public Issue is in compliance with the policies, guidelines and requirements of the SC and all revisions, amendments and/or supplements thereto; and
- (j) there having been, as at any time hereafter up to and including the Closing Date or the Extended Closing Date, as the case may be, no material adverse change, or any development involving a prospective material adverse change, in the financial condition or business or operations of the Company or business or operations of the Company or in the prospects or future financial condition or business or operations of the Company (which in the reasonable opinion of the Underwriters, is or will be material in the context of the Public Issue and the sale of any Underwritten Shares by the Underwriters) from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect to such extent which is or will be material in any of the representations, warranties, covenants and undertakings and obligations of the Company herein contained.

The conditions precedent are inserted for the sole benefit of the Underwriters and may be waived by the Underwriters in whole or in part with or without terms or conditions.

3.9.2.2 In the event any of the conditions set forth in **Clause 6.1** of the Underwriting Agreement are not satisfied on or before the Closing Date or Extended Closing Date, as the case may be, the Underwriters shall, be entitled to forthwith terminate the Underwriting Agreement by notice in writing given to the Company and thereafter, this Agreement shall become null and void and of no further force and effect and none of the parties shall have a claim against the other save and except that the Company shall remain liable in respect of its obligations and liabilities hereunder including the payment of the underwriting commission and the payment of costs and expenses as provided in **Clause 14** of the Underwriting Agreement which has already been incurred prior to or in connection with such termination and for any antecedent breach under the Underwriting Agreement.

3. PARTICULARS OF THE PUBLIC ISSUE/OFFER FOR SALE (Cont'd)

3.9.3 Undersubscription Of The Underwritten Shares

If, on the Closing Date or the Extended Closing Date as the case may be or such later date as the directors of the Company may determine in agreement with the Underwriters, the whole of the Underwritten Shares have been validly taken up in full, then no allotment of the Underwritten Shares shall be made to the Underwriters, but, if on such date, the Underwritten Shares shall not have been validly taken up in full, then the Underwriters shall be bound, subject to the fulfillment of the conditions in **Clause 6.1** of the Underwriting Agreement, to subscribe for so much of the Underwritten Shares not subscribed pursuant to the Public Issue in proportion with their respective commitments as stipulated in **Column 3** of the **Schedule** of the Underwriting Agreement upon the terms and subject to the conditions of the Underwriting Agreement.

3.9.4 Termination

Notwithstanding anything contained in the Underwriters may, at any time, be entitled to terminate their obligations under the Underwriting Agreement by notice in writing delivered to the Company, if in the reasonable opinion of the Underwriters, there shall have occurred, happened or come into effect, any of the following circumstances, on or before the Closing Date or the Extended Closing Date as the case may be, namely:-

- (a) any government requisition or other occurrence of any nature whatsoever which would or is likely to have a material adverse effect on the financial condition or business or operations of the Company, and/or the prospects or future financial condition or business or operations of the Company;
- (b) any change in national or international monetary, financial, political or economic conditions or exchange control or currency exchange rates which would or is likely to have a material adverse effect on the success of the Public Issue, and the distribution of the Issue Shares or the sale of any Underwritten Shares (whether in the primary or in respect of dealings on the secondary market);
- (c) any change in law, regulation, directive, policy or ruling in any jurisdiction which would or is likely to have a material adverse effect on the success of the Public Issue and the distribution of the Issue Shares or the sale of any Underwritten Shares (whether in the primary or in respect of dealings on the secondary market);
- (d) any event or series of events beyond the reasonable control of the Underwriters by reason of force majeure which has or is likely to make this Agreement or any part thereof incapable of performance or which would or is likely to have a material adverse effect on the success of the Public Issue and the distribution of the Issue Shares or the sale of any Underwritten Shares.

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3. PARTICULARS OF THE PUBLIC ISSUE/OFFER FOR SALE (Cont'd)

“Force Majeure” shall mean causes which are unpredictable and beyond the reasonable control of the party claiming force majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation [including without limitation (i) war, acts of warfare, hostilities (whether war be declared or not) invasion, incursion by armed force, act of hostile army, nation or enemy; (ii) riot, uprising against constituted authority, civil commotion, disorder, rebellion, organised armed resistance to the government, insurrection, revolt, military or usurped power, civil war, industrial action; (iii) flood, fire, arson, storm, lightning tempest, accident, or other Acts of God; and (iv) epidemic, explosion, disease, earthquake, hijacking, sabotage, crime];

- (e) any breach of any representation, warranty, covenant, undertaking or obligation of the Company in this Agreement or which is contained in any certificate, statement, or notice provided under or in connection with this Agreement or which proves to be incorrect in any material respect;
- (f) the occurrence of any event or the discovery of any fact rendering inaccurate, untrue or incorrect to such extent which is or will be material in any of the representations, warranties, covenants and undertakings and obligations of the Company herein contained;
- (g) any withholding of information by the Company from the Underwriters of information of material nature which is required to be disclosed pursuant to this Agreement which in the opinion of the Underwriters, would have or can be reasonably be expected to have, a material adverse effect on the business or operations of the Company; or
- (h) the average Kuala Lumpur Composite Index shall fall below seven hundred (700) points for three (3) consecutive Market Days within the period from the date of this Agreement until the Closing Date or the Extended Closing Date, as the case may be.

Upon the delivery of such notice referred to in **Clause 13.1** of the Underwriting Agreement by the Underwriters, the following shall take place within seventy-two (72) hours of the receipt of such notice:

- (a) the Company shall make payment of the underwriting commission to the Underwriters; and
- (b) each party shall return all other monies (in the case of the Underwriters, after deducting the underwriting commission due and owing to the Underwriters hereunder) paid to the other under the Underwriting Agreement (except for monies paid by the Company for the payment of the expenses as provided hereunder);

and thereafter, the Underwriting Agreement shall become null and void and of no further force and effect and none of the parties shall have a claim against the other save and except in respect of any antecedent breaches.

The Underwriters and the Company may confer with a view to deferring the Public Issue or amending its terms or the terms of the Underwriting Agreement and enter into a new underwriting agreement accordingly, but neither the Underwriters nor the Company shall be under any obligation to make a fresh agreement.

3. PARTICULARS OF THE PUBLIC ISSUE/OFFER FOR SALE (Cont'd)

3.10 Underwriting Commission And Brokerage Fees

The Underwriters mentioned earlier in this Prospectus have agreed to underwrite the Issue Shares which are made available to the Malaysian Public and Eligible Employees and Independent Non-Executive Directors of BPP Holding Group. Underwriting commission is payable by the Company at the rate of 2% of the Issue/Offer Price of RM1.20 per ordinary share.

Brokerage relating to the Public Issue and the Offer For Sale is payable by the Company and the Offerors respectively at the rate of 1% of the Issue/Offer Price of RM1.20 per ordinary share in respect of successful Applications which bear the stamp of Aseambankers, participating organisations of Bursa Securities, a member of the Association of Banks in Malaysia, a member of the Association of Merchant Banks in Malaysia or MIDFCCS.

The Company shall bear all expenses such as brokerage and underwriting commissions, registration fee relating to the Public Issue together with all other expenses and fees incidental to the listing of and quotation for the entire issued and paid-up capital of BPP Holding on the Main Board of Bursa Securities estimated at RM1.8 million.

The Offerors shall bear the brokerage and any other related expenses and fees relating to the Offer For Sale.

3.11 Estimated Listing Expenses

The estimated Listing expenses for the listing of and quotation for the enlarged issued and paid-up share capital of BPP Holding comprising 120,000,000 ordinary shares of RM0.50 each on the Main Board of Bursa Securities are as follows:-

	To be borne by BPP Holding RM
Fee payable to Bursa Securities	60,000
Prospectus lodgement and registration fee	15,000
Fee payable to SC	80,000
Issuing house fee, registrar's fee, translation fee	135,000
Printing of Application Forms, share certificates and prospectuses	400,000
Professional advisory fees	760,000
Underwriting commission and brokerage	288,000
Other miscellaneous expenses and contingencies	62,000
Total	1,800,000

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