
11.0 FINANCIAL INFORMATION

11.1 Financial Record

The following table sets out a summary the audited proforma consolidated results of PERMAJU Group for the last five (5) financial years ended 31 December 1998 and six (6) month period ended 30 June 1999 and are extracted from the Accountant Reports in Section 12.0 and should be read in conjunction with the notes thereto.

The proforma consolidated results which are based on the audited results of PERMAJU Group are presented for illustrative purposes only on the assumption that the current PERMAJU Group structure had been in existence throughout the period under review.

	<-----Proforma----->					
	<-----Year ended 31 December ----->					6 months ended
	1994	1995	1996	1997	1998	30.06.99
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	109,690	116,649	125,881	130,441	96,212	48,184
Profit before depreciation and interest	15,382	13,302	17,781	24,181	21,093	13,295
Depreciation	(4,707)	(3,156)	(3,262)	(3,709)	(3,773)	(1,877)
Interest expense	(533)	(1,066)	(1,547)	(1,721)	(2,355)	(688)
Profit before taxation	10,142	9,080	12,972	18,751	14,965	10,730
Taxation	(1,913)	(2,370)	(880)	(5,423)	(2,528)	(7)
Profit after taxation	8,229	6,710	12,092	13,328	12,437	10,723
Number of ordinary shares assumed to be in issue ('000)	35,420	35,420	35,420	35,420	35,420	35,420
Gross EPS (sen)	28.6	25.6	36.6	52.9	42.3	*60.5
Net EPS (sen)	23.2	18.9	34.1	37.6	35.1	*60.5

* Annualised

11.0 FINANCIAL INFORMATION (Cont'd)

Notes:

- (i) *The summarised proforma consolidated results are prepared for illustrative purposes only and are based on the audited accounts of FNS,SSB and FNship as PERMAJU has been dormant since the date of incorporation.*
- (ii) *The proforma consolidated results have been prepared based on accounting policies consistent with those previously adopted in the preparation of the audited financial statements of the subsidiary companies.*
- (iii) *The above results are arrived at after making adjustments for inter-company transactions*
- (iv) *The taxation charge is computed after taking into consideration the differences in treatment of certain expenses incurred during the period under review which are not allowable for tax purposes, capital allowances and reinvestment allowances available for set off against taxable profit and the pioneer status obtained by SSB, a subsidiary company of PERMAJU for five years ended 31 January 1996. The pioneer status of SSB was extended for another 5 years to 31 January 2001. Therefore, the effective tax rate defers materially from the amount determined by applying the statutory tax rates of those years to the respective year's results.*
- (v) *The slight decrease in profit before taxation in 1995 was mainly due to the introduction of export cess on the Seraya laminated board by the Sabuh State Government during the year which as a result has significantly reduced its profit margin. In addition, the sales volume of laminated board has also decreased substantially in 1995 mainly due to stabilisation in the world demand for laminated board after two consecutive extraordinary years of increased demand for laminated board in 1993 and 1994.*
- (vi) *The significant increase in profit before taxation for the financial years 1996 and 1997 was mainly due to the overall increase in wood product prices and greater demand of finished wood products in the international market.*
- (vii) *The decrease in turnover and profit in 1998 was mainly due to the regional financial crisis resulting in lower demand for wood products.*
- (viii) *The tax expense for the financial period ended 30 June 1999 represents adjustment for underprovision for taxation for the previous year. No taxation is provided for the financial period ended 30 June 1999 as the financial period falls in the year of assessment 2000 where tax on income earned is expected to be waived*
- (ix) *There were no extraordinary items in respect of the financial years under review.*
- (x) *The proforma gross EPS is computed based on the profit before taxation and the number of ordinary shares assumed in issue of 35,419,703 ordinary shares of RM1.00 each after the acquisitions of FNS, SSB and FNship.*
- (xi) *The proforma net EPS is computed based on the profit after taxation and the number of ordinary shares assumed in issue of 35,419,703 ordinary shares of RM1.00 each after the acquisitions of FNS,SSB and FNship.*

11.0 FINANCIAL INFORMATION (Cont'd)

11.2 Consolidated Profit Forecast and Assumptions

The Directors of PERMAJU forecast that, barring unforeseen circumstances, the consolidated profit before and after taxation for the financial year ending 31 December 1999 will be as follows:-

	Forecast 1999 RM'000
Consolidated profit before taxation	16,115
Taxation	(7)
Consolidated profit after taxation	<u>16,108</u>
Dividend payable to vendors of FNS, SSB and FNship	(11,437)
Consolidated profit after taxation attributable to shareholders of PERMAJU after the acquisitions	<u><u>4,671</u></u>
Enlarged issued and paid-up share capital	45,000
Weighted average number of shares in issue	13,083
Gross EPS (sen)*	35.8
Gross EPS (sen)**	123.2
Net EPS (sen)*	35.8
Net EPS (sen)**	123.1
Gross PE multiple based on the issue price of RM2.50 per ordinary share (times)*	7.0
Gross PE multiple based on the issue price of RM2.50 per ordinary share (times)**	2.0
Net PE multiple based on the issue price of RM2.50 per ordinary share (times)*	7.0
Net PE multiple based on the issue price of RM2.50 per ordinary share (times)**	2.0

* Based on the enlarged issued and paid-up share capital of 45,000,000 ordinary shares of RM1.00 each

** Based on the weighted average number of shares in issue of 13,082,712 ordinary shares of RM1.00 each

11.0 FINANCIAL INFORMATION (Cont'd)

The principal bases and assumptions upon which the consolidated profit forecast have been made are as follows:

1. There will be no material changes in the principal activities and structure of the Group.
2. There will be no material changes in the existing accounting, management, marketing and operation policies of the Group.
3. There will be no significant changes in the prevailing market conditions or demand for the Group's timber products in Malaysia and overseas which will adversely affect the performance of the Group.
4. There will be no material changes in the present legislation and government regulations, rates and bases of duties, levies, cess and taxes regulating the timber industry particularly that there will be no significant increase in timber processing royalties and export cess for timber products.
5. There will be no major breakdown in the manufacturing and hiring facilities, major industrial disputes, economic and political changes or any abnormal circumstances which will adversely affect the operations of the Group.
6. There will be no significant changes in the level of inflation.
7. There will be no adverse movements in foreign currency exchange rates which will materially affect the Group's operations. The exchange rate used in the forecast is RM3.80 to USD1.00.
8. The existing financing facilities will remain available to the Group at the prevailing interest rates.
9. There will be no material fluctuations in the forecasted average selling prices and sales volumes of the Group's timber products which will adversely affect the performance of the Group.
10. There will be no significant disruptions in the supply and quality of timber logs or any unfavourable conditions that will adversely affect the production and recovery rates of the Group's timber products.
11. The cost of materials, labour and overheads for the Group's production will not change materially from the present levels.
12. The tax expense for the financial year ending 31 December 1999 represents adjustment for underprovision for taxation for the previous year. No taxation is provided for the financial year ending 31 December 1999 as the financial year falls in the year of assessment 2000 where tax on income earned is expected to be waived.

11.1 FINANCIAL INFORMATION (Cont'd)

**11.3 Reporting Accountants' Letter on the Consolidated Profit Forecast
(Prepared for inclusion in this Prospectus)**

Ernst & Young
Public Accountants
Bangunan Sabah Bank
2nd Floor, Jalan Utara
91 000 Tawau
Sabah

17 September 1999

The Board of Directors
Permaju Industries Berhad
MPT No. 3477, 3rd Floor
Lorong Abaca 1
Off Jalan Masjid
9 1000 Tawau
Sabah

Gentlemen

PERMAJU INDUSTRIES BERHAD

CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER 1999

We have reviewed the accounting policies and calculations for the consolidated profit forecast of Permaju Industries Berhad (“**PERMAJU**”) and its subsidiary companies (“the Group”), for which the Directors are solely responsible, for the financial year ending 31 December 1999 prepared as set out in the Prospectus to be dated 30 September 1999 in connection with the Public Issue of **6,850,000** new ordinary shares of **RM1.00** each in **PERMAJU** at an issue price of **RM2.50** per share and the listing of and quotation for the entire enlarged issued and paid-up share capital of **PERMAJU** comprising **45,000,000** ordinary shares of **RM1.00** each on the Second Board of the Kuala Lumpur Stock Exchange.

In our opinion, the consolidated profit forecast, so far as the accounting policies and calculations are concerned, have been properly compiled on the basis of the assumptions made by the Directors as set out in the Prospectus and are presented on a basis consistent with the accounting policies normally adopted by the Group.

Yours faithfully,

ERNST & YOUNG

No. AF: 0039
Public Accountants

PANG PAK LOK

No. 1228/3/01 (J)
Partner of Firm

11.0 FINANCIAL INFORMATION *(Cont'd)*

11.4 Dividend Forecast

It is the policy of the Directors of PERMAJU to recommend dividends to allow shareholders to participate in the profits of the Company as well as leaving adequate resources for the future growth of the Company.

Based on the consolidated profit forecast for the financial year ending 31 December 1999, the Directors of PERMAJU anticipate that in the absence of unforeseen circumstances, the Company will be in the position to propose a 8% dividend for the financial year ending 31 December 1999 based on the enlarged issued and paid-up share capital of **45,000,000** ordinary shares.

The intended appropriation of the forecast consolidated profit forecast for the financial year ending 31 December 1999 would be as follows:

Year Ending 31 December 1999	RM'000
Consolidated profit before taxation	16,115
Less: Taxation	<u>(7)</u>
Consolidated profit after taxation	16,108
Less: Dividend payable to vendors of FNS, SSB and FNship	(11,437)
	<hr/>
Consolidated profit after taxation attributable to shareholders of PERMAJU after the Acquisitions	4,671
Less: Dividend of 8 sen per share, tax exempt	<u>3,600</u>
Consolidated retained profit for the year	<u>1,071</u>
	<hr/>
Tax exempt dividend yield based on issue price of RM2.50 per PERMAJU share (%)	3.2
Dividend (tax exempt) cover (times)	1.3

11.0 FINANCIAL INFORMATION (Cont'd)

11.5 Proforma Consolidated Balance Sheets
(Prepared for the inclusion in this Prospectus)
**PROFORMA CONSOLIDATED BALANCE SHEETS OF PERMAJU INDUSTRIES BERHAD
AND ITS SUBSIDIARY COMPANIES
(HEREINAFTER REFERRED TO AS “PERMAJU GROUP”) AS AT 30 JUNE 1999**

The Proforma Consolidated Balance Sheets of PERMAJU Group as at 30 June 1999 set out below are provided for illustrative purposes only to show the effects of the acquisition of the entire issued and paid-up share capital of FNS, SSB and FNship (“Acquisitions”) after the incorporation of revaluation surplus of the landed properties of FNS and SSB as approved by the Securities Commission, the Rights Issue and Public Issue on the assumption that these transactions were completed on 30 June 1999:

		I	II	III
	Company Audited as at 30.06.1999 RM'000	Proforma Group After Acquisitions RM'000	Proforma Group After I and Rights Issue RM'000	Proforma Group After II and Public Issue RM'000
FIXED ASSETS		45,310	48,663	60,310
DEFERRED EXPENDITURE	12	12	12	12
CURRENT ASSETS				
Stocks	-	20,174	20,174	20,174
Trade debtors		17,354	17,354	17,354
Other debtors and deposits	-	3,742	3,742	3,742
Cash and bank balances		4,435	4,435	5,413
	<u>*2</u>	<u>45,705</u>	<u>45,705</u>	<u>46,683</u>
CURRENT LIABILITIES				
Amounts due to bankers		1,057	1,057	1,057
Trade creditors		421	421	421
Other creditors	12	11,773	11,773	11,773
Term loans		7,385	7,385	4,885
Provision for taxation		1,045	1,045	1,045
Dividend payable		8,908	8,908	8,908
	<u>12</u>	<u>30,589</u>	<u>30,589</u>	<u>28,089</u>
NET CURRENT (LIABILITIES)/ ASSETS	(12)	15,116	15,116	18,594

11.0 FINANCIAL INFORMATION (Cont'd)

	I	II	III
	Proforma	Proforma	Proforma
	Group	Group	Group
	After	After I and	After II and
	Acquisitions	Rights Issue	Public Issue
	RM'000	RM'000	RM'000
	Company		
	audited as at		
	30.6.1999		
	RM'000		
LONG TERM LIABILITY			
Term loans		4,461	4,461
DEFERRED TAXATION		1,144	1,144
	<u>*2</u>	<u>54,833</u>	<u>73,311</u>
FINANCED BY			
Share capital	**2	35,420	45,000
Share premium		623	8,898
Reserves		<u>19,413</u>	<u>19,413</u>
	<u>*2</u>	<u>54,833</u>	<u>73,311</u>
NTA per share (RM)	6,000	1.55	1.53
		1.53	1.63

* represents RM2

** represents 2 ordinary shares of RM2 each

11.0 FINANCIAL INFORMATION (Cont'd)

**NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS OF PERMAJU INDUSTRIES BERHAD AND ITS SUBSIDIARY COMPANIES
AS AT 30 JUNE 1999**

- (a) The Proforma Consolidated Balance Sheets have been prepared based on the audited balance sheets of PERMAJU and its subsidiary companies as at 30 June 1999 and are provided for illustrative purposes only to show the effects of the following events on the assumption that they were effected on 30 June 1999:
- (i) The acquisition of the entire issued and paid-up share capital of FNS comprising 10,888,800 ordinary shares of RMI .00 each for a purchase consideration of RM31,687,392 satisfied by an issuance of 25,804,065 new ordinary shares of RM 1 .00 each in PERMAJU at an issue price of RMI .228 per share credited as fully paid-up;
 - (ii) The acquisition of the entire issued and paid-up share capital of SSB comprising 4,000,002 ordinary shares of RM1.00 each for a purchase consideration of RM9,052,911 satisfied by an issuance of 7,372,077 new ordinary shares of RM1.00 each in PERMAJU at an issue price of RM1.228 per share credited as fully paid-up;
 - (iii) The acquisition of the entire issued and paid-up share capital of FNship comprising 1,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM2,755,090 satisfied by an issuance of 2,243,559 new ordinary shares of RM1.00 each in PERMAJU at an issue price of RMI .228 per share credited as fully paid-up;
 - (iv) On 29 June 1999, the SC approved a total revaluation surplus of RM14,487,294 for the revaluation of landed properties of FNS and SSB amounting to RM8,662,456 and RM5,824,838 respectively which will be incorporated into the revaluation reserve accounts of FNS and SSB for the financial year ending 31 December 1999;
 - (v) A Rights Issue of 2,730,297 new ordinary shares of RM 1 .00 each in PERMAJU at an issue price of RM1.228 per share credited as fully paid-up on the basis of approximately 0.0771 new ordinary share for every existing share held after the acquisitions of FNS, SSB and FNship; and
 - (vi) Public Issue of 6,850,000 new ordinary shares of RM1.00 each in PERMAJU at an issue price of RM2.50 per share payable in full on application.
 - (vii) The proceeds from the Rights Issue of approximately RM3.35 million and Public Issue of approximately RM 17.12 million will be utilised as follows:-
 - RM 15.00 million to purchase machinery
 - RM2.50 million to repay bank borrowings
 - RM0.97 million for working capital purpose
 - RM2.00 million for the listing expenses
 - (viii) The estimated listing expenses amounting to RM2.0 million will be charged against the share premium account.

11.0 FINANCIAL INFORMATION (Cont'd)

- (b) The movements of the issued and paid-up share capital of PERMAJU after implementation of the flotation scheme set out in note (a) above, are as follows:

	RM'000
As at 30 June, 1999	*
Issue of 35,419,701 new ordinary shares of RM1.00 each at RM1.228 per share for the acquisitions of the entire issued and paid-up share capital of FNS, SSB and FNship	<u>35,420</u>
After the acquisitions	35,420
Rights Issue	<u>2,730</u>
After the acquisitions and Rights Issue	38,150
Public Issue	<u>6,850</u>
After the acquisitions, Rights Issue and Public Issue	<u>45,000</u>

* represents 2 ordinary shares of RM 1 .00 each

- (c) Inter-company balances have been eliminated in arriving at the Proforma Consolidated Balance Sheets.
- (d) The Proforma Consolidated Balance Sheets of PERMAJU are prepared based on the merger method of accounting in accordance with Malaysian Accounting Standard No. 2.
- (e) The merger deficit arising from the acquisitions of FNS, SSB and FNship is as follows:

	<-----On acquisitions of ----->			
	FNS RM'000	SSB RM'000	Fnship RM'000	
Par value of shares issued	25,804	7,372	2,244	35,420
Less: Par value of shares acquired	<u>(10,889)</u>	<u>(4,000)</u>	<u>(1,000)</u>	<u>(15,889)</u>
Merger deficit	<u>14,915</u>	<u>3,372</u>	<u>1,244</u>	<u>19,531</u>

The merger deficit has been set-off as follows:

	Revaluation Reserve RM'000	Revenue Reserve RM'000	Total RM'000
Total before set-off	14,487	24,457	38,944
Merger deficit set-off	<u>(14,487)</u>	<u>(5,044)</u>	<u>(19,531)</u>
Total reserves after the acquisitions, Rights Issue and Public Issue	<u> </u>	<u>19,413</u>	19,413

11.0 FINANCIAL INFORMATION *(Cont'd)*

(f) Share premium is arrived at as follows:

	RM'000
Arising from Rights Issue of 2,730,297 new ordinary shares at an issue price of RM 1.228 per share	623
Arising from Public Issue of 6,850,000 new ordinary shares at an issue price of RM 1.20 per share	10,275
Less: Estimated listing expenses	<u>(2,000)</u>
	<u>8,898</u>

11.0 FINANCIAL INFORMATION (Cont'd)

11.6 Reporting Accountants' Letter on the Consolidated Balance Sheets
(Prepared for inclusion in this Prospectus)

Ernst & Young
Public Accountants
Bangunan Sabah Bank
2nd Floor, Jalan Utara
9 1000 Tawau
Sabah

17 September 1999

The Board of Directors
Permaju Industries Berhad
MPT No. 3477, 3rd Floor
Lorong Abaca 1
Off Jalan Masjid
9 1000 Tawau
Sabah

Gentlemen

PERMAJU INDUSTRIES BERHAD

PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 1999

We have examined the presentation of the Proforma Consolidated Balance Sheets of Permaju Industries Berhad ("PERMAJU") and its subsidiary companies ("the Group") as at 30 June 1999 together with the notes thereto, for which the Directors are solely responsible, as set out in the Prospectus to be dated 30 September 1999 in connection with the Public Issue of 6,850,000 new ordinary shares of RM 1 .00 each in PERMAJU at an issue price of RM2.50 per share and the listing of and quotation for the entire enlarged issued and paid-up share capital of PERMAJU comprising 45,000,000 ordinary shares of RM 1 .00 each on the Second Board of the Kuala Lumpur Stock Exchange.

In our opinion, the abovementioned Proforma Consolidated Balance Sheets together with the notes thereto which are provided for illustrative purpose only, have been properly compiled on a basis consistent with the accounting policies normally adopted by the Group and are presented in a form suitable for inclusion in the Prospectus.

Yours faithfully,

ERNST & YOUNG

No. AF: 0039
Public Accountants

PANG PAK LOK

No. 1228/3/01 (J)
Partner of Firm

12.0 **ACCOUNTANTS' REPORT**
(Prepared for the inclusion in this Prospectus)

Ernst & Young
Public Accountants
Bangunan Sabah Bank
2nd Floor, Jalan Utara
9 1000 Tawau
Sabah

17 September 1999

The Board of Directors
Permaju Industries Berhad
MPT No. 3477, 3rd Floor
Lorong Abaca 1
Off Jalan Masjid
9 1000 Tawau
Sabah

Gentlemen.

I. INTRODUCTION

This report has been prepared for inclusion in the Prospectus of Permaju Industries Berhad (hereinafter referred to as "PERMAJU" or "Company") to be dated 30 September 1999 in connection with the public issue of 6,850,000 new ordinary shares of RM1.00 each at an issue price of RM2.50 per share and the listing of and quotation for the Company's entire enlarged issued and paid-up share capital of 45,000,000 ordinary shares of RM1.00 each on the Second Board of the Kuala Lumpur Stock Exchange ("KLSE").

II. GENERAL INFORMATION

PERMAJU was incorporated in Malaysia on 7 March 1996 under the Companies Act, 1965 as a public limited company under its present name.

III. RESTRUCTURING SCHEME

In connection with the proposed listing of and quotation for the entire enlarged issued and paid-up capital of 45,000,000 ordinary shares of PERMAJU on the Second Board of the KLSE, the Company has implemented the following equity restructuring exercise which had been approved by the Foreign Investment Committee ("FIC"), the Ministry of International Trade and Industry ("MITI"), and the Securities Commission ("SC") on 23 June 1999, 29 June 1999 and 29 June 1999 respectively. The equity restructuring exercise comprises the following:-

12.0 ACCOUNTANTS' REPORT (Cont'd)

(a) Revaluation Exercise

The landed properties of Fook Ngiap Sawmill Sdn. Berhad ("FNS") and Sungai Silinponpon (Blockboard) Sdn. Bhd. ("SSB") have been revalued based on independent valuation reports dated 15 November 1998 and 17 November 1998 carried out by a firm of professional valuers and surveyors on the open market basis using the comparison and depreciated replacement cost method of valuation. On 29 June 1999, the SC approved a total revaluation surplus of RM14,487,294 for the revaluation of landed properties of FNS and SSB amounting to RM8,662,456 and RM5,824,838 respectively which will subsequently be incorporated into the revaluation reserve accounts of the aforementioned companies for the financial year ending 31 December 1999.

(b) Acquisition of FNS

Acquisition by PERMAJU of the entire issued and paid-up share capital in FNS comprising 10,888,800 ordinary shares of RM1.00 each for a total consideration of RM3,687,392 fully satisfied by the issue of 25,804,065 new ordinary shares of RM1.00 each in PERMAJU at an issue price of RM 1.228 per share. The acquisition of FNS was completed on 9 September 1999.

(c) Acquisition of SSB

Acquisition by PERMAJU of the entire issued and paid-up share capital in SSB comprising 4,000,002 ordinary shares of RM 1.00 each for a total consideration of RM9,052,911 fully satisfied by the issue of 7,372,077 new ordinary shares of RM 1.00 each in PERMAJU at an issue price of RM 1.228 per share. The acquisition of SSB was completed on 9 September 1999.

(d) Acquisition of FNship

Acquisition by PERMAJU of the entire issued and paid-up share capital in Fook Ngiap Shipping Sdn. Bhd. ("FNship") comprising 1,000,000 ordinary shares of RM1.00 each for a total consideration of RM2,755,090 fully satisfied by the issue of 2,243,559 new ordinary shares of RM 1.00 each in PERMAJU at an issue price of RM 1.228 per share. The acquisition of FNship was completed on 9 September 1999.

(e) Rights Issue

Rights Issue of 2,730,297 new ordinary shares of RM 1.00 each in PERMAJU at an issue price of RM 1.228 per share on the basis of approximately 0.0771 new ordinary share for every one (1) existing ordinary share held after the acquisitions of FNS, SSB and FNship. The Rights Issue was completed on 11 September 1999.

(f) Public Issue

Public Issue of 6,850,000 new ordinary shares of RM 1.00 each in PERMAJU at an issue price of RM2.50 per share.

(g) Listing

Listing of and quotation for the entire enlarged issued and paid-up share capital of RM45,000,000 comprising 45,000,000 ordinary shares of RM1.00 each in PERMAJU on the Second Board of the KLSE.

12.0 ACCOUNTANTS' REPORT (Cont'd)

IV. SHARE CAPITAL

(a) Authorised Share Capital

At the date of incorporation, the authorised share capital of the Company was RM 100,000 comprising 100,000 ordinary shares of RM1.00 each. Pursuant to an Extraordinary General Meeting held on 31 July 1999, the authorised share capital was increased to RM200,000,000 comprising 200,000,000 ordinary shares of RM 1.00 each by the creation of 199,900,000 new ordinary shares of RM 1.00 each.

(b) Issued and Paid-Up Share Capital

The changes in the Company's issued and paid-up share capital since the date of incorporation are summarised as below:

Date of allotment	No. of ordinary share of RM1.00 each	Consideration	Cumulative issued and paid-up share capital RM
07.03.1996	2	Subscribers' shares	2
09.09.1999	35,419,701	Shares issued at RM 1.228 per share as consideration for the acquisitions of FNS, SSB and FNship	35,419,703
11.09.1999	2,730,297	Rights issue on the basis of approximately 0.0771 new ordinary share for every one (1) existing ordinary share held at an issue price of RM 1.228 per share.	38,150,000

V. PRINCIPAL ACTIVITIES

The principal activity of PERMAJU is that of investment holding. The subsidiary companies namely FNS, SSB and FNship are principally involved in manufacturing and sales of veneer products, plywood, laminated board, sawn timber and hiring of barges, motor launches and equipment for the transportation of logs and finished wood products.

12.0 ACCOUNTANTS' REPORT (Cont'd)

VI. DIVIDENDS

PERMAJU has not declared or paid any dividends since the date of its incorporation.

Details of dividends declared and paid or payable by FNS, SSB and FNship are as follows:

Financial year ended	Issued and paid-up share capital RM'000	Gross dividend rate %	Net dividend paid/payable RM'000
FNS			
31.12.1994	6,500	150%, tax exempt	9,750
31.12.1996	10,889	128.57%, less tax at 30%	5,850
31.12.1997	10,889	73%, tax exempt	7,949
31.12.1998	10,889	32%, tax exempt	3,484
30.06.1999	10,889	69.44%, less tax at 28%	5,444
SSB			
31.12.1997	4,000	118.75%, tax exempt	4,750
31.12.1998	4,000	72.50%, tax exempt	2,900
FNship			
31.12.1997	1,000	70%, less tax at 28%	504
31.12.1998	1,000	47.78%, less tax at 28%	344
30.06.1999	1,000	100%, less tax at 28%	720

VII. SUBSIDIARY COMPANIES

The subsidiary companies of PERMAJU, all of which are incorporated in Malaysia are as follows:

Name of company	Date of incorporation	Issued and paid-up share capital RM	Percentage of shareholding %	Principal activities
FNS	06.05.1980	10,888,800	100	Manufacturing and sales of veneer products, plywood and sawn timber
SSB	14.06.1989	4,000,002	100	Manufacturing of laminated board
FNship	31.12.1983	1,000,000	100	Hiring of barges, motor launches and equipment for the transportation of logs and finished wood products

12.0 ACCOUNTANTS' REPORT (Cont'd)

VIII. AUDITORS

Ernst & Young have been the statutory auditors of PERMAJU since the date of its incorporation. The accounts of the subsidiary companies namely, FNS, SSB and FNship for the period under review were audited by other firm of accountants.

The audited accounts of the Company and its subsidiary companies for all financial years under review have been reported upon without any qualification.

VIII. SUMMARISED PROFIT AND LOSS ACCOUNTS

Proforma Group

The summarised proforma consolidated results of PERMAJU and its subsidiary companies (hereinafter referred to as "PERMAJU Group") as set out below are prepared based on the audited accounts of PERMAJU and its subsidiary companies after making such adjustments considered necessary for the five (5) financial years ended 31 December 1998 and six (6) month period ended 30 June 1999. The summarised proforma consolidated results are presented on the assumption that the acquisitions of FNS, SSB and FNship had been in effect during all those years under review. PERMAJU was only incorporated on 7 March 1996 and has been dormant from that date to 30 June 1999.

	< ----- Proforma ----- >					6 months period ended 30.6.1999
	< ----- Year Ended 31 December ----- >					
	1994	1995	1996	1997	1998	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	109,690	116,649	125,881	130,441	96,212	48,184
Profit before depreciation and interest	15,382	13,302	17,781	24,181	21,093	13,295
Depreciation	(4,707)	(3,156)	(3,262)	(3,709)	(3,773)	(1,877)
Interest expense	(533)	(1,066)	(1,547)	(1,721)	(2,355)	(688)
Profit before taxation	10,142	9,080	12,972	18,751	14,965	10,730
Taxation	(1,913)	(2,370)	(880)	(5,423)	(2,528)	(7)
Profit after taxation	8,229	6,710	12,092	13,328	12,437	10,723
Number of ordinary shares assumed to be in issue ('000)	35,420	35,420	35,420	35,420	35,420	35,420
Gross EPS (Sen)	28.6	25.6	36.6	52.9	42.3	*60.5
Net EPS (Sen)	23.2	18.9	34.1	37.6	35.1	*60.5

* Annualised

12.0 ACCOUNTANTS' REPORT *(Cont'd)*

Notes:

- (i) The summarised proforma consolidated results are prepared for illustrative purposes only and are based on the audited accounts of FNS, SSB and FNship as PERMAJU has been dormant since the date of incorporation.
- (ii) The proforma consolidated results have been prepared based on accounting policies consistent with those previously adopted in the preparation of the audited financial statements of the subsidiary companies.
- (iii) The above results are arrived at after making adjustments for inter-company transactions.
- (iv) The taxation charge is computed after taking into consideration the differences in treatment of certain expenses incurred during the period under review which are not allowable for tax purposes, capital allowances and reinvestment allowances available for set off against taxable profit and the pioneer status obtained by SSB, a subsidiary company of PERMAJU for five years ended 31 January 1996. The pioneer status of SSB was extended for another 5 years to 31 January 2001. Therefore, the effective tax rate differs materially from the amount determined by applying the statutory tax rates of those years to the respective year's results.
- (v) The slight decrease in profit before taxation in 1995 was mainly due to the introduction of export cess on the Seraya laminated board by the Sabah State Government during the year which as a result has significantly reduced its profit margin. In addition, the sales volume of laminated board has also decreased substantially in 1995 mainly due to the stabilisation in world demand for laminated board after two consecutive extraordinary years of increased demand for laminated board in 1993 and 1994.
- (vi) The significant increase in profit before taxation for the financial years 1996 and 1997 was mainly due to the overall increase in wood product prices and greater demand of finished wood products in the international market.
- (vii) The decrease in turnover and profit in 1998 was mainly due to the regional financial crisis resulting in lower demand for wood products.
- (viii) The tax expense for the financial period ended 30 June 1999 represents adjustment for underprovision for taxation for the previous year. No taxation is provided for the financial period ended 30 June 1999 as the financial period falls in the year of assessment 2000 where tax on income earned is expected to be waived.
- (ix) There were no extraordinary items in respect of the financial years under review.
- (x) The proforma gross EPS is computed based on the profit before taxation and the number of ordinary shares assumed in issue of 35,419,703 ordinary shares of RM1.00 each after the acquisitions of FNS, SSB and FNship.
- (xi) The proforma net EPS is computed based on the profit after taxation and the number of ordinary shares assumed in issue of 35,419,703 ordinary shares of RM1.00 each after the acquisitions of FNS, SSB and FNship.

12.0 ACCOUNTANTS' REPORT (*Cunt'd*)

The Company and Subsidiary Companies

(a) PERMAJU

Based on the audited accounts, PERMAJU has not commenced trading. Accordingly, no result is presented.

(b) FNS

The summary of the results of FNS based on its audited accounts for the past five (5) years ended 31 December 1998 and six (6) month period ended 30 June 1999 are set out below:

	----- Audited -----					
	< ----- Year Ended 31 December ----- >					6 months period ended
	1994	1995	1996	1997	1998	30.6.1999
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	88,451	99,302	106,119	108,706	82,357	43,127
Profit before depreciation and interest	11,383	12,239	13,387	18,717	16,080	11,099
Depreciation	(2,642)	(1,839)	(2,414)	(2,743)	(2,958)	(1,484)
Interest expense	(305)	(838)	(1,358)	(1,616)	(2,097)	(641)
Profit before taxation	8,436	9,562	9,615	14,358	11,025	8,974
Taxation	(1,673)	(2,454)	(574)	(4,771)	(2,363)	(7)
Profit after taxation	<u>6,763</u>	7,108	9,041	9,587	8,662	8,967
Weighted average number of shares in issue ('000)	6,500	6,500	7,840	10,889	10,889	10,889
Gross EPS (sen)	129.8	147.1	122.7	131.9	101.2	**164.8
Net EPS (sen)	104.0	109.4	115.3	88.0	79.5	**164.7
Gross dividend per share (sen)	150.0	-	128.6	*73	*32	69
Net dividend per share (sen)	105.0		90.0	*73	*32	50

* Tax exempt dividend

** Annualised

12.0 ACCOUNTANTS' REPORT (*Cont'd*)

Notes:

- (i) The audited results of FNS have been prepared based on accounting policies consistent with those previously adopted in the preparation of the company's audited financial statements.
- (ii) Turnover represented invoiced sales of wood products less returns.
- (iii) The taxation charge is computed after taking into consideration the differences in treatment of certain expenses incurred during the period under review which are not allowable for tax purposes and capital allowances and reinvestment allowances available for set off against taxable profit. Therefore, the effective tax rates differ materially from the amount determined by applying the statutory tax rates of those years to the respective year's results.

Subject to the agreement of Inland Revenue Board, the tax exempt account balance as at 30 June 1999 amounted to approximately RM2,530,000.

- (iv) In financial year 1996, the effective tax rate was lower than the statutory tax rate mainly due to adjustment for over provision for taxation in previous year to set off against 1996 provisions.
- (v) The decrease in turnover and profit in 1998 was mainly due to the regional financial crisis resulting in a lower demand for wood products.
- (vi) The tax expense for the financial period ended 30 June 1999 represents adjustment for underprovision for taxation for the previous year. No taxation is provided for the financial period ended 30 June 1999 as the financial period falls in the year of assessment 2000 where tax on income earned is expected to be waived.
- (vii) There were no extraordinary items in respect of the financial years under review.
- (viii) Gross EPS is calculated based on the profit before taxation and on the weighted average number of shares in issue during each of the respective financial years under review.
- (ix) Net EPS is calculated based on the profit after taxation and on the weighted average number of shares in issue during each of the respective financial years under review.

12.0 ACCOUNTANTS' REPORT (Cont'd)

(c) SSB

The summary of the results of SSB based on its audited accounts for the past five (5) years ended 31 December 1998 and six (6) month period ended 30 June 1999 are set out below:

	----- Audited -----					
	<----- Year Ended 31 December ----->					6 months period ended
	1994	1995	1996	1997	1998	30.6.1999
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	21,339	18,135	20,618	20,309	13,865	5,137
Profit before depreciation and interest	2,606	1,119	3,083	3,991	3,609	1,538
Depreciation	(1,733)	(949)	(562)	(606)	(617)	(294)
Interest expense	(194)	(204)	(181)	(104)	(257)	(41)
Profit/(loss) before taxation	679	(34)	2,340	3,281	2,735	1,203
Taxation				(287)	208	
Profit/(loss) after taxation	679	(34)	2,340	2,994	2,943	1,203
Number of shares in issue ('000)	4,000	4,000	4,000	4,000	4,000	4,000
Gross EPS/(loss) per share (sen)	17.0	(0.9)	58.5	82.0	68.4	**60.2
Net EPS/(loss) per share (sen)	17.0	(0.9)	58.5	74.9	73.6	**60.2
Gross dividend per share (sen)				*118.8	*72.5	
Net dividend per share (sen)				*118.8	*72.5	

* Tax exempt dividend

** Annualised

12.0 ACCOUNTANTS' REPORT (*Cont'd*)

Notes:

- (i) The audited results of SSB have been prepared based on accounting policies consistent with those previously adopted in the preparation of the company's audited financial statements.
- (ii) Turnover represented invoiced sales of laminated board.
- (iii) No tax was payable for SSB for the financial years ended from 31 December 1994 to 1996 as SSB had been granted pioneer status incentive under the Promotion of Investments Act, 1986 which exempts **SSB's** profit on laminated board operations from tax for a period of five (5) years commencing 1 February 1991 and the availability of unabsorbed capital allowances carried forward.

The company had applied and was granted an extension of the pioneer status incentive for a further five years to 31 January 2001. This resulted in an over provision of taxation charge in 1998 on the taxation charge provided in 1997.

Subject to the agreement of Inland Revenue Board, the tax exempt account balance as at 30 June 1999 amounted to approximately RM 13,900,000.
- (iv) The decrease in turnover in 1995 was mainly due to the stabilisation in world demand for laminated board after two consecutive extraordinary years of increased demand for laminated board in 1993 and 1994.
- (v) The company suffered a minor loss for the financial year ended 31 December 1995 mainly due to the introduction of export **cess** on the Seraya laminated board by the Sabah State Government during the year which has significantly reduced its profit margin.
- (vi) The significant increase in turnover and profit for the financial year ended 31 December 1996 was mainly due to improved average selling price for its product. The company's profit performance for the financial year ended 31 December 1998 was affected slightly due to the regional financial crisis resulting in the lower demand for wood products.
- (vii) Turnover decreased significantly from 1997 to 1998 mainly due to decrease in sales volume of laminated board as a result of the regional financial crisis.
- (viii) There were no extraordinary items in respect of the financial years under review.
- (ix) Gross earnings/(loss) per share is calculated based on the **profit/(loss)** before taxation and on the number of shares in issue during each of the respective financial years under review.
- (x) Net **earnings/(loss)** per share is calculated based on the **profit/(loss)** after taxation and on the number of shares in issue during each of the respective financial years under review.

12.0 ACCOUNTANTS' REPORT (Cont'd)

(d) FNship

The summary of the results of FNship based on its audited accounts for the past five (5) years ended 31 December 1998 and six (6) month period ended 30 June 1999 are set out below:

	----- Audited -----					
	< ----- Year Ended 31 December -----					> 6 months period ended
	1994	1995	1996	1997	1998	30.6.1999
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	<u>3,662</u>	<u>2,768</u>	<u>3,602</u>	<u>3,469</u>	<u>3,234</u>	<u>1,533</u>
Profit/(loss) before depreciation and interest	1,393	(56)	1,311	1,473	1,404	658
Depreciation	(332)	(368)	(286)	(360)	(198)	(99)
Interest expense	<u>(34)</u>	<u>(24)</u>	<u>(8)</u>	<u>(1)</u>	<u>(1)</u>	<u>(6)</u>
Profit/(loss) before taxation	1,027	(448)	1,017	1,112	1,205	553
Taxation	<u>(240)</u>	<u>84</u>	<u>(306)</u>	<u>(365)</u>	<u>(373)</u>	
Profit/(loss) after taxation	<u>787</u>	<u>(364)</u>	<u>711</u>	<u>747</u>	<u>832</u>	<u>553</u>
Weighted average number of shares in issue ('000)	150	150	403	1,000	1,000	1,000
Gross EPS/(loss) per share (sen)	684.7	(298.7)	252.4	111.2	120.5	*110.6
Net EPS/(loss) per share (sen)	524.7	(242.7)	176.4	74.7	83.2	*110.6
Gross dividend per share (sen)				70.0	47.8	100.0
Net dividend per share (sen)				50.4	34.4	72.0

* Annualised

Notes:

- (i) The audited results of FNship have been prepared based on accounting policies consistent with those previously adopted in the preparation of the company's audited financial statements.
- (ii) Turnover represents income from hiring of barges, motor launches and equipment for the transportation of logs and finished wood products.

12.0 ACCOUNTANTS' REPORT (*Cont'd*)

- (iii) The taxation charge is computed after taking into consideration the differences in treatment of certain expenses incurred during the period under review which are not allowable for tax purposes and capital allowances available for set off against taxable profit. Therefore, the effective tax rate differs materially from the amount determined by applying the statutory tax rates of those years in the respective year's results.
- (iv) The decrease in turnover and the loss incurred by the company for the financial year ended 31 December 1995 was mainly due to the cessation of hiring services to external parties, increase in messing expenditure for staff, increase in repairs and maintenance charges of motor launches and barges due to bad weather.
- (v) The performance of the company improved in the financial year ended 31 December 1996 due to increase in business activities, decrease in leasing charges and a decrease in depreciation charges as some of the assets have been fully depreciated.
- (vi) **In** the financial year ended 31 December 1995, there was no tax liability as the operations recorded a loss of **RM448,000**. The taxation in credit for 1995 represents adjustment for over provision for taxation for the previous year.
- (vii) No taxation is provided for the financial period ended 30 June 1999 as the financial period falls in the year of assessment 2000 where tax on income earned is expected to be waived.
- (viii) There were no extraordinary items in respect of the financial years under review.
- (ix) Gross **earnings/(loss)** per share is calculated based on **profit/(loss)** before taxation and on the weighted average number of shares in issue during each of the respective financial years under review.
- (x) Net **earnings/(loss)** per share is calculated based on the **profit/(loss)** after taxation and on the weighted average number of shares in issue during each of the respective financial years under review.

12.0 ACCOUNTANTS' REPORT (*Cont'd*)

X. SUMMARISED BALANCE SHEETS

The balance sheets of PERMAJU, FNS, SSB and FNship based on the audited accounts as at the end of each of the six (6) financial years ended 31 December 1998 and 30 June 1999 are summarised as follows:

(a) PERMAJU

	<----- Audited ----->			
	<----- As at 31 December ----->			As at
	1996	1997	1998	30 June 1999
	RM'000	RM'000	RM'000	RM'000
Deferred expenditure	5	11	12	12
Net current liabilities	(5)	(11)	(12)	(12)
	<u>*2</u>	<u>*2</u>	<u>*2</u>	<u>*2</u>
Financed by:				
Share capital	<u>**2</u>	<u>**2</u>	<u>**2</u>	<u>**2</u>
Net liabilities per share (RM)	(2,500)	(5,500)	(6,000)	(6,000)

* represents RM2.00

** represents 2 ordinary shares of RM 1.00 each

PERMAJU's first audited accounts were for the year ended 31 December 1996.

(b) FNS

	----- Audited -----						
	<----- As At 31 December ----->						As at
	1993	1994	1995	1996	1997	1998	30 June 1999
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Fixed assets	10,138	13,381	16,629	18,336	23,048	24,309	26,873
Deferred expenditure	-	-	-		520		
Net current assets	5,211	2,480	8,109	7,404	6,088	8,313	11,230
Long term liabilities	(500)	(4,000)	(5,770)	(3,580)	(5,076)	(2,502)	(4,461)
Deferred taxation					(781)	(1,144)	(1,144)
	<u>14,849</u>	<u>11,861</u>	<u>18,968</u>	<u>22,160</u>	<u>23,799</u>	<u>28,976</u>	<u>32,498</u>
Financed by:							
Share capital	6,500	6,500	6,500	10,889	10,889	10,889	10,889
Reserves	8,349	5,361	12,468	11,271	12,910	18,087	21,609
	<u>14,849</u>	<u>11,861</u>	<u>18,968</u>	<u>22,160</u>	<u>23,799</u>	<u>28,976</u>	<u>32,498</u>
NTA per share (RM)	2.28	1.82	2.92	2.04	2.14	2.66	2.98

12.0 ACCOUNTANTS' REPORT (Cont'd)

(c) SSB

	----- Audited -----						As at 30 June 1999
	<----- As At 31 December ----- >						
	1993	1994	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Fixed assets	5,860	4,366	3,456	2,897	3,644	3,379	3,551
Intangible assets	9	3					
Net current (liabilities)/ assets	(2,980)	(1,471)	(821)	2,078	(106)	(51)	915
Long term liabilities	(897)	(228)			(318)	(64)	
	<u>1,992</u>	<u>2,670</u>	<u>2,635</u>	<u>4,975</u>	<u>3,220</u>	<u>3,264</u>	4,466
Financed by:							
Share capital	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Reserves	(2,008)	(1,330)	(1,365)	975	(780)	(736)	466
	<u>1,992</u>	<u>2,670</u>	<u>2,635</u>	<u>4,975</u>	<u>3,220</u>	<u>3,264</u>	<u>4,466</u>
NTA per share (RM)	0.50	0.67	0.66	1.24	0.81	0.82	1.12

(d) FNship

	----- Audited -----						As at 30 June 1999
	<----- As At 31 December ----- >						
	1993	1994	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Fixed assets	497	317	161	886	689	493	398
Deferred expenditure		412	275	137			
Net current assets	1,210	1,741	1,669	1,793	2,372	3,056	2,983
Long term liabilities	(24)	-	-	-	-	-	-
	<u>1,683</u>	<u>2,470</u>	<u>2,105</u>	<u>2,816</u>	<u>3,061</u>	<u>3,549</u>	<u>3,381</u>
Financed by:							
Share capital	150	150	150	1,000	1,000	1,000	1,000
Retained profits	1,533	2,320	1,955	1,816	2,061	2,549	2,381
	<u>1,683</u>	<u>2,470</u>	<u>2,105</u>	<u>2,816</u>	<u>3,061</u>	<u>3,549</u>	<u>3,381</u>
NTA per share (RM)	11.22	13.72	12.20	2.68	3.06	3.55	3.38

12.0 ACCOUNTANTS' REPORT *(Cont'd)*

XI. PROFORMA STATEMENT OF ASSETS AND LIABILITIES

The Proforma Consolidated Balance Sheets of PERMAJU Group as at 30 June 1999 as set out below are provided for illustrative purposes only to show the effects of the acquisition of the entire issued and paid-up share capital of FNS, SSB and FNship ("Acquisitions") after the incorporation of revaluation surplus of the landed properties of FNS and SSB as approved by the SC, the Rights Issue and Public Issue on the assumption that these transactions were completed on 30 June 1999:

		I	II	III
	Company Audited as at 30.6.1999 Note	RM'000	RM'000	RM'000
		Proforma Group After Acquisitions	Proforma Group After I and Rights Issue	Proforma Group After II and Public Issue
FIXED ASSETS	4	45,310	48,663	60,310
DEFERRED EXPENDITURE	5	12	12	12
CURRENT ASSETS				
Stocks	6	20,174	20,174	20,174
Trade debtors		17,354	17,354	17,354
Other debtors and deposits		3,742	3,742	3,742
Cash and bank balances		-	4,435	5,413
		<u>*2</u>	<u>45,705</u>	<u>46,683</u>
CURRENT LIABILITIES				
Amounts due to bankers	7	1,057	1,057	1,057
Trade creditors		421	421	421
Other creditors		12	11,773	11,773
Term loans	8	7,385	7,385	4,885
Provision for taxation		1,045	1,045	1,045
Dividend payable		-	8,908	8,908
		<u>12</u>	<u>30,589</u>	<u>28,089</u>
NET CURRENT (LIABILITIES)/ASSETS		(12)	15,116	18,594

12.0 ACCOUNTANTS' REPORT (Cont'd)

X1. PROFORMA STATEMENT OF ASSETS AND LIABILITIES (CONTD.)

	Note	Audited as at 30.6.1999 RM'000	I Proforma Group After Acquisitions RM'000	II Proforma Group After I and Rights Issue RM'000	III Proforma Group After II and Public Issue RM'000
LONG TERM LIABILITY					
Term loans	8		4,461	4,461	4,461
DEFERRED TAXATION					
		<u>*2</u>	<u>1,144</u> <u>54,833</u>	<u>1,144</u> <u>58,186</u>	<u>1,144</u> <u>73,311</u>
FINANCED BY					
Share capital	9	**2	35,420	38,150	45,000
Share premium	10			623	8,898
Reserves	11		<u>19,413</u> <u>*2</u> <u>54,833</u>	<u>19,413</u> <u>58,186</u>	<u>19,413</u> <u>73,311</u>
NTA per share (RM)		6,000	1.55	1.53	1.63

XII. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES

1. Significant Accounting Policies

(a) Basis of Accounting

The accounts of the Company and of the proforma Group are prepared under the historical cost convention modified to include the revaluation of leasehold land and buildings and comply with approved accounting standards.

(b) Basis of Consolidation

The proforma group accounts incorporate the accounts of PERMAJU and its subsidiary companies made up to 30 June 1999. The subsidiary companies are consolidated based on the merger method of accounting in accordance with Malaysian Accounting Standard No. 2. Under the merger method of accounting, the results of the subsidiary companies are combined throughout the current and previous financial years.

12.0 ACCOUNTANTS' REPORT (*Cont'd*)**(c) *Subsidiary Companies***

Investment in subsidiary companies are stated at cost unless, in the opinion of the directors, there has been a permanent diminution in value, in which case, provision is made for the diminution in value.

(d) *Fixed Assets And Depreciation/Amortisation*

(i) Leasehold land held on long term lease (over 50 years) is not amortised. However, the non amortisation of the long leasehold land has no material effect on the accounts.

(ii) Depreciation of other fixed assets is computed on the straight-line method at the following annual rates based on the estimated useful lives:-

Land reclamation and log pond		3 to 5 years
Factory, office building and labourline	-	5 to 20 years
Plant and machinery	-	3 to 10 years
Motor vehicles and motor launches	-	5 years
Equipment, fixtures, furniture and fittings	-	4 to 5 years

(iii) Fully depreciated assets are retained in the accounts until they are no longer in use.

(e) *Stocks*

Stocks are stated at the lower of cost and net realisable value. In arriving at the net realisable value, due allowance is made for any obsolete and damaged items. Cost of manufactured goods, includes where appropriate, cost of direct materials, direct labour, direct charges and variable production overheads determined on a weighted average basis. Cost of other stocks are determined on a first-in, first-out basis.

(f) *Currency Conversion*

Foreign currency transactions have been converted into Ringgit Malaysia at the rates of exchange ruling at the dates of transactions. Assets and liabilities in foreign currency at the balance sheet date have been translated into Ringgit Malaysia at the rates of exchange ruling at that date. Gains or losses resulting from the year's operations have been treated as normal revenue items.

(g) *Leased Assets*

Lease rental payments on operating leases are charged to the profit and loss account in the year when they become payable.

(h) *Deferred Taxation*

Provision is made using the liability method for deferred taxation in respect of timing differences except to the extent that it is considered reasonably probable that these will continue in the foreseeable future. The tax effect of the timing differences is not recognised if it is a debit balance and there is no reasonable expectation of its realisation.

12.0 ACCOUNTANTS' REPORT (*Cont'd*)

(i) **Deferred Expenditure**

Preliminary and pre-operating expenses will be written off against future operating income. Share issue and listing expenses incurred prior to the period ended 30 June 1999 will be written off against share premium account upon listing of the Company.

2. **General**

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are stated in Note 3 to the accounts.

The accounts of the Proforma Group and the Company are expressed in Ringgit Malaysia.

3. **Subsidiary Companies**

Subsidiary Companies	Principal Activities	Percentage of Shareholding %
FNS	Manufacturing and sales of veneer products, plywood and sawn timber	100
SSB	Manufacturing of laminated board	100
FNship	Hiring of barges, motor launches and equipment for the transportation of logs and finished wood products	100

4. **Fixed Assets**

Proforma Group

	Cost or Valuation RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
At valuation:			
Leasehold land and buildings	30,277	9,412	20,865
At cost:			
Plant and machinery	70,543	3 1,998	38,545
Land reclamation, motor vehicles and motor launches	7,882	7,092	790
Furniture, fixtures and equipment	988	878	110
	<u>109,690</u>	<u>49,380</u>	<u>60,310</u>

12.0 **ACCOUNTANTS' REPORT (Cont'd)**

The leasehold land and buildings have been revalued based on independent valuation reports carried out by a firm of independent valuers and as approved by the SC under the restructuring scheme.

Leasehold lands and buildings comprises:-

	RM'000
Leasehold lands	10,492
Buildings	<u>19,785</u>
	30,277

5. Deferred Expenditure

	Proforma Group
	RM'000
Preliminary and pre-operating expenses	12

6. Stocks

	Proforma Group
	KM'000
Stocks comprise:	
Round logs	2,722
Veneer products	4,941
Sawn timber	931
Plywood	7,410
Lumber core	1,011
Consumables, fuels and spare parts	2,739
Packing materials	<u>369</u>
	20,174

7. Amounts Due To Bankers

	Proforma Group
	RM'000
Overdrafts – secured	1,057

The bank overdrafts are secured by the Group's fixed assets and a joint and several guarantee by certain directors of the Group.

The bank overdrafts bear interest of between 7.45% to 7.80% per annum.

12.0 ACCOUNTANTS' REPORT *(Cont'd)*

8. **Term Loans**

	Proforma Group RM'000
Portion repayable within 12 months	4,885
Portion repayable after 12 months	<u>4,461</u>
	<u>9,346</u>

The term loans are secured by way of a fixed charge and loan agreement cum assignment for RM2,000,000 over the Group's leasehold land, fixed and floating charges over other assets and a joint and several guarantee by certain directors of the Group and a third party.

The above term loans bear interest ranging from 7.05% to 8.30% per annum.

9. **Share Capital**

	Proforma Group RM'000
Authorised:	
Ordinary shares of RM 1.00 each	<u>200,000</u>
Issued and fully paid:	
Ordinary shares of RM 1.00 each	
As at 30 June 1999	*
Shares issued as consideration for acquisition of subsidiary companies	35,420
Rights Issue on the basis of approximately 0.0771 new ordinary shares for every one (1) existing ordinary share held after acquisitions of subsidiary companies	2,730
Public Issue of 6,850,000 new ordinary shares	<u>6,850</u>
	<u>45,000</u>

* represents 2 ordinary shares of RM 1.00 each.

12.0 ACCOUNTANTS' REPORT (Cont'd)

10. Share Premium

	Proforma Group RM'000
Arising from Rights Issue of 2,730,297 new ordinary shares at an issue price of RM 1.228 per share	<u>623</u>
Share premium after Rights Issue	623
Arising from Public Issue of 6,850,000 new ordinary shares at an issue price of RM2.50 per share	<u>10,275</u>
Share premium after Rights Issue and Public Issue	10,898
Less: Estimated listing expenses	<u>(2,000)</u> <u>8,898</u>

11. Reserves

	Proforma Group RM'000
Retained profits	24,457
Revaluation reserve	<u>14.487</u> 38.944
Less: Merger deficit	<u>19,531</u> <u>19,413</u>

12. Subsequent Event

Subsequent to the balance sheet date, the subsidiary companies namely Fook Ngiap Sawmill Sdn Bhd, Sungai Silinponpon (BB) Sdn Bhd and Fook Ngiap Shipping Sdn Bhd have declared dividends amounting to RM9,527,700, RM 1,240,000 and RM670,000 respectively to their shareholders prior to the completion of the proposed acquisitions by Permaju Industries Berhad.

12.0 ACCOUNTANTS' REPORT (*Cont'd*)

XIII. NET TANGIBLE ASSETS COVER

Based on the proforma statement of assets and liabilities of PERMAJU Group as at 30 June 1999, the net tangible assets per share will be as follows:

	RM'000
Net tangible assets of the proforma group	<u>73,299</u>
Number of ordinary shares of RM 1.00 each in issue ('000)	<u>45,000</u>
Net tangible assets per ordinary share (RM)	<u>1.63</u>

XIV. AUDITED ACCOUNTS

No audited accounts of the Company and its subsidiary companies have been made up in respect of any period subsequent to 30 June 1999.

Yours faithfully,

ERNST & YOUNG
AF:0039
Public Accountants

PANG PAK LOK
1228/3/01 (J)
Partner

13.0 VALUATION CERTIFICATE

(Prepared for inclusion in this Prospectus)

17 September 1999

The Board of Directors
 Permaju Industries Berhad
 MPT No. 3477, 3rd Floor
 Lorong Abaca 1
 Off Jalan Masjid
 9 1000 Tawau
 Sabah

Dear Sirs

**PERMAJU INDUSTRIES BERHAD
 VALUATION OF LANDED PROPERTIES**

This letter has been prepared for the inclusion in this prospectus to be dated 30 September 1999 in connection with the public issue of 6,850,000 new ordinary shares of RM1.00 each in Permaju Industries Berhad at an issue price of RM2.50 per new ordinary share.

We are pleased to certify that we have valued the undermentioned properties for Permaju industries Berhad vide our reports and valuations as follows:-

	Reference No.	Property
1.	WTWS/SC/1 05/404/e, WTWS/SC/105/404/e-2 & WTWS/SC/105/404/e-4	CL 105137068 & CL 105422099 District of Tawau, Sabah
2.	WTWS/SC/105/337/d & WTWS/SC/105/337/d-1	CL 105132250 District of Tawau, Sabah
3.	WTWS/SC/105/898	CL 105103179, CL 105101326, CL 105102878. District of Tawau, Sabah

The basis of valuation is Market Value and the valuation report is prepared in accordance with the Malaysia Valuation Standard and the Guidelines on Asset Valuations issued by the Securities Commission. We have adopted the Comparison and Depreciated Replacement Cost Methods of Valuation in arriving at the Market Value.

Information and data for the above mentioned properties are obtained from various sources and they include the Land Offices/Registry of Land Titles, the Valuation & Property Services Departments, enquiries made on the field and information from the client.

13.0 VALUATION CERTIFICATE (Cont'd)

We certify the Market Values are as follows:

PROPERTIES HELD FOR OWNER OCCUPATION							
Property/(Land Area)		Tenure	Description/ Existing Use	Registered/ Beneficial Owner	Material Date of Valuation	Method of Valuation	Market Value (RM)
1.	(a) CL 105137068 6.76 ha (16.71 acs) (b) CL 105422099 - 0.98 ha (2.43 acs) Km 11 Pasir Puteh, Jalan Sin San, District of Tawau, Sabah	999 years (Expiring in 22.02.2924) 99 years (Expiring in 31.12.2079)	Sawmill/ Plywood Mill (Integrated Timber Complex)	Fook Ngiap Sawmill Sdn Berhad	17.11.1998	Comparison and Depreciated Replacement Cost Method of Valuation	9,803,000
2.	CL 105132250 4.95 ha (12.237 acs) Km 10. Pasir Puteh. Jalan Sin San, District of Tawau, Sabah	999 years (Expiring in 20.02.2940)	Blockboard Mill/ Wooden Laminated Board (Integrated Timber Complex)	Sungai Silinponpon (Blockboard) Sdn Bhd	17.11.1998	Comparison and Depreciated Replacement Cost Method of Valuation	7,842,000
3.	Lot I – 3.42 ha (8.45 acs) of CL 105103179, CL 105101326 & CL 105102878 (all under Parent Titles)	All parent titles under 999 years - CL 105103179 (Expiring in 14.08.2927) - CL 105101326 (Expiring in 19.02.2924) - CL 105102878 (Expiring in 22.04.2924)	Industrial land with timber storage warehouse	Fook Ngiap Sawmill Sdn Berhad	15.11.1998	Comparison and Depreciated Replacement Cost Method of Valuation	3,214,000

Yours faithfully

For and on behalf of

C.H. WILLIAMS, TALHAR & WONG (SABAH) SDN BHD

FREDERICK **KILOS**

BSc IRRV MISM

Registered Valuer (V-204)

14.0 **DIRECTORS' REPORT**

(Prepared for inclusion in this Prospectus)

Registered Office:-

MPT No. 3477, 3rd Floor
Lorong **Abaca 1**
Off Jalan Masjid
9 1000 Tawau
Sabah

17 September 1999

The Shareholders
PERMAJU INDUSTRIES BERHAD

Dear Sir/Madam

On behalf of the Board of Directors of PERMAJU INDUSTRIES BERHAD, I report after due **inquiry** that during the period from 30 June 1999 (being the date to which the last audited accounts of the Company and its subsidiary companies have been made up) to 17 September 1999 (being a date not earlier than fourteen (14) days before the issue of this Prospectus), that:

- (a) the business of the Company and its subsidiary companies, in the opinion of the Directors, has been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited accounts of the Company and its subsidiary companies which have adversely affected the business and operations or the value of the assets of the Company or its subsidiary companies;
- (c) the current assets of the Company and its subsidiary companies appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities which have arisen by reason of any guarantees given by the Company **and/or** its subsidiary companies; and
- (e) save as disclosed in the Proforma Consolidated Balance Sheets in Section 11.5 of this Prospectus, there have been no changes in the published reserves or any unusual factors affecting the profits of the Company and its subsidiary companies.

Yours faithfully,
For and on behalf of the Board of Directors

Datuk Lim Yen Ngiap, PGDK, JP
Managing Director

15.0 STATUTORY AND GENERAL INFORMATION

15.1 Share Capital

- 15.1.1** No shares shall be allotted or sold on the basis of this Prospectus later than six (6) months after the date of this Prospectus.
- 15.1.2** 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 RM 1.00 each, all of which rank *pari passu* with one another.
- 15.1.3** Other than the 2,200,000 Shares reserved for Directors, eligible employees as well as customers and suppliers of the PERMAJU Group under the Public Issue, no person has been or is entitled to be given or has exercised any option to subscribe for any share, stock or debenture of the Company or its subsidiary company.
- 15.1.4** Other than the 2,200,000 Shares reserved for Directors, eligible employees as well as customers and suppliers of the PERMAJU Group under the Public Issue, there is no other scheme for or involving the employees of the Group in the share capital of the Company or its subsidiary company.
- 15.1.5** Save as disclosed in Sections 8.2(a)(ii), 8.2(a)(iii), 8.2(a)(iv) and 8.2(a)(v) of this Prospectus, no share, stock or debenture of the companies in the PERMAJU Group within the two (2) years preceding the date of issue of this Prospectus has been issued or been agreed to be issued or is proposed to be issued as fully or partly paid-up for cash or otherwise.

15.2 Articles of Association

15.2.1 Remuneration of Directors

The provisions in the Articles of Association of the Company dealing with the remuneration of the Directors are as follows:

Article 69

The Company in general meeting shall from time to time determine the fees of the Director. Unless otherwise directed by the resolution by which it is voted, any such fees shall be divided amongst the Directors as they may agree or failing agreement equally. Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of proposed increase has been given in the notice convening the meeting. The Directors shall also be entitled to be repaid all travelling and hotel expenses properly incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from meetings of Directors or general meetings or which he may otherwise incur on or about the business of the Company. If by arrangement with the Directors, any Director shall perform or render any special duties or service outside his ordinary duties as a director, in particular without being limited to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged. **PROVIDED THAT** no Directors (non-executive or executive) shall be remunerated by a commission on or percentage of turnover and that nothing herein shall prejudice the power of the Directors to appoint any of their number to be the employee or agent of the Company at such remuneration which shall not include a commission on or percentage of turnover. The fee payable to non-executive Directors shall be fixed sums as shall be determined by the Company in general meeting.

15.0 STATUTORY AND GENERAL INFORMATION (Cont'd)

152.2 Voting and Borrowing Powers of Directors

The provision in the Articles of Association of the Company in respect of the powers of Directors, in particular the voting powers of Directors in proposals, arrangements or contracts in which they are interested and the borrowing powers exercisable by them and has such borrowing powers can be varied are as follows:

Article 81

The Directors may from time to time at their discretion raise or borrow for the purpose of the Company such sums of moneys, as they think proper.

Article 82

The Directors may raise or secure the payment of such money in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of debentures or debenture stock of the Company (both present and future) including uncalled capital, or by means of charges, mortgages, bonds and disposition in security or bonds of cash-credit, with or without power of sale, as the Directors shall think fit.

Article 83

The Directors shall not borrow any money or mortgage or charge any of the Company or the subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as a security for any debt, liability or obligation of an unrelated third party.

Article 84

- (1) The Directors may borrow or raise any such money as by the issue or sale of any bonds, debentures, debenture stock, or securities, and upon such terms as to time of repayment, rate of interest, price of issue or sale, payment of premium or bonus upon redemption or repayment or otherwise as they may think proper. The Company may in general meeting grant a right for the holders of bonds, debentures, debenture stock or securities to exchange the same for shares in the Company or any class authorised to be issued.
- (2) Subject as aforesaid, the Directors may secure or provide for the payment of any moneys to be borrowed or raised by a mortgage or a charge upon all or any part of the undertaking or property of the Company both present and future and upon any capital remaining unpaid upon the shares of the Company whether called up or not or by any other security and the Directors may confer upon any mortgagee or persons in whom any debentures, debenture stock or security is vested such rights and powers as they think necessary or expedient and they may vest any property of the Company in trustees for the purpose of securing any moneys so borrowed or so raised and confer upon the trustees or any receiver to be appointed by them or by any debenture holder, such rights and powers as the Director may think necessary or expedient in relation to the undertaking or property of the Company, or the management or the realisation thereof, or the making, receiving or enforcing of calls upon the Members in respect of unpaid capital and otherwise, and may make and issue debentures to trustees for the purpose of further security, and any such trustee may be remunerated.

15.0 **STATUTORY AND GENERAL INFORMATION**

- (3) The Directors may give security for the payment of any moneys payable by the Company in like manner as for the payment of money borrowed or raised, but in such case the amount shall be reckoned as part of the money borrowed.

Articles 85

Debentures, debenture stock or other securities may be assigned free from any equities between the Company and the person to whom the same may be issued.

Article 86

Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise (with the sanction of the Company in general meeting) and with any special privileges as to redemption, surrender, drawing, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.

Article 87

The Director shall cause a proper register to be called "Register of Charges" to be kept in accordance with the provision of the Act, of all mortgages and charges especially affecting the property of the Company and a sum of RM 1 .00 shall be payable for each inspection of the Register of Charges.

15.2.3 **Changes in Capital and Variations of Class Rights**

The provisions in the Articles of Association of the Company as to the changes in capital or variation of class rights which are no less stringent than these required by law are as follows:

Article 35

The Company in general meeting may from time to time whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully called up or not, increase its capital by the creation and issue of new shares, such aggregate increase to be of such amount and to carry such rights or to be subject to such conditions or restrictions in regarding to dividend, return of capital or otherwise and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restriction in regard to dividend, return of capital or otherwise as the Company by the resolutions authorising such increase directs.

Article 36

- (1) Subject to any direction to the contrary that may be given by the Company in general meeting any original shares for the time being unissued and any new shares from time to time to be created, shall before they are issued, be offered to the Members in proportion as nearly as may be to the number of shares held by them. Such offer shall be made by notice specifying the number of shares offered and limiting a time within which the offer if not accepted or renounced will be deemed to be declined, and after the expiration of such time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered the Directors may, subject to these Articles, dispose of the same in such manner as they think most beneficial to the Company. The Directors may in like manner dispose of any such new or original shares as aforesaid which, by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in manner herein before provided.

15.0 STATUTORY AND GENERAL INFORMATION (Cont'd)

- (2) Notwithstanding the foregoing and subject to the Act, the Company may apply to the Stock Exchange for waiver of convening an extraordinary general meeting to obtain shareholders approval for further issue of shares (other than bonus or rights issue) where the aggregate issues of which in any one financial year do not exceed ten per centum (10%) of the issued capital and where in accordance with the provisions of Section 132D of the Companies Act, 1965 there is still in effect a resolution approving the issue of shares by the Company.

Article 37

Except so far as otherwise provided by the conditions of issue, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company and shall be subject to the same provisions with reference to the payment of the calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital.

Article 38

The Company may by ordinary resolution:

- (a) Consolidate and divide all of its share capital into shares of larger amounts than its existing shares
- (b) Cancel any shares which at the date of the passing of the resolution have not been taken, or agreed to be taken, by any person or which have been forfeited and diminish the amount of its capital by the amount of shares so cancelled.

Cancel any shares that have been purchased by the Company and extinguish all rights attaching to the shares including suspended rights in accordance with section 67A of the Act and the Guidelines.

- (c) Sub-divide shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Act) and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred special rights, or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

Article 39

- (a) The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorised, and consent required by law.
- (b) The Company shall reduce its issued share capital by the cancellation of shares purchased by the Company and the amount by which the Company's issued capital is diminished shall be dealt with in accordance with Section 67A of the Act and the Guidelines.

15.0 STATUTORY AND GENERAL INFORMATION *(Cont'd)*

Article 40

If at any time the share capital of the Company by reason of the issue of preference shares or otherwise is divided into difference classes of shares the repayment of such preference capital other than redeemable preference or all or any of the rights and privileges attached to each class may subject to the provision of the Act be varied, modified, commuted, dealt with, affected or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class but not otherwise. To every such separate general meetings of the Company and to proceedings thereat shall *mutatis mutandis* apply but so that the necessary quorum shall be two persons at least holding or representing by proxy three-fourths of the issued shares of the class (but so that if at any adjourned meeting a quorum as above defined is not present, any two holders of shares of the class present in person or by proxy shall be a quorum). Provided however that in the event of the necessary majority not having been obtained in the manner aforesaid consent in writing may be secured from Members holding at least three-fourths of the issued shares of the class and such consent if obtained within two months from the date of the separate general meeting shall have the force and validity of a special resolution duly carried by a vote in person or by proxy.

Article 41

The rights conferred upon the holders of the shares of any class with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects *pari passu* therewith but in no respect in priority thereto.

15.2.4 Transfer of Securities

The following provisions are reproduced from the Company's Articles of Association which have been approved by the KLSE, the Second Board Listing Requirements of the KLSE, the Companies Act, 1965 and the Rules of MCD:-

(i) Articles of Association

The provision in the Articles of Association of the Company in respect of the arrangements for the transfer of securities of the Company and restrictions on their free transferability is as follows:

Article 19

The transfer of any Security or class of Security of the Company shall be by way of a book entry by the Central Depository in accordance with the Rules and notwithstanding Sections 103 and 104 of the Act but subject to Section 107C(2) of the Act and any exemption that may be made from compliance with Section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of Security.

15.0 STATUTORY AND GENERAL INFORMATION (Cont'd)

(ii) Second Board Listing Requirements of KLSE

The provisions of the Second Board Listing Requirements of KLSE on the transferability of securities are as follows:-

Section 9.5A – Transfer of Securities

The transfer of any securities or class of securities of the company, shall be by way of book entry by the Central Depository in accordance with the Rules of the Central Depository and, notwithstanding Sections 103 and 104 of the Companies Act, 1965, but subject to subsection 107C(2) of the Companies Act, 1965 and any exemption that may be made from compliance with subsection 107C(1) of the Companies Act, 1965, the company shall be precluded from registering and effecting any transfer of securities.

Section 9.5B – Transmission of securities from Foreign Register**(1) Where:-**

- (a) the securities of a company are listed on an Approved Market Place; and
- (b) such company is exempted from compliance with Section 14 of the Securities Industry (Central Depositories) Act, 1991 or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules of the Central Depository in respect of such securities;

such company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the company in the jurisdiction of the Approved Market Place (hereinafter referred to as “the Foreign Register”), to the register of holders maintained by the registrar of the company in Malaysia (hereinafter referred to as “the Malaysian Register”) subject to the following conditions:-

- (i) there shall be no change in the ownership of such securities; and
- (ii) the transmission shall be executed by causing such securities to be credited directly into the securities account of such securities holder.

(iii) Companies Act, 1965

The provisions within the Companies Act, 1965 on the transferability of securities are as follows:

Section 103(1)

Notwithstanding anything in its articles a company shall not register a transfer of shares or debentures unless a proper instrument of transfer in the prescribed form has been delivered to the company, but this subsection shall not prejudice any power to register as a shareholder or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation law,

15.0 STATUTORY AND GENERAL INFORMATION *(Cont'd)*

Section 103(1 A)

Nothing in this section shall be construed as affecting the validity of any instrument which would be effective to transfer shares or debentures apart from this section; and any instrument purporting to be made in any form which was common or usual in USC, or in any other form authorised or required for the purpose apart from this section before the commencement of this Act, shall be sufficient, whether or not it is completed in accordance with the prescribed form, if it complies with the requirements as to execution and contents which apply to a transfer.

Provided that a company shall be precluded from registering a transfer of shares or debentures, the titles of which is evidenced by a certificate that is issued on or after the date of coming into operation of this subsection unless a proper instrument of transfer in the prescribed form has been delivered to the company.

Section 107C(1)

On or after the coming into operation of this section, the transfer of any securities or class of securities of a company whose securities or any class of whose securities have been deposited with a central depository shall be by way of book entry by the central depository in accordance with the rules of the central depository and notwithstanding Sections 103 and 104, such company shall be precluded from registering and effecting any transfer of securities.

Section 107C(2)

Subsection (1) shall not apply to a transfer of securities to a central depository or its nominee company.

(iv) **Rules of the MCD**

The rules within MCD on the transferability of securities are as follows:

Rule 8.01 (2)

The Central Depository may, in its absolute discretion, reject a transfer request made by a depositor thereunder, where the reason for the said transfer does not fall within any of the approved reasons stipulated under Rule 8.03(1)(c).

Rule 8.05A

Transfers made by the authorised depository agent from the agent's principal or nominee account shall be subject to the Rules in this Chapter.

Rule 9.03(2)

It shall be the responsibility of the authorised depository agent, in processing the transfer between two securities accounts belonging to different depositors (hereinafter the transfer is referred to as "the inter-account transfer"), to check and ensure the completeness, accuracy and/or genuineness of the documents lodged as follows:

- (a) the prescribed Form FTF010 (request for ordinary transfer of securities form) or Form FTF015 (request for express transfer of securities form) fully and properly completed in triplicate;
- (b) the Transferring Depositor has executed the Transferor portion on the said form duly witnessed by another person (other than the depositor's spouse);

15.0 STATUTORY AND GENERAL INFORMATION (Cont'd)

- (c) the Transferring Depositor has stated his reason for the transfer and that the reason is or are amongst any of the approved reasons as stated herein below:
 - (i) transmission and transfer of securities arising from the provision of any written law or an order of court of competent jurisdiction;
 - (ii) rectification of errors;
 - (iii) pledge, charge or mortgage;
 - (iv) mandatory offer pursuant to the provisions of the Malaysian Code On Takeovers and Mergers 1998;
 - (v) any other circumstances as deemed fit by the Central Depository after consultation with the Securities Commission;
- (d) documents to support the reason for the transfer; and
- (e) such other accompanying documents duly processed in such manner as the Central Depository may from time to time determine in its Procedural Manual.

15.3 Directors and Substantial Shareholders

15.3.1 The names, addresses and occupations of the Directors are set out in Section 1 .O of this Prospectus.

15.3.2 A Director is not required to hold any qualification share in the Company.

15.3.3 No Director, senior executive officer or person nominated to become 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 a partner or any corporation of which he was an executive officer;
- (b) conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (c) the subject of an order, judgment or ruling of any court of competent jurisdiction, tribunal or governmental body permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

15.3.4 There are no existing or proposed service contracts between the Directors or proposed Directors and the Company or its subsidiary companies which are not determined without payment or compensation other than statutory compensation.

15.3.5 For the year ended 31 December 1998, the aggregate remuneration paid to the Directors for services rendered in all capacities to the Company and its subsidiary companies amounted to RM852,672. For the current financial year ending 31 December 1999, the remuneration and emolument payable to the Directors for services to the Company and its subsidiary companies in the aforesaid capacities are estimated to be RM860,000 and RM40,000 respectively.

15.0 STATUTORY AND GENERAL INFORMATION *(Cont'd)*

15.3.6 Save as disclosed below, none of the Directors as substantial shareholders of the Company had or has any interest, direct or indirect, in the promotion of or in any assets acquired or proposed to be acquired or assets disposed of or proposed to be disposed of or leased or proposed to be leased to the Company or its subsidiary companies within the two (2) years immediately preceding the date of this Prospectus.

Director/Substantial Shareholders	Nature of interest
Datuk Lim Yen Ngiap	Director and substantial shareholder of FNS, SSB and FNship
Datuk Tiong Kung Hieng	Director and substantial shareholder of FNS, SSB and FNship
Kenneth Chew Mei Kwang	Director and deemed substantial shareholder of FNS*
Mohammad Anuar bin Mohd Yunus	Director and substantial shareholder of FNS and FNship

* *Deemed interest through indirect shareholding in S. K. Timber Corporation Sdn. Bhd.*

The above disclosure is in relation to the acquisitions of FNS, SSB and FNship as set out in Sections 8.2(a)(ii), (a)(iii) and (a)(iv) of this Prospectus.

15.3.7 Save as disclosed below, none of the Directors or substantial shareholders have any interest, direct or indirect in any business carrying on a similar trade as the Company and its subsidiary companies which are not quoted on a recognised stock exchange.

Kenneth Chew Mei Kwang has an indirect interest in the following companies:

- (i) S.K. Timber Corporation Sdn Bhd, which entered into a Sale and Purchase Agreement dated 25 August 1999 with the Company for the Acquisition of FNS. Kenneth Chew Mei Kwang's interest in S. K. Timber Corporation Sdn Bhd is set out in Section 15.3.12 of the Prospectus;
- (ii) PNG Forest Products Ltd., a company incorporated in Papua New Guinea and carrying on business of manufacturer and supplier of plywood and related products principally for the domestic markets within Papua New Guinea. PNG Forest Product Ltd is 80% owned by IB Holdings Ltd, which in turn is a wholly-owned subsidiary of Primegroup Holdings Ltd, which in turn is wholly-owned by a trust for the benefit of Kenneth Chew Mei Kwang; and
- (iii) Turama Forest Industries Ltd., a company incorporated in Papua New Guinea, which entered into a Log Supply Agreement with the Group referred to in Section 10.3 of this Prospectus. Turama Forest industries Ltd is a wholly-owned subsidiary of New Zealand Wood Products Ltd, which in turn is a wholly-owned subsidiary of IB Holdings Ltd, which in turn is a wholly-owned subsidiary of Primegroup Holdings Ltd, which in turn is wholly-owned by a trust for the benefit of Kenneth Chew Mei Kwang.

15.3.8 There are no contracts or arrangements subsisting at the date of this Prospectus in which a Director of the Company is materially interested and which is significant in relation to the business of the Group.

15.0 STATUTORY AND GENERAL INFORMATION (Cont'd)

15.3.9 According to the Register of Directors' Shareholding, as at 17 September 1999 (being the latest practicable date prior to the printing of this Prospectus), the direct and indirect interests of the Directors in the Company before and after the Public Issue, are as set out below

Name of Directors	Before the Public Issue				After the Public Issue			
	Direct No. of shares	%	Indirect No. of shares	%	Direct No. of shares	%	Indirect No. of shares	%
Hj. Mohd Hayani Bin Hj Abdul Rahman					10,000	0.02		
Kenneth Chew MeiKwang		-	22,995,851 ¹	60.28	10,000	0.02	22,995,851 ¹	51.10
Datuk Lim Yen Ngiap	422,331	1.10	23,351,427 ¹	61.21	432,331	0.96	23,351,427 ¹	51.89
Datuk Tiong Kung Hieng	137,899	0.39	22,698,919 ²	59.50	157,899	0.35	22,698,919 ²	50.44
Mohammad Anuar Bin Mohd Yunus	3,864,675	10.13			3,874,675	8.61		
Patrick Kong Fui Kien					10,000	0.02		
Yvonne Choo Siew Lian					10,000	0.02		

Notes:

1. Deemed interest by virtue of his substantial interest in NCSB and through shares held directly by his children, namely Lim Fui Loong, Lim Fui Fong, Lim Fui Yun and Lim Fui Jin.
2. Deemed interest by virtue of his substantial interest in NCSB and through shares held directly by his children, namely Tiong Wei Wei, Tiong Yai King and Tiong Guan King.
3. Deemed interest by virtue of his indirect substantial shareholding in S.K. Timber Corporation Sdn Bhd which has a direct and indirect interest (through NCSB) in PERMAJU.

15.3.10 All the Public Issue Shares are being issued by the Company subject to the terms and conditions of this Prospectus.

15.3.11 No option to subscribe for securities of the Company or its subsidiary company was granted to or exercised by any Director during the last financial year ended 31 December 1998.

15.3.12 According to the Register of Substantial Shareholders of PERMAJU Group as at 17 September 1999 (being the latest practicable date prior to the printing of this Prospectus), the substantial shareholders' (with 2% shareholding or more), direct and indirect interests in the Company before and after the Public Issue are as set out below:-

Name of Shareholders	Before the Public Issue				After the Public Issue			
	Direct No. of shares	%	Indirect No. of shares	%	Direct No. of shares	%	Indirect No. of shares	%
Mohammad Anuar bin Mohd Yunus	3,864,675	10.13			3,874,675	8.61		
Mohd. Azizan bin Che Omar	1,697,381	4.45			1,697,381	3.77		
Ismail Sabri bin Yaakob	4,235,030	11.10			4,235,030	9.41		
Kamarazaman bin Yacob	1,723,518	4.57			1,723,518	3.93		
Mci-Wood Corporation ¹	1,095,862	2.87			1,095,862	2.44		
NCSB ¹	22,511,059	59.00			22,511,059	50.02		
Datuk Lim Yen Ngiap	422,331	1.10	23,351,427 ¹	61.21	432,331	0.96	23,351,427 ¹	51.89
Datuk Tiong Kung Hieng	147,899	0.39	22,698,919 ¹	59.50	157,899	0.35	22,698,919 ¹	50.44
S.K. Timber Corporation Sdn Bhd ¹	4,844,792	1.27	22,511,059 ²	59.01	4,844,792	1.08	22,511,059 ²	50.02

15.0 STATUTORY AND GENERAL INFORMATION (Cont'd)

Notes:

1. Deemed interest by virtue of his substantial interest in NCSB and through shares held directly by his children.
2. Deemed interest by virtue of its substantial interests in NCSB.
3. NCSB is principally an investment holding company. The directors of the company are Datuk Lim Yen Ngiap, Datuk Tiong Kung Hieng and Kenneth Chew Mei Kwang. The shareholders of the company are as follows:

Shareholders	No. of NCSB shares	% held
S.K. Timber Corporation Sdn Bhd	31,578	31.6
Datuk Lim Yen Ngiap	42,584	42.6
Datuk Tiong Kung Hieng	12,441	12.4
Mei - Wood Corporation	11,005	11.0
Dong Yeung Moolsan Co. Ltd ⁶	2,392	2.4

4. Mei-Wood Corporation is principally involved in investment holding activities. The directors of the company are Chung Yuan Shan, Yang Ding Yuan, Liu Shui Chuan and Lian Chun Ho. The substantial shareholders of the company are as follows:

Shareholder	% held
Chang Yuan Shan	42.0
Chu Lu Shun	8.0
Chang Shin Jium	8.0
Cheng Mei Lin	9.0
Lian Chun Ho	8.0
Liu Ching Ren	9.0
Liu Shui Chuan	8.0
Yang Ding Yuan	8.0

5. S.K. Timber Corporation Sdn Bhd is principally involved in investment holding and provision of management and marketing services. The directors of the company are Yvonne Choo Siew Lian, Tan See Ang, Kenneth Chew Mei Kwang, Ian Pendlebury and Robert Tan Wah Ann. S.K. Timber Corporation Sdn Bhd is a wholly-owned subsidiary of Fabureat Sdn Bhd, which in turn is 40% held by Timber Investments Management Pte. Ltd., which in turn is a wholly-owned subsidiary of Primegroup Holdings Ltd., which in turn is wholly owned by a trust for the benefit of Kenneth Chew Mei Kwang. The 30% equity interest in Fabureat Sdn Bhd is held by Arah Seputih Sdn Bhd which in turn is owned by Suzana binti Ahmad (50%) and Mohd Jamil bin Mohd Rashid (50%). The remaining 30% equity interest in Fabureat Sdn Bhd is owned by Fast Ventures Sdn Bhd which in turn is owned by Mohd Jamil bin Mohd Rashid (50%) and Francis Tan Leh Kiah (50%).
6. Dong Yeung Moolsan Co. Ltd. is principally involved in general and timber trading. The directors of the company are Kim Oh Soo, Lee Yong Woo and Park Man Jo. The substantial shareholders of the company are as follows:

Shareholder	% held
Kim Oh soo	82.20
Lee Yong Woo	5.94
Park Man Jo	5.92
Kim Dong Hwan	5.94

15.4 General

15.4.1 The nature of the Company's business and the names of all the corporations which are deemed to be related to the Company by virtue of Section 6 of the Companies Act, 1965 is disclosed in Section 10.0 of this Prospectus.

15.4.2 The time of the opening and closing of the Application Lists is set out in Section 6.1 of this Prospectus.

15.4.3 The amount payable in full on application of the Public Issue is RM2.50 per ordinary share.

15.0 STATUTORY AND GENERAL INFORMATION (Cont'd)

- 15.4.4** As at the date of this Prospectus, the Company and its subsidiary companies do not have any convertible debt securities.
- 15.4.5** (a) Underwriting commission is payable by the Company to the Managing Underwriter and Underwriters mentioned herein at a rate of 1% of the issue price of RM2.50 per share on the total number of shares underwritten as stated in Section 6.5 of this Prospectus.
- (b) Brokerage is payable by the Company at the rate of 1% of the Public Issue price of RM2.50 per share in respect of successful applications bearing the stamp of Amanah, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIDFCCS.
- (c) Estimated listing expenses incidental to the listing of and quotation for the entire issued and paid-up share capital of the Company on the KLSE Second Board amounting to approximately RM2.0 million shall be borne by the Company.
- 15.4.6** Save as in item 15.4.5 above, no commission, discount, brokerage or other special terms have been granted within the two (2) years immediately preceding the date of this Prospectus in connection with the issue or sale of any share capital of the Company or its subsidiary companies, and no Director or proposed Director or promoter or expert is entitled to receive any such payment.
- 15.4.7** No amount or benefit has been paid or given within the two (2) years preceding the date hereof, nor is it intended to be so paid or given, to any promoter.
- 15.4.8** The name and address of the Company's auditors are set out in Section 1 .O of this Prospectus .
- 15.4.9** No property has been acquired or is proposed to be acquired by the Company or its subsidiary companies in contemplation of the Public Issue.
- 15.4.10** There is no present intention on the part of the Directors of the Company to issue any part of the authorised but unissued share capital of the Company.
- 15.4.11** Save as disclosed in the Consolidated Profit Forecast and assumptions of the PERMAJU Group, the Directors are not aware of any material information including trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Company or its subsidiary companies.
- 15.4.12** Save as disclosed in Sections 2.0, 3.0 and 11 .O of this Prospectus, the financial condition and operations of the PERMAJU Group are not materially affected by any of the following:
- (a) known trends or known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's or the Group's liquidity increasing or decreasing in any material way;
- (b) unusual or infrequent events or transactions or any significant economic changes that materially affect the amount of reported income from the operations of the Company and the Group;
- (c) known trends or uncertainties that have had or that the Company and/or the Group reasonably expects will have a material favourable or unfavourable impact on the revenue or operating income of the Company or the Group; and
- (d) material commitments for capital expenditure.
- 15.4.13** The manner in which copies of this Prospectus together with the official Application Forms and envelopes may be obtained is set out in Section 16.0 of this Prospectus.

15.0 **STATUTORY AND GENERAL INFORMATION (Cont'd)**

15.5 Contingent Liabilities

Save as disclosed in Section 8.6 of this Prospectus, the Group has no contingent liabilities.

15.6 Material Litigation

Neither the Company nor its subsidiary companies are engaged in any litigation 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 of any fact likely to give rise to any proceedings which might materially or adversely affect the position or business of the Company or its subsidiary companies.

15.7 Material Contracts

Save as disclosed below, 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 or its subsidiary companies within the two (2) years immediately preceding of the date of this Prospectus:-

- (a) Underwriting Agreement dated 14 September 1999 between PERMAJU, Managing Underwriter and the underwriters mentioned in Section 1 .O of this Prospectus for underwriting the 4,650,000 Public Issue Shares which are available for application by the Malaysian public. The Managing Underwriter has further agreed to underwrite the Public Issue Shares reserved but which are not taken up by the Directors, eligible employees, customers and suppliers of the PERMAJU Group. Underwriting commission is payable at the rate of 1% of the Public issue price of RM2.50 per share;
- (b) Sale and Purchase Agreement dated 25 August 1999 between PERMAJU and the shareholders of FNS for the acquisition by PERMAJU of the entire issued and paid-up capital of FNS comprising 10888,800 ordinary shares of RM1.00 each for a purchase consideration of RM3 1,687,392 to be satisfied by the issue of 25,804,065 new ordinary shares of RM1.00 each in PERMAJU at an issue price of RM 1.228 per share;
- (c) Sale and Purchase Agreement dated 25 August 1999 between PERMAJU and the shareholders of SSB for the acquisition by PERMAJU of the entire issued and paid-up capital of SSB comprising 4,000,002 ordinary shares of RM1.00 each for a purchase consideration of RM9,052,911 to be satisfied by the issue of 7,372,077 new ordinary shares of RM1 .00 each in PERMAJU at an issue price of RMI .228 per share; and
- (d) Sale and Purchase Agreement dated 25 August 1999 between PERMAJU and the shareholders of FNship for the acquisition by PERMAJU of the entire issued and paid-up capital of FNship comprising 1,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM2,755,090 to be satisfied by the issue of 2,243,559 new ordinary shares of RM1.00 each in PERMAJU at an issue price of RMI.228 per share.

15.8 Public Take-Over Offer

None of the following has occurred in the last financial year and during the current financial year up to the date of this Prospectus:

- (a) public take-over offers by third parties in respect of the Company's shares; or
- (b) public take-over offers by the Company in respect of other companies' shares.

15.0 **STATUTORY AND GENERAL INFORMATION (Cont'd)**

15.9 Consents

- 15.9.1** The written consent of Amanah, the Adviser and Managing Underwriter, Underwriters, Principal Banker, Solicitors, Share Registrar, Company Secretary and the Issuing House to the inclusion in this Prospectus of their names in the form and context in which their names appear in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- 15.9.2** 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 Consolidated Profit Forecast for the financial year ending 31 December 1999 and Proforma Consolidated Balance Sheets as at 30 June 1999 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.
- 15.9.3** The valuers have given and have not subsequently withdrawn their consent to the inclusion in this Prospectus of their name and the valuation certificate in the form and context in which they are contained in this Prospectus.

15.10 Documents Available for Inspection

Copies of the following documents may be inspected at the registered office of the Company during normal office hours for a period of six (6) months from the date of this Prospectus:

- (a) Memorandum and Articles of Association of the Company and its subsidiary companies;
- (b) The Reporting Accountants' Letters relating to the Consolidated Profit Forecast for the financial year ending 31 December 1999 and Proforma Consolidated Balance Sheets as at 30 June 1999 as included herein;
- (c) The Accountants' Report and Directors' Report as included herein;
- (d) The audited accounts of the Company and its subsidiary companies for the past five (5) financial years ended 31 December 1998 and six (6) month period ended 30 June 1999;
- (e) The letters of consent referred to under Section 15.9 of this Prospectus;
- (f) The material contracts referred to under Section 15.7 of this Prospectus; and
- (g) The Valuers' certificate on the landed properties as included herein together with the valuation reports referred to herein.

15.11 Responsibility

- 15.11.1** Amanah acknowledges that, to the best of its knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Public Issue and the Company and its subsidiary companies and has satisfied itself that the Consolidated Profit Forecast for the year ending 31 December 1999 have been stated by the Directors of the Company after due and careful enquiry.
- 15.11.2** This Prospectus has been seen and approved by the Directors of the Company 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 facts the omission of which would make any statement herein misleading.

16.0 PROCEDURES FOR APPLICATION AND ACCEPTANCE

16.1 Application Forms

Application for the Public Issue Shares must be made on the Application Forms provided together with this Prospectus and must be completed in accordance with the Notes and Instructions printed on the reverse side of the Application Forms. In accordance with Section 37(1) of the Companies Act, 1965, the Application Forms together with the Notes and Instructions printed thereon shall constitute an integral part of this Prospectus. Applications which do not strictly conform to the terms of this Prospectus or Application Forms or Notes and Instructions printed thereon or which are illegible may not be accepted.

The following Application Forms are enclosed with this Prospectus and are deemed to form part hereof:

- (i) **Pink** Application Forms for application by the eligible Directors, employees, customers and suppliers of the PERMAJU Group; and
- (ii) **White** Application Forms for application by Malaysian citizens, companies, societies, co-operatives and institutions, of which at least 30% is to be set aside strictly for Bumiputra individuals, companies, societies, co-operatives and institutions.

White Application Forms together with copies of this Prospectus may be obtained, subject to availability, from Amanah, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia and, MIDFCCS.

16.2 Procedure for Application

- (i) **Application by the eligible Directors, employees, customers and suppliers of the PERMAJU Group**

Applications for the 2,200,000 Public Issue Shares reserved for the eligible Directors, employees, customers and suppliers of the PERMAJU Group must be made on the **Pink** Application Forms provided.

- (ii) **Application by the Malaysian Public**

Applications for the 4,650,000 Public Issue Shares made available for application by the Malaysian public must be made on the **White** Application Forms provided.

Only one (1) Application Form from each applicant will be considered and applications must be for 1,000 ordinary shares or multiples thereof. **MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED.** The amount payable in full on application is RM2.50 per ordinary share. Directors and employees of MIDFCCS and their immediate family are strictly prohibited from applying for the Public Issue Shares.

EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY A REMITTANCE IN RINGGIT MALAYSIA FOR THE FULL AMOUNT PAYABLE BY EITHER:

- (a) **BANKER'S DRAFT OR CASHIER'S ORDER** purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera applications); OR
- (b) **MONEY ORDER OR POSTAL ORDER** (for applicants from Sabah and Sarawak only); OR

16. **PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)**

- (c) GUARANTEED GIRO ORDER (“GGO”) from Bank Simpanan Nasional (differentiated by a special red band for Bumiputera applicants); OR
- (d) ATM STATEMENTS OBTAINED FROM ANY OF THE FOLLOWING:
- Arab-Malaysian Bank Berhad (295576-U);
 - Arab-Malaysian Finance Berhad (5493-X);
 - Asia Commercial Finance (M) Berhad (652 1 -U);
 - Ban Hin Lee Bank Berhad (1147-M);
 - Bank of Commerce (M) Berhad (13491-P);
 - BSN Commercial Bank Berhad (23877-T)
(formerly known as Bank Buruh (Malaysia) Berhad),
 - Bank Utama (Malaysia) Berhad (27714-A);
 - Credit Corporation Malaysia Berhad (5023-H);
 - EON Bank Berhad (9235 1 -V);
 - EON Finance Berhad (9692-K);
 - Hock Hua Bank Berhad (111501 -D);
 - Hock Hua Finance Corporation Berhad (9010-H)
(formerly known as Hock Thai Finance Corporation Berhad),
 - Hong Leong Bank Berhad (97 141 -X);
 - Hong Leong Finance Berhad (7797-V);
 - International Bank Malaysia Berhad (2267 1 -U)
(formerly known as Hock Hua Bank (Sabah) Berhad),
 - Malayan Banking Berhad (38 13-K);
 - Mayban Finance Berhad (3905-T);
 - MBf Finance Berhad (85 15-D);
 - Multi-Purpose Bank Berhad (88103-W);
 - Oriental Bank Berhad (845-W);
 - Oriental Finance Berhad (50555-A);
 - PhileoAllied Bank (Malaysia) Bhd (306350-K)
(formerly known as Allied Bank (Malaysia) Berhad),
 - Public Bank Berhad (6463-H);
 - Public Finance Berhad (647 1 -M);
 - RHB Bank Berhad (6 17 1 -M)
(formerly known as DCB Bank Berhad);
 - Sabah Bank Berhad (45788-D);
 - Pacific Bank Berhad (5024-T); or
 - United Merchant Finance Berhad (3838-T).

AND MADE OUT IN FAVOUR OF

“MIDF SHARE ISSUE ACCOUNT NO 495”

AND CROSSED “A/C PAYEE ONLY” (EXCLUDING ATM STATEMENTS) AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND ADDRESS OF THE APPLICANT (AS EXACTLY STATED ON THE APPLICATION FORM).

16. **PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)**

THE NAME AND ADDRESS OF THE APPLICANT MUST BE EXACTLY THE SAME AS THAT IN THE APPLICANT'S IDENTITY CARD (TOGETHER WITH THE CHANGE OF ADDRESS CARD OR "RESIT PENUKARAN KAD PENGENALAN JPN 1/22" WHERE APPLICABLE) OR "RESIT PENGENALAN SEMENTARA JPN 1/9" IN THE CASE OF AN INDIVIDUAL APPLICANT EXCEPT ARMED FORCES/POLICE PERSONNEL WHICH SHOULD BE BASED ON THE ADDRESS OF THEIR RESPECTIVE CAMP/BASE/STATION. IN THE CASE OF CORPORATE/ INSTITUTIONAL APPLICANTS, THE NAME MUST ALSO BE EXACTLY THE SAME AS IN THE CERTIFICATE OF INCORPORATION AND THE ADDRESS MUST BE EXACTLY THE SAME AS THE REGISTERED ADDRESS.

APPLICATIONS ACCOMPANIED BY ANY MODE OF PAYMENT OTHER THAN THOSE STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCE WILL NOT BE ACCEPTED. DETAILS OF THE REMITTANCE MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED ON THE APPLICATION FORM.

Each completed Application Form must be despatched by ORDINARY POST or DELIVERED BY HAND in the official envelopes provided, to the following address:

MIDF Consultancy and Corporate Services Sendirian Berhad
195A, Jalan Tun Razak
P.O. Box 11122
50736 Kuala Lumpur

so as to arrive not later than 8.00 p.m. on 14 October 1999.

Applications may also be delivered by hand to Oriental Bank Berhad branches at the following addresses:

- | | |
|--|--|
| 1. Klang Branch
No. 2, Jalan Kapar
4 1400 Klang | 7. Wangsa Maju Branch
No. 10, Jalan 1/27B
Bandar Baru Wangsa Maju
53300 Kuala Lumpur |
| 2. Kepong Branch
No. 60, Jalan 2
52 100 Kuala Lumpur | 8. Balakong Branch
No. S-7, Jalan 1/6
Taman Indah
Batu 11, Jalan Balakong
43200 Cheras |
| 3. KL Main Branch
Bangunan Oriental Bank
No. 1 Jalan Hang Lekiu
50 100 Kuala Lumpur | 9. Segambut Branch
No. 36-38, Jalan Segambut Utara
5 1200 Kuala Lumpur |
| 4. Selayang Branch
No. 141-143,
Jalan 2/3A
Kompleks Pasar Borong
Selayang
68 100 Kuala Lumpur | 10. SS2 Branch
No. 2, Jalan SS2/61
47300 Kuala Lumpur |

16. **PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)**

- | | |
|---|---|
| 5. Taman Sungai Besi Branch
No. 38, Jalan 7/108C
Jalan Sungai Besi
68 100 Kuala Lumpur | 11. Bandar Park Branch
No. 152, Jalan Mega Mendung
Kompleks Bandar
Batu 5, Jalan Klang Lama
58000 Kuala Lumpur |
| 6. Bukit Bintang Branch
Ground Floor, Wisma KLIH
126, Jalan Bukit Bintang
55 100 Kuala Lumpur | 12. T a w a u
TB-3 18 Block 37
Fajar Commercial Complex
9 1000 Tawau |

during banking hours (9.30 a.m. to 4.00 p.m. from Monday to Friday and 9.30 a.m. to 12.00 noon on Saturday).

No acknowledgment of the receipt of Application Forms or application monies will be made by the Company.

Copies of this Prospectus together with the Application Forms, and the official envelopes may be obtained, subject to availability from:

Amanah Merchant Bank Berhad
17th Floor, Bangunan Amanah Capital
82, Jalan Raja Chulan
50200 Kuala Lumpur

or from member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIDFCCS.

16.3 **Applications and Acceptances**

The Directors of PERMAJU reserve the right not to accept any application or to accept any application in part only without assigning any reason therefor.

THE SUBMISSION OF AN APPLICATION FORM DOES NOT NECESSARILY MEAN THAT THE APPLICATION WILL BE SUCCESSFUL.

In the event of an over-subscription, acceptance of applications by the Malaysian public shall be subject to ballot to be conducted in a manner as approved by the Directors. The basis of allocation shall be in such manner as to spread the shareholding base in PERMAJU over a reasonable number of applicants with a view to establishing an adequate market in PERMAJU Shares. In compliance with SC's revised shareholding spread requirement as at April 1999, the Company should have a minimum number of 750 public shareholders holding no less than 1,000 shares each. Applications will be selected in a manner to be determined by the Directors.

In the event of an under-subscription by the Malaysian public, all the Public Issue Shares not applied for will be made available for subscription by the Underwriters in proportions specified in the Underwriting Agreement dated 14 September 1999.

WHERE AN APPLICATION IS REJECTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST TO THE APPLICANT WITHIN TWENTY-ONE (21) DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS BY ORDINARY POST OR REGISTERED POST, RESPECTIVELY, TO THE ADDRESS SHOWN ON THE APPLICATION FORM AT THE APPLICANT'S OWN RISK.

16. **PROCEDURE FOR APPLICATION AND ACCEPTANCE** (*Cont'd*)

THE ISSUING HOUSE RESERVES THE RIGHT TO BANK IN ALL APPLICATION MONIES FROM UNSUCCESSFUL BUMIPUTERA APPLICANTS AND PARTIALLY SUCCESSFUL APPLICANTS WHICH WOULD SUBSEQUENTLY BE REFUNDED WITHOUT INTEREST TO THE APPLICANT WITHIN TWENTY-ONE (21) DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS BY REGISTERED POST TO THE ADDRESS SHOWN ON THE APPLICATION FORM AT THE APPLICANT'S OWN RISK.

NO APPLICATION SHALL BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

16.4 **CDS Accounts**

Pursuant to Section 25 of the Securities Industry (Central Depositories) Act, 1991, all dealings in the shares of PERMAJU including the Public Issue Shares will be by book entries through CDS accounts, No share certificates will be issued to successful applicants.

An applicant should state his CDS account number in the space provided on the Application Form if he presently has such an account. Where an applicant does not presently have a CDS account, he should state in the Application Form his preferred ADA Code. A list of the ADA Codes is set out in Section 16.7 of this Prospectus. Where an applicant already has a CDS account, he SHOULD NOT complete the preferred ADA Code.

If a successful applicant fails to state either his CDS account number or his preferred ADA Code, the Company may, in the exercise of its absolute discretion, instruct the Issuing House to insert a preferred ADA Code on the Application Form and further instruct MCD to open a CDS account on his behalf at the specified ADA and credit the shares allotted to him into his CDS account.

Failure to comply with these specific instructions or inaccuracy in the CDS account number or the preferred ADA Code may result in the application being rejected. The Directors of the Company reserve the right to reject any incomplete or inaccurate application.

16.5 **Notice of Allotment**

Shares allotted to all successful applicants will be credited to their respective CDS accounts. Notice of successful allotment will be despatched to the successful applicants at their addresses shown in the Application Form at the applicant's own risk within thirty (30) days after the final ballot of the application. This is the only acknowledgment of acceptance of the application.

16.6 **Formalising of CDS Accounts**

Successful applicants whose CDS accounts have been opened by MCD at their preferred ADA or the ADA caused to be inserted by, are required to formally open their accounts in person by submitting to the ADA the necessary documents and the account opening fee. No transaction of shares credited to the accounts can be effected until the accounts have been formally opened.

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.7 List of Authorised Depository Agents

The list of the ADAs and their respective Broker codes are as follows:-

Name	Address and telephone number	Broker code
KUALA LUMPUR		
AFFIN-UOB SECURITIES SDN BHD (431338-P)	Level 3, Menara Keck Seng 203, Jalan Bukit Bintang 55 100 Kuala Lumpur Tel. No. : 03-2438668	028-001
ARAB-MALAY SIAN SECURITIES SDN BHD (92977-U)	15 Floor, Bangunan Arab-Malaysian 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No. : 03-2382788	086-00 1
BBMB SECURITIES SDN BHD (16453-K)	Level 2 & 3, 4 & 17 Letter Box No. 2 Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No. : 03-2088800	099-00 1
BIMB SECURITIES SDN BHD (290 163-X)	1 st & 2nd Floor, Podium Block Bangunan AMDB 1, Jalan Lumit 50350 Kuala Lumpur Tel. No.: 03-2549966	024-00 1
FIMA SECURITIES SDN BHD (2 10959-K)	Level 1 & 2, Block G (Central) Pusat Bandar Damansara 50490 Kuala Lumpur Tel. No. : 03-2549966	018-001
CIMB SECURITIES SDN BHD (163712-V)	9th Floor, Commerce Square Jalan Semantan Damansara Heights 50490 Kuala Lumpur Tel. No. : 03-253228	065-00 1
HLG SECURITIES SDN BHD (12855-D) <i>formerly known as Zalik Securities Sdn Bhd</i>	2 1 st Floor, Wisma HLA Jalan Raja Chulan 50 100 Kuala Lumpur Tel; No. : 03-2452998	066-00 1
INTER-PACIFIC SECURITIES SDN BHD (12738-U)	Level 7, Shahzan Insas Tower 30, Jalan Sultan Ismail 50250 Kuala Lumpur Tel. No.: 03-2441888	054-001
JUPITER SECURITIES SDN BHD (48703-W) <i>(formerly known as HA Securities Sdn Bhd)</i>	7th – 9th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No. : 03-2041888	055-001
K & N KENANGA BERHAD (15678-H)	8 th Floor, Pemas International Building 801, Jalan Sultan Ismail 50250 Kuala Lumpur Tel. No.: 03-2613066	073-001

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

KUALA LUMPUR (Cont'd)

KUALA LUMPUR CITY SECURITIES SDN BHD (126994-W)	Lot 3.07, Level 3, Bangunan Angkasaraya Jalan Ampang 50450 Kuala Lumpur Tel. No. : 2449322	076-00 1
LEONG & COMPANY SDN BHD (8789-P)	Level 18, Wisma Cyclecarri 288, Jalan Raja Laut 50350 Kuala Lumpur P.O.Box 10943 50730 Kuala Lumpur Tel. No. : 03-2928888	061-001
MAYBAN SECURITIES SDN BHD (165630-M)	30th Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel. No. : 03-2323822	098-001
MGI SECURITIES SDN BHD (682-X) <i>formerly known as Charles Bradburne & Co. (1930) Sdn Bhd</i>	1st & 2nd Floor, Wisma MGIC 38, Jalan Dang Wangi 50 100 Kuala Lumpur Tel. No. : 03-2911889	052-00 1
MIDF SISMA SECURITIES SDN BHD (423833-U)	17th & 18th Floor, Empire Tower 182 , Jalan Tun Razak 50400 Kuala Lumpur Tel. No. : 03-2668888	026-00 1
OSK SECURITIES BERHAD (14152-V)	IO* Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel. No. : 03-2624388	056-00 1
PB SECURITIES SDN BHD (20027-W)	27th Floor, Bangunan Public Bank No. 6, Jalan Sultan Ismail 50000 Kuala Lumpur Tel No. : 03-2013011	051-001
PENKALLEN SECURITIES SDN BHD (66299-A) <i>(formerly known as EN. J. Securities Sdn Bhd)</i>	Ground, Mezzanine & 1st Floor Menara Pengkalen <i>(formerly known as Wisma Pekerti)</i> No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel. No. : 03-2448055	064-00 1
RASHID HUSSAIN SECURITIES SDN BHD (95060-A)	Level 1, 2, 3 and 5, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel. No. : 03-9852233	087-00 1
KAF-SEAGROATT & CAMPBELL SDN BHD (13463 1 -U)	26th – 30th floor, The Weld Tower 76, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No. : 03-2081600	053-00 1
SIME SECURITIES SDN BHD (165878-V) <i>(formerly known as UMBC Securities Sdn Bhd)</i>	21st Floor, Bangunan Sime Bank Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel. No. : 03-2749288	097-00 1

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

KUALA LUMPUR *(Cont'd)*

TA SECURITIES BERHAD (16029-V)	TA One Tower 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel. No.: 03-2321277	074-00 1
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SELANGOR DARUL EHSAN

AMSTEEL SECURITIES (M) SDN BHD (5 1253-A) <i>(formerly known as Klang Securities Sdn Bhd)</i>	No. 1, Lintang Pekan Baru (2, 3 & 4 th Floors) Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel. No. : 03-3439999	080-00 1
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HALIM SECURITIES SDN BHD (107442-X)	68, Jalan 52/6 New Town Centre P.O.Box 56 1 46770 Petaling Jaya Selangor Darul Ehsan Tel. No. : 03-7555777	091-001
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HWANG-DBS SECURITIES BERHAD (14389-U)	1 8 th – 20 th Floor, Plaza Masalam 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 4 1000 Shah Alam Selangor Darul Ehsan Tel. No. : 03-8361118	068-002
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JF APEX SECURITIES BERHAD (47680-X) <i>formerly known as Apex Securities Sdn Bhd)</i>	3rd Floor, Wisma Apex 145A-C, Jalan Bukit P.O.Box 16 43007 Kajang Selangor Darul Ehsan Tel. No. : 03-8361118	079-00 1
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MOHAIYANI SECURITIES SDN BHD (140238-A)	2nd & 3rd Floor Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel. No. : 03-7197345	095-00 1
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SJ SECURITIES SDN BHD (141671-T)	Level 3, Holiday Villa No. 9, Jalan SS 12160 Subang Jaya 47500 Petaling Jaya Selangor Darul Ehsan Tel. No.: 03-7340202/7340101	096-00 1
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16. PROCEDURE FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

MELAKA

MALACCA SECURITIES SDN BHD (16121-H)	No. 1, 3 & 5, Jalan PPM 9 Plaza Pandan Malim (Business Park) Balai Panjang P.O.Box 248 75250 Melaka Tel. No. : 06-3371533	012-001
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OCBC SECURITIES (MELAKA) SDN BHD (18884-P)	579, 579A & 579B Taman Melaka Raya 75000 Melaka Tel. No. : 06-2323822	072-00 1
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STRAITS SECURITIES SDN BHD (74070-T)	Lot 9 & 10, 1st Floor Bangunan Tabong Haji Jalan Bandar Kaba P.O.Box 209 75740 Melaka Tel. No. : 06-2833622	01 1-001
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PERAK DARUL RIDZUAN

BOTLY SECURITIES SDN BHD (14948-M)	1st Floor, Plaza Teh Teng Seng 227, Jalan Kampar 30250 Ipoh Perak Darul Ridzuan Te. No.: 05-253 13 13	058-001
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KIN KHOON & CO. SDN BHD (17816-P)	23 & 25, Wisma Kota Emas Jalan Dato' Tahwil Azhar P.O.Box 42 1 30910 Ipoh Perak Darul Ridzuan Tel. No. : 05-25433 11	017-001
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MBf NORTHERN SECURITIES SDN BHD (14782-V)	No. 71, Lim Bo Seng 30300 Ipoh Perak Darul Ridzuan Tel. No. : 05-2548999	067-00 1
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M&A SECURITIES SDN BHD (15017-H)	Bangunan Chinese Chamber of Commerce 37, Jalan Tun Sambathan 30000 Ipoh Perak Darul Ridzuan Tel, No. : 05-2419800	057-00 1
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PHILEO ALLIED SECURITIES SDN BHD (25397-M)	62, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel. No.: 05-2558233	071-001
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SBB SECURITIES SDN BHD (100518-M)	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel. No.: 05-2530888	090-00 1
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16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

PERAK DARUL RIDZUAN (*Cont'd*)

TAIPING SECURITIES SDN BHD (113521-K) <i>(formerly known as Nadzri & Ng Securities Sdn Bhd)</i>	21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel. No.: 05-8060888	092-00 1
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PREMIER CAPITAL SECURITIES SDN BHD (64149-M)	Wisma Premier Capital 21-25, Jalan Seenivasagam 30450 Ipoh Perak Darul Ridzuan Tel. No. : 05-2415100	082-00 1
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PULAU PINANG

A. A. ANTHONY & COMPANY SDN BHD (13622-K)	No. 41-1-1 & 41-2-1 Jalan Cantonment 10250 Pulau Pinang Tel. No.: 04-22993 18	014-001
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HWANG –DBS SECURITIES BERHAD (14389-U)	Level 2, 3, 4, 7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel. No. :04- 2636996	068-001
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KE-ZAN SECURITIES SDN BHD (89986-P)	Wisma Ke-Zan 64, Bishop Street 10200 Pulau Pinang Tel. No.: 04-2634222	085-00 1
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MERCURY SECURITIES SDN BHD (113193-W)	2nd Floor, Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Seberang Perai Pulau Pinang Tel. No.: 04-3322123	093-00 1
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SMITH ZAIN SECURITIES SDN BHD (13901-H)	7th & 8th Floors, PSCI Tower 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel. No.: 04-3322123	093-001
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SOON THEAM SECURITIES SDN BHD (14147-K)	No. 111, Jalan Macalister 10400 Pulau Pinang Tel. No. : 04-228 1868	060-00 1
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THONG & KAY HIAN SECURITIES SDN BHD (14592-P) <i>(formerly known as Thong KHJC Sdn Bhd)</i>	Level 5, & 6, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel. No. : 04-2635481	070-001
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UNITED TRADERS SECURITIES SDN BHD (20710-W)	12th Floor, Bangunan Mayban Trust 3, Penang Street 10200 Pulau Pinang Tel. No.: 04-262375 1	059-001
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16. **PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)**

KEDAH DARUL AMAN

ALOR SETAR SECURITIES SDN BHD (123654-H)	Lot T-30, 2nd Floor Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel. No.: 04-73 18205	094-00 1
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NEGERI SEMBILAN DARUL KHUSUS

KIMARA EQUITIES SDN BHD (228587-U)	2nd, 9th & 10th Floors Bangunan Yayasan Negeri Sembilan Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: 06-7638999	084-00 1
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MALPAC SECURITIES SDN BHD (159 143-V) <i>(formerly known as Seremban Securities Sdn Bhd)</i>	1 st, 2nd & 3rd Floors 19, 20, 21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel. No. : 06-7623 13 1	063-001
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JOHOR DARUL TAKZIM

ENG SECURITIES SDN BHD (53333-T)	95, Jalan Tun Abdul Razak 8000 Johor Bahru Johor Darul Takzim Tel. No. : 07-2231211	081-001
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JB SECURITIES SDN BHD (17812-U)	Level 6, 7 & 8 Menara Sarawak Enterprise No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel. No. : 07-333200013332800	078-001
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KESTREL SECURITIES SDN BHD (97 150-A) <i>(formerly known as MBF Securities Sdn Bhd)</i>	No. 57, 59 & 61 Jalan Ali 84000 Muar Johor Darul Takzim Tel. No. : 06-9532222	088-00 1
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PENINSULA SECURITIES SDN BHD (57258-V) <i>(formerly known as Hamid & Chua Securities Sdn Bhd)</i>	Level 2, Menara Pelangi Jalan Kuning Taman Pelangi 80400 Johor Bahru Tel. No.: 07-3333600	077-00 1
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16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

JOHOR DARUL TAKZIM (*Cont'd*)

PJB PACIFIC SECURITIES SDN BHD (430550-H)	Podium 2A & 3 Menara Ansar 6.5, Jalan Trus 80000 Johor Bahru Johor Darul Takzim Tel. No.: 07-2222692	027-00 1
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SOUTH JOHOR SECURITIES SDN BHD (53647-D) <i>(formerly known as Koh & Lee Securities Sdn Bhd)</i>	3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel. No. : 07-43 17033	069-00 I
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PAHANG DARUL MAKMUR

WK SECURITIES SDN BHD (70978-V)	A-367, A-399 & A-40 I Taman Sri Kuantan III Jalan Berserah 253000 Kuantan Pahang Darul Makmur	083-001
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KELANTAN DARUL NAIM

KOTA BHARU SECURITIES SDN BHD (15629-M) <i>(formerly known us Lee & Kee Securities Sdn Bhd)</i>	298, Jalan Tok Hakim 15000 Kota Bahru Kelantan Darul Naim Tel. No.: 09-7433388	075-001
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PERLIS INDRA KAYANGAN

UPEN SECURITIES SDN BHD (254920-D)	2nd Floor, Podium Block Bangunan KWSP 0 1000 Kangar Perlis Indra Kayangan Tel. No.: 04-9765200	023-00 1
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TERENGGANU DARUL IMAN

FA SECURITIES SDN BHD (25171 I-V)	3rd Floor, Wisma UMNO Jalan Masjid Abidin 20100 Kuala Terengganu Terengganu Darul Iman Tel. No.: 09-6238128	021-001
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PTB SECURITIES SDN BHD (42537-T)	1 st , 2 nd & 3 rd Floors 61. Jalan Sultan Ismail P. O. Box 15 1 Pejabat Pos Besar 20700 Kuala Terengganu Terengganu Darul Iman Tel. No. : 09-6235767	025-001
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16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

SARAWAK

SARAWAK SECURITIES SDN BHD (219322-W)	Wisma Mahmud Jalan Sungai Sarawak 93 100 Kuching Sarawak Tel. No.: 082-338000	019-001
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UTAMA SECURITIES SDN BHD (432200-A)	Lot 2465, Jalan Boulevard Boulevard Commercial Centre 98000 Miri Sarawak Tel. No. : 085-435577	029-00 1
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SABAH

INNOSABAH SECURITIES SDN BHD (194990-K)	11, Equity House, Block K Sadong Jaya Karamunsing 88100 Kota Kinabalu Sabah Tel. No.: 6088-234099	020-00 1
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WILAYAH PERSEKUTUAN
LABUAN

LABUAN SECURITIES SDN BHD (239683-W)	Level 2, Wisma Oceanic Jalan 0 K K Awang Besar 87007 Wilayah Persekutuan Labuan Tel. No.: 087-410621	022-00 1
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