
11. ACCOUNTANTS' REPORT

(Prepared for inclusion in this Prospectus)

The Board of Directors
 Unimech Group Berhad
 WISMA UNIMECH
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Gentlemen,

ACCOUNTANTS' REPORT

1. INTRODUCTION

This report has been prepared for inclusion in the Prospectus to be dated 19 May 2000 in connection with the public issue of 7,600,000 new ordinary shares of RM1.00 each of Unimech Group Berhad (hereinafter referred to as "UGB" or "the Company") at an issue price of RM2.30 per share and the listing of and quotation for the entire issued and paid-up share capital of UGB on the Second Board of the Kuala Lumpur Stock Exchange ("KLSE").

2. GENERAL INFORMATION

2.1 BACKGROUND

The Company was incorporated on 25 October 1996 in Malaysia under the Companies Act, 1965 as a private limited company under the name of Unimech Group Sdn. Bhd. It was converted to a public company on 8 November 1996. The principal activity of the Company is that of investment holding.

2.2 SHARE CAPITAL

The authorised share capital of UGB is RM50,000,000 comprising 50,000,000 ordinary share of RM1.00 each.

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

Date of allotment	Number of ordinary shares allotted	Par value RM	Consideration	Cumulative issued and paid-up share capital RM
25.10.1996	2	1.00	Subscribers' shares	2
06.03.2000	31,363,848	1.00	Issued as purchase consideration for the acquisition of subsidiary companies at approximately RM1.16 per ordinary share.	31,363,850
15.03.2000	2,036,150	1.00	Rights issue at par on the basis of approximately 64.9203 new ordinary shares for every 1,000 ordinary shares held.	33,400,000

11. ACCOUNTANTS' REPORT *(Cont'd)*

Subsequent to the public issue, the issued and paid-up share capital of UGB Group would be increased to RM41,000,000 by way of a public issue of 7,600,000 new ordinary shares of RM1.00 each at an issue price of RM2.30 per share.

2.3 RESTRUCTURING AND FLOTATION SCHEME

In conjunction with the listing of and quotation for the entire issued and paid-up share capital of UGB on the Second Board of the KLSE, the Company undertook the following restructuring scheme:-

- (a) the incorporation of net revaluation surplus of RM1,785,538 arising from the revaluation of the Group's landed properties.
- (b) the acquisition by UGB of the entire issued and paid-up share capital of UME(M) comprising 5,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM14,988,733 satisfied by an issue of 12,928,106 new ordinary shares of RM1.00 each in UGB at an issue price of approximately RM1.16 per share, credited as fully paid-up;
- (c) the acquisition by UGB of the entire issued and paid-up share capital of UME(KL) comprising 1,200,000 ordinary shares of RM1.00 each for a purchase consideration of RM6,279,293 satisfied by an issue of 5,416,026 new ordinary shares of RM1.00 each in UGB at an issue price of approximately RM1.16 per share, credited as fully paid-up;
- (d) the acquisition by UGB of the entire issued and paid-up share capital of UME(JB) comprising 90,002 ordinary shares of RM1.00 each for a purchase consideration of RM5,985,813 satisfied by an issue of 5,163,273 new ordinary shares of RM1.00 each in UGB at an issue price of approximately RM1.16 per share, credited as fully paid-up;
- (e) the acquisition by UGB of the entire issued and paid-up share capital of AVSB comprising 2,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM3,633,383 satisfied by an issue of 3,134,102 new ordinary shares of RM1.00 each in UGB at an issue price of approximately RM1.16 per share, credited as fully paid-up;
- (f) the acquisition by UGB of the entire issued and paid-up share capital of UMP comprising 1,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM1,771,849 satisfied by an issue of 1,528,371 new ordinary shares of RM1.00 each in UGB at an issue price of approximately RM1.16 per share, credited as fully paid-up;
- (g) the acquisition by UGB of the entire issued and paid-up share capital of Q-Flex comprising 500,000 ordinary shares of RM1.00 each for a purchase consideration of RM1,305,426 satisfied by an issue of 1,126,041 new ordinary shares of RM1.00 each in UGB at an issue price of approximately RM1.16 per share, credited as fully paid-up;
- (h) the acquisition by UGB of the entire issued and paid-up share capital of AFBSB comprising 500,000 ordinary shares of RM1.00 each for a purchase consideration of RM1,037,819 satisfied by an issue of 895,208 new ordinary shares of RM1.00 each in UGB at an issue price of approximately RM1.16 per share, credited as fully paid-up;

11. ACCOUNTANTS' REPORT (Cont'd)

- (i) the acquisition by UGB of the entire issued and paid-up share capital of AESB comprising 100,000 ordinary shares of RM1.00 each for a purchase consideration of RM826,862 satisfied by an issue of 713,236 new ordinary shares of RM1.00 each in UGB at an issue price of approximately RM1.16 per share, credited as fully paid-up;
- (j) the acquisition by UGB of the entire issued and paid-up share capital of Multi comprising 100,000 ordinary shares of SGD1.00 each for a purchase consideration of RM532,684 satisfied by an issue of 459,485 new ordinary shares of RM1.00 each in UGB at an issue price of approximately RM1.16 per share, credited as fully paid-up;
- (k) transfer of 364,000 ordinary shares of RM1.00 each representing 26% equity interest in Unijin from UME(KL) and 350,000 ordinary shares of RM1.00 each representing 25% equity interest in Unijin from UME(JB) to UGB for a cash consideration of RM364,000 and RM350,000 respectively;
- (l) transfer of 800,400 ordinary shares of RM1.00 each representing 13.34% equity interest in Rigel from UME(M), 439,800 ordinary shares of RM1.00 each representing 7.33% equity interest in Rigel from UME(KL) and 439,800 ordinary shares of RM1.00 each representing 7.33% equity interest in Rigel from UME(JB) to UGB for a cash consideration of RM800,000, RM440,000 and RM440,000 respectively;
- (m) the rights issue of 2,036,150 new ordinary shares of RM1.00 each in UGB at par on the basis of approximately 64.9203 new ordinary shares for every 1,000 ordinary shares held after the Acquisitions and Transfers; and
- (n) the public issue of 7,600,000 new ordinary shares of RM1.00 each in UGB at an issue price of RM2.30 per ordinary share payable in full upon application.

3. SUBSIDIARIES AND ASSOCIATED COMPANY

The subsidiaries and associated companies of UGB are as follows:-

Name	Date and country of incorporation	Issued and paid-up share capital	Par value	Effective Equity Interest %	Business activities
SUBSIDIARIES OF UGB					
UME (M)	15.09.79 Malaysia	RM50,000,000	RM1.00	100	Design, fabrication, installation, testing and commissioning of industrial equipment and plants for steam generation, heating and combustion system, fluid conveyancing piping works, as well as maintenance and overhaul services. Import, distribution and servicing of boilers, burners, valves and other industrial equipment and components. Principal agency and distributorship holder for the Group. Business activities cover the northern part of Peninsular Malaysia.

11. ACCOUNTANTS' REPORT (Cont'd)

Name	Date and country of incorporation	Issued and paid-up share capital	Par value	Effective Equity Interest %	Business activities
UME (KL)	12.11.79 Malaysia	RM1,200,000	RM1.00	100	Similar to UME (M), but business activities cover the central region of Peninsular Malaysia.
UME (JB)	13.11.80 Malaysia	RM90,002	RM1.00	100	Similar to UME (M), but business activities cover the southern region of Peninsular Malaysia as well as Sarawak and Sabah.
AVSB	23.06.88 Malaysia	RM2,000,000	RM1.00	100	Design and manufacture of valves, strainers, pipe fittings and chemical pumps for boilers.
UMP	16.05.91 Malaysia	RM1,000,000	RM1.00	100	Specialising in design, fabrication, installation, testing and commissioning of industrial equipment and plants for steam generation, heating and combustion system, fluid conveyancing piping works, as well as maintenance and overhaul services. Consultancy services on air pollution control, exhaust stack design, plant and process monitoring and recording systems.
AFSB	04.04.94 Malaysia	RM500,000	RM1.00	100	Engineering design and manufacture of all type of steel flanges.
Q-Flex	05.11.93 Malaysia	RM500,000	RM1.00	100	Design and manufacture of rubber-based industrial products including bellow type expansion joints, vibration absorption, sheets, rollers, gaskets and polyurethane casting and extrusion products.
AESB	17.09.94 Malaysia	RM100,000	RM1.00	100	Similar to UME (M), but business activities cover Indonesia and Thailand. AESB also specialises in building air-conditioning and fire fighting systems design, installation, testing and commissioning.
Multi	31.03.93 Singapore	SGD100,000	SGD1.00	100	Fabrication and installation of automation instruments/systems and control panels, distribution of level switches and gauges and related products. Business activities cover Singapore and the Philippines.
Unijin	25.03.97 Malaysia	RM1,400,000	RM1.00	51	Manufacturing of pressure gauges and field instruments.
SUBSIDIARY OF UME(JB)					
UME (KTN)	23.09.96 Malaysia	RM8,000	RM1.00	60	Similar to UME (M), but business activities cover the east coast of Peninsular Malaysia.

11. ACCOUNTANTS' REPORT *(Cont'd)*

Name	Date and country of incorporation	Issued and paid-up share capital	Par value	Effective Equity Interest %	Business activities
SUBSIDIARY OF UMP					
IPSB	29.06.94 Malaysia	RM100,000	RM1.00	75	Manufacturing of metal stampings and manufacture metal parts and design of die casting mould.
ASSOCIATED COMPANY OF UGB					
Rigel	14.07.94 Malaysia	RM6,000,000	RM1.00	28	Production of investment castings of stainless steel and non-ferrous metals.

4. ACCOUNTS AND AUDITORS

We have acted as auditors for UGB, UME (M), UME (KL), UME (JB), UMP, AESB, Unijin and UME (KTN) for all the years under review and have been auditors of AVSB since the financial year ended 31 December 1996 and of AFSB and Q-Flex since the financial year ended 31 December 1997. We were not the auditors for Multi, IPSB and Rigel for all the years under review.

The audit reports of the respective companies for the relevant financial period/years were not subject to any qualification except for IPSB which audit report for the year ended 30 June 1996 was subject to reservation by the auditors on the ground that the company's system of control is dependent upon the close involvement of the directors.

11. ACCOUNTANTS' REPORT (Cont'd)**5. SUMMARISED PRO FORMA CONSOLIDATED RESULTS OF UGB GROUP**

5.1 The summarised pro forma consolidated results of the UGB Group for the past five (5) financial years ended 31 December 1995 to 31 December 1999 been prepared for illustrative purposes after making such adjustments that we considered necessary and assuming that the UGB Group had been in existence through the years under review.

	Years ended 31 December				
	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	35,865	43,886	51,096	54,338	56,666
Profit before depreciation and interest	7,741	9,915	11,255	12,316	13,660
Depreciation	(689)	(788)	(1,119)	(1,373)	(1,405)
Interest expense	(454)	(587)	(956)	(1,667)	(1,398)
Interest income	4	50	83	209	106
	6,602	8,590	9,263	9,485	10,963
Share of profit/(loss) of associated companies	(35)	(203)	(268)	119	246
Profit before taxation and exceptional items	6,567	8,387	8,995	9,604	11,210
Exceptional items	-	121	(63)	228	118
Profit before taxation after exceptional items	6,567	8,508	8,932	9,832	11,328
Taxation	(2,072)	(2,445)	(2,673)	(2,930)	(64)
Profit after taxation	4,495	6,063	6,259	6,902	11,263
Minority interest	(2)	5	51	77	(124)
Profit after taxation and minority interest	4,493	6,068	6,310	6,979	11,139
No. of ordinary shares of RM1.00 each in issue ('000)	31,364	31,364	31,364	31,364	31,364
Gross earnings per share (sen)	20.93	27.14	28.64	31.59	35.72
Net earnings per share (sen)	14.33	19.35	20.12	22.25	35.52

11. ACCOUNTANTS' REPORT (Cont'd)

- (i) The pro forma consolidated results of the UGB Group are prepared for illustrative purposes only and are based on the audited accounts of UGB, UME (M), UME (KL), UME (JB), AVSB, UMP, Q-Flex, AFSB, AESB, Multi, Unijin, UME (KTN), IPSB and Rigel.
- (ii) The increase in turnover for the financial years ended 31 December 1996 and 31 December 1997 was mainly due to increasing demand for the industrial products and services offered by the UGB Group following the growth of the local manufacturing industry. Profit before taxation continued to increase for the same period due to the increase in turnover as well as improved economies of scale attained by the UGB Group.
- (iii) Turnover for the financial years ended 31 December 1998 and 31 December 1999 increased due to steady demand for valve and piping products, the substitution of imported valve and piping products by those locally made by the UGB Group and continuing demand for heating and boiler systems, which are central to many industrial processes. Turnover, however, increased at a lower rate compared to previous years as result of the slowdown experienced by Malaysian economy.

The growth in profit before taxation from financial years ended 31 December 1996 to 31 December 1998 was hampered by higher interest costs, raw materials costs, operating expenses, increase competition and lower selling prices. However, in line with the recovery in the Malaysian and Asian economies in the second half of 1999, the UGB Group experienced higher growth in its profit before taxation for its financial year ended 31 December 1999.

- (iv) The exceptional items comprise the following:-

Year ended 31 December	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000
Gains on disposal of leasehold land and building	121	-	-	-
Gains on disposal of investment	-	15	235	201
Diminution in value of quoted investment	-	(78)	(7)	(11)
Deficit in revaluation of fixed assets	-	-	-	(72)
Total	121	(63)	228	118

- (v) The effective tax rates for the financial years ended 31 December 1995 to 31 December 1998 were slightly higher than the statutory tax rate mainly due to certain expenses not being deductible for tax purposes. No provision for taxation was made for financial year ended 31 December 1999 as income earned in 1999 is waived for income tax. The taxation provision in 1999 related to deferred taxation liability.
- (vi) The number of ordinary shares assumed in issue is arrived at after the Acquisition but before the Rights Issue and Public Issue.
- (vii) There were no extraordinary items in the financial years under review.
- (viii) The gross EPS is calculated based on the profit before taxation but after minority interests over the number of assumed issued and paid-up share capital of UGB of 31,363,850 new ordinary shares of RM1.00 each.

11. ACCOUNTANTS' REPORT (Cont'd)

- (ix) The net EPS is calculated based on the profit after taxation and minority interests over the number of assumed issued and paid-up share capital of UGB of 31,363,850 new ordinary shares of RM1.00 each.
- (x) The year-end for Multi had been changed from 31 March to 31 December in 1996 and from 30 June to 31 December in 1998 for IPSB. In preparing the pro forma consolidated profit and loss account, the results of Multi and IPSB prior to 31 March 1996 and 30 June 1998 were time apportioned to 31 December.
- (xi) All inter-company transactions are eliminated on consolidation and the consolidated accounts reflect external transactions only.

5.2 The summarised results of the companies in UGB Group based on the audited accounts of UME (M), UME (KL), UME (JB), AVSB, UMP, AFSB, Q-Flex, AESB, Multi, Unijin, UME (KTN), IPSB and Rigel for the five (5) ended 31 December 1999 are set out below:-

UGB

UGB has not commenced operations since its incorporation on 25 October 1996.

UME (M)

	Years ended 31 December				
	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	23,411	26,414	32,344	30,578	32,684
Profit before depreciation and interest	3,498	3,845	4,785	5,649	6,430
Depreciation	(198)	(171)	(245)	(308)	(272)
Interest expense	(280)	(332)	(511)	(1,145)	(976)
Interest income	2	17	21	44	28
Profit before taxation	3,022	3,359	4,050	4,240	5,210
Taxation	(981)	(1,062)	(1,098)	(1,290)	20
Profit after taxation	2,041	2,297	2,952	2,950	5,230
No. of ordinary shares of RM1.00 each in issue ('000)	2,500	2,500	2,500	5,000	5,000
Gross earnings per share (sen)	120.88	134.36	162.00	84.80	104.20
Net earnings per share (sen)	81.64	91.88	118.08	59.00	104.60
Gross dividend rate (%)	-	80	-	-	-

11. ACCOUNTANTS' REPORT (Cont'd)

Notes:-

- (i) Turnover was on an increasing trend from 1995 to 1997, reflecting the growth of UME (M). There was a drop in turnover in 1998 due mainly to the economic downturn affecting the Asian countries. The increase in turnover in 1999 was due to increase in demand for the company's products following the recovery in the local and Asian economies. The higher turnover coupled with lower operating expenses resulted in higher profit in 1999.
- (ii) There were no exceptional items and extraordinary items in respect of the financial years under review.
- (iii) The effective tax rates for the years 1995, 1996 and 1998 are slightly higher than statutory tax rates due to certain expenses not being deductible for tax purposes. The taxation was in credit in 1999 due to the transfer of deferred tax to the Profit and Loss Account.

UME (KL)

	Years ended 31 December				
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
Turnover	8,266	9,925	10,162	10,432	10,476
Profit before depreciation and interest	1,491	2,290	1,948	1,604	2,127
Depreciation	(105)	(95)	(128)	(130)	(77)
Interest expense	(120)	(116)	(159)	(180)	(118)
Interest income	-	31	19	75	62
Profit before taxation and exceptional items	1,266	2,110	1,680	1,369	1,994
Exceptional items	-	121	(3)	83	41
Profit before taxation after exceptional items	1,266	2,231	1,677	1,452	2,035
Taxation	(433)	(573)	(554)	(415)	(4)
Profit after taxation	833	1,658	1,123	1,037	2,031
No. of ordinary shares of RM1.00 each in issue ('000)	1,200	1,200	1,200	1,200	1,200
Gross earnings per share (sen)	105.50	185.92	139.75	121.00	169.58
Net earnings per share (sen)	69.42	138.17	93.58	86.42	169.25
Gross dividend rate (%)	-	75	-	50	100

11. ACCOUNTANTS' REPORT (Cont'd)*Notes:-*

- (i) *Turnover was on an increasing trend from 1995 to 1999 as a result of greater demand for the company's products and services. Profitability in 1996 increased substantially due to increase in demand for the company's maintenance services which generated higher gross margin. Despite the increase in turnover, profitability dropped in 1997 and 1998 as a result of lower gross margin. However, in 1999, profit improved as a result of greater demand for the company's higher profit margin maintenance services. Despite the increase in turnover, profitability dropped in 1997 and 1998 as a result of lower gross margin. However, in 1999, profit improved as a result of greater demand for the company's higher profit margin maintenance services.*
- (ii) *The exceptional items in respect of the year ended 31 December 1996 represents a net gain on disposal of leasehold land and building.*
- (iii) *The exceptional items in respect of the years ended 31 December 1997 to 1999 represents the net effect of a diminution in value of quoted investment and gain on disposal of investment.*
- (iv) *The effective tax rates for the years 1995, 1997 and 1998 were higher than statutory tax rates due to certain expenses not being deductible for tax purposes. No provision for taxation was made in respect of income earned in 1999 as income earned in 1999 is waived from income tax. The taxation provision in 1999 related to deferred taxation liability.*

UME (JB)

	Years ended 31 December				
	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	6,595	7,388	8,788	8,522	8,482
Profit before depreciation and interest	1,260	1,530	1,858	1,677	1,826
Depreciation	(75)	(79)	(92)	(95)	(61)
Interest expense	(9)	(9)	(8)	(27)	(10)
Profit before taxation and exceptional items	1,176	1,442	1,758	1,555	1,755
Exceptional items	-	-	-	6	5
Profit before taxation after exceptional items	1,176	1,442	1,758	1,561	1,760
Taxation	(336)	(441)	(513)	(456)	3
Profit after taxation	840	1,001	1,245	1,105	1,763
No. of ordinary shares of RM1.00 each in issue ('000)	90	90	90	90	90
Gross earnings per share (sen)	1,306.67	1,602.22	1,953.33	1,734.44	1,955.56
Net earnings per share (sen)	933.33	1,112.22	1,383.33	1,227.78	1,958.89
Gross dividend rate (%)	-	-	-	500	500

11. ACCOUNTANTS' REPORT (Cont'd)*Notes:-*

- (i) *Turnover was on an increasing trend from 1995 to 1997 as a result of greater demand for the company's products and services. The decrease in turnover for 1998 and 1999 was due to the drop in demand from Singaporean clients who were affected by the economic downturn. However, demand from East Malaysia continued to grow to partly compensate for the drop in demand in Singapore.*
- (ii) *The decrease in profitability for the year ended 31 December 1998 was due to increase in operating expenses. However, profit before taxation and exceptional items increased in year 1999 due to improvement in the gross margin of the company's products and services.*
- (iii) *The exceptional items in respect of the year ended 31 December 1998 and 31 December 1999 represents gain on disposal of quoted investments.*
- (iv) *There were no extraordinary items for the financial years under review.*
- (v) *The effective tax rates for the years 1996 to 1998 are higher than the statutory tax rates due to certain expenses not being deductible for tax purposes. The taxation was in credit in 1999 due to the transfer of deferred tax to the Profit and Loss Account.*

AVSB

	Years ended 31 December				
	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	1,044	2,119	3,583	5,081	7,538
Profit before depreciation and interest	390	709	748	893	1,219
Depreciation	(176)	(250)	(260)	(331)	(402)
Interest expense	(33)	(110)	(170)	(211)	(203)
Interest income	1	1	1	1	1
Profit before taxation	182	350	319	352	615
Taxation	(69)	58	(19)	(38)	-
Profit after taxation	113	408	300	314	615
No. of ordinary shares of RM1.00 each in issue ('000)	1,500	1,500	1,500	2,000	2,000
Gross earnings per share (sen)	12.13	23.33	21.27	17.60	30.75
Net earnings per share (sen)	7.53	27.20	20.00	15.70	30.75
Gross dividend rate (%)	-	-	-	-	-

Notes:-

- (i) *AVSB only commenced manufacturing activities in 1995. The turnover of the company was on an increasing trend from 1995 to 1999, reflecting the rise in demand of its products. The substantial increase in turnover in 1998 and 1999 was due to higher demand for its products which were more competitively priced as compared to imported valves whose price had increased substantially following the depreciation of Ringgit currency.*

11. ACCOUNTANTS' REPORT (Cont'd)

- (ii) *The significant increase in profit for 1998 was due to the higher gross margin incorporated in the pricing for valves supplied to related companies. The lower profit margin experienced in 1997 to 1999 was due to increase in cost of raw materials and reduction in selling price.*
- (iii) *There were no exceptional items and extraordinary items in respect of the financial years under review.*
- (iv) *The effective tax rate was higher than the statutory tax rates for the year 1995 due to certain expenses not being deductible for tax purposes. The effective tax rates were lower than statutory tax rates from years 1996 to 1998 due to claims for reinvestment allowance and capital allowance. No provision for taxation was made in respect of income earned in 1999 as income earned in 1999 is waived from income tax.*

UMP

	Years ended 31 December				
	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	1,561	3,248	6,702	8,620	8,710
Profit before depreciation and interest	340	527	1,048	1,102	515
Depreciation	(16)	(44)	(88)	(102)	(103)
Interest expense	(2)	(6)	(36)	(26)	(27)
Interest income	1	1	19	20	22
Profit before taxation and exceptional items	323	478	943	994	407
Exceptional items	-	-	(60)	139	144
Profit before taxation after exceptional items	323	478	883	1,133	551
Taxation	(90)	(146)	(278)	(309)	(2)
Profit after taxation	233	332	605	824	549
No. of ordinary shares of RM1.00 each in issue ('000)	75	75	75	1,000	1,000
Gross earnings per share (sen)	430.67	637.33	1,177.33	113.30	55.10
Net earnings per share (sen)	310.67	442.67	806.67	82.40	54.90
Gross dividend rate (%)	-	-	-	30	15

11. ACCOUNTANTS' REPORT (Cont'd)

Notes:-

- (i) *In 1995, UMP revived its operations in designing, fabricating, construction and maintaining boiler systems.*
- (ii) *Turnover was on an increasing trend from 1995 to 1999 due mainly of its ability to secure new industrial projects in designing, installation and maintaining valves and piping systems.*
- (iii) *The significant increase in profit for the years ended 31 December 1996 and 1997 was mainly due to economies of scale following the substantial increase in turnover. The significant decrease in profit for 1999 was mainly due to increase in cost of materials.*
- (iv) *The exceptional items in respect of the year ended 31 December 1997 represents a diminution in the value of quoted investment.*
The exceptional items in respect of the years ended 31 December 1998 and 1999 represent gain on disposal of investments.
- (v) *There were no extraordinary items in respect of the above years under review.*
- (vi) *The effective tax rates in year 1996 to 1998 are slightly higher than the statutory tax rates due to certain expenses not being deducted for tax purposes. No provision for taxation was made in respect of income earned in 1999 as income earned in 1999 is waived from income tax. The provision for tax charge in 1999 was in respect of deferred taxation liability.*

11. ACCOUNTANTS' REPORT (Cont'd)**AFSB**

	Years ended 31 December				
	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	693	886	1,306	1,086	995
Profit before depreciation and interest	260	273	190	213	199
Depreciation	(4)	(13)	(42)	(51)	(55)
Interest expense	-	-	(48)	(34)	(21)
Profit before taxation and exceptional items	256	260	100	128	123
Exceptional items	-	-	-	-	(72)
Profit before taxation after exceptional items	256	260	100	128	51
Taxation	(75)	(60)	(29)	(63)	25
Profit after taxation	181	200	71	65	76
No. of ordinary shares of RM1.00 each in issue ('000)	500	500	500	500	500
Gross earnings per share (sen)	51.20	52.00	20.00	25.60	24.60
Net earnings per share (sen)	36.20	40.00	14.20	13.00	15.20
Gross dividend rate (%)	-	-	-	-	15

Notes:-

- (i) *AFSB commenced operations in April 1994 with turnover showing modest growth for the period and years under review.*
- (ii) *The substantial increased in turnover in 1997 was due mainly to greater demand of its products. The decrease in profitability in 1997 was mainly due to competition from the steel-end plates suppliers, who had been supplying to the construction industry, shifting its activities into manufacturing of steel flanges as a result of the slowdown in the construction industry. Consequently, prices of steel flanges had been adjusted downward.*
- (iii) *The exceptional item in respect of the year 1999 represents deficit in revaluation of freehold land and building.*
- (iv) *There were no extraordinary items in respect of the financial years under review.*
- (v) *The effective tax rates in year 1995 to 1996 are lower than the statutory tax rates due to the utilisation of capital allowance and under provision of deferred tax. The effective tax rates in 1997 and 1998 is higher than the statutory tax rates due to provision for deferred tax under provided in previous year. The taxation was in credit in 1999 due to the transfer of deferred tax to the Profit and Loss Account.*

11. ACCOUNTANTS' REPORT (Cont'd)**Q-Flex**

	Years ended 31 December				
	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	1,071	1,184	1,687	2,356	2,445
Profit before depreciation and interest	349	385	456	418	437
Depreciation	(60)	(84)	(111)	(131)	(143)
Interest expense	(1)	(3)	(11)	(21)	(20)
Interest income	-	-	19	51	8
Profit before taxation	288	298	353	317	282
Taxation	(38)	(101)	(103)	(98)	(28)
Profit after taxation	250	197	250	219	254
No. of ordinary shares of RM1.00 each in issue ('000)	500	500	500	500	500
Gross earnings per share (sen)	57.60	59.60	70.60	63.40	56.40
Net earnings per share (sen)	50.00	39.40	50.00	43.80	50.80
Gross dividend rate (%)	-	-	-	-	-

Notes:-

- (i) *Turnover was on an increasing trend from 1995 to 1999 as a result of higher demand for its products.*
- (ii) *The keen competition experienced by Q-Flex resulted in the decline in its profits before taxation in 1998 and 1999.*
- (iii) *There were no exceptional items and extraordinary items in respect of the financial years under review.*
- (iv) *The adjustment to prior year item for the year ended 31 December 1997 in respect of deferred taxation underprovided was taken back to the years ended 31 December 1995 and 1996.*
- (v) *The effective tax rate in 1995 is lower than the statutory tax rates due to utilisation of capital allowance and losses brought forward. The effective tax rates from 1996 to 1998 are higher than statutory tax rates due to certain expenses not being deductible for tax purposes. No provision for taxation was made in respect of income earned in 1999 as income earned in 1999 is waived from income tax. The provision for tax charge for year 1999 was in respect of deferred taxation liability.*

11. ACCOUNTANTS' REPORT (Cont'd)**AESB**

	17.09.94	Years ended 31 December			
	to				
	31.12.95	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	1,886	5,636	3,139	4,268	6,126
Profit before depreciation and interest	152	369	135	537	303
Depreciation	(27)	(28)	(35)	(37)	(79)
Interest expense	(4)	(7)	(6)	(6)	(3)
Profit before taxation	121	334	94	494	221
Taxation	(37)	(102)	(27)	(151)	1
Profit after taxation	84	232	67	343	222
No. of ordinary shares of RM1.00 each in issue ('000)	100	100	100	100	100
Gross earnings per share (sen)	93.97*	334.00	94.00	494.00	221.00
Net earnings per share (sen)	65.23*	232.00	67.00	343.00	222.00
Gross dividend rate (%)	-	-	-	-	69

* Annualised

Notes:-

- (i) AESB's turnover increased in 1996, reflecting rising in demand for its services and products.
- (ii) The decrease in profitability for the year ended 31 December 1997 was mainly due to the reduction of export sales to Indonesia and Philippines and higher operating costs.
- (iii) Turnover in 1998 increased substantially due to increase in projects undertaken by the company. Profitability increased 5 fold in 1998 due to increase in turnover and gross profit margin. Turnover increased substantially in 1999 due to increase in export sales. However, profit before tax decreased in 1999 due to reduction in gross margin for its exports in order to remain competitive in the export market.
- (iv) There were no exceptional item and extraordinary item in respect of the above period and years under review.
- (v) The effective tax rates in year 1995 to 1998 are slightly higher than the statutory tax rates due to certain expenses not being deducted for tax purposes. The taxation was in credit in 1999 due to the transfer of deferred tax to the Profit and Loss Account.

11. ACCOUNTANTS' REPORT (Cont'd)**Multi**

	Year ended	9-month ended	Years ended 31 December		
	31.12.96	31.12.96	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	988	825	1,899	2,542	2,960
Profit before depreciation and interest	44	51	165	274	263
Depreciation	(9)	(4)	(5)	(48)	(45)
Interest expense	(1)	-	-	(2)	(4)
Interest income	-	-	-	-	2
Profit before taxation	34	47	160	224	215
Taxation	(18)	(12)	(45)	(63)	(78)
Profit after taxation	16	35	115	161	137
No. of ordinary shares of RM1.00 each in issue ('000)	100	100	100	100	100
Gross earnings per share (sen)	34.00	62.67*	159.66	223.97	215.27
Net earnings per share (sen)	16.00	46.67*	114.86	160.83	136.79
Gross dividend rate (%)	-	-	-	-	25

* Annualised

Notes:-

- (i) Turnover from the years 1996 to 1999 had been on an increasing trend as a result of increasing demand for its products.
- (ii) Profitability increased from 1996 to 1999 due to increase in turnover and its ability to reduce operating costs. The substantial increase in profit before taxation in 1998 is mainly due to increase in exports with higher gross margin. The reduction in profitability in 1999 was due to a reduction in gross margin and an increase in operating costs.
- (iii) There were no exceptional item and extraordinary item and in respect of the above period and years under review.
- (iv) The effective tax rates in 1996 to 1999 are higher than the statutory tax rates due to certain expenses not being deductible for tax purposes.
- (v) The exchange rates used for the relevant period and year are as follows:-

Year ended 31 March 1996	SGD1.00=RM1.7978
Nine (9)-month period ended 31 December 1996	SGD1.00=RM1.7974
Year ended 31 December 1997	SGD1.00=RM1.9300
Year ended 31 December 1998	SGD1.00=RM2.3387
Year ended 31 December 1999	SGD1.00=RM2.2424

11. ACCOUNTANTS' REPORT (Cont'd)**Unijin**

	25.03.97 to 31.12.97 RM'000	Years ended 31 December 1998 RM'000	1999 RM'000
Turnover	-	329	1,779
Profit/(Loss) before depreciation and interest	(36)	(185)	128
Depreciation	(75)	(88)	(95)
Interest expense	-	(4)	-
Interest income	7	17	-
Profit/(Loss) before taxation	(107)	(260)	33
Taxation	-	-	-
Profit/(Loss) after taxation	(107)	(260)	33
No. of ordinary shares of RM1.00 each in issue ('000)	#	1,400	1,400
Gross earnings/(loss) per share (sen)	RM(69,246.45)*	(18.57) sen	2.36 sen
Net earnings/(loss) per share (sen)	RM(69,246.45)*	(18.57) sen	2.36 sen
Gross dividend rate (%)	-	-	-

This represent RM2.00

* Annualised

Notes:-

- (i) Unijin commenced manufacturing trial run in October 1997.
- (ii) The losses for 1997 and 1998 were due to the initial start-up costs and higher operating expenses.
- (iii) Turnover improved substantially in 1999 after the trial run period.
- (iv) There were no exceptional item and extraordinary item in respect of the financial period and years under review.
- (v) No provision for taxation was made in respect of income earned in 1999 as income earned in 1999 is waived from income tax.

11. ACCOUNTANTS' REPORT (Cont'd)**UME (KTN)**

	23.09.96 to 31.12.97 RM'000	Years ended 31 December	
		1998 RM'000	1999 RM'000
Turnover	729	1,132	1,840
Profit before depreciation and interest	32	167	306
Depreciation	(14)	(24)	(51)
Interest expense	(2)	(4)	(12)
Profit before taxation	16	139	243
Taxation	(5)	(39)	(1)
Profit after taxation	11	100	242
No. of ordinary shares of RM1.00 each in issue ('000)	8	8	8
Gross earnings per share (sen)	157.33*	1,737.50	3,037.50
Net earnings per share (sen)	108.16*	1,250.00	3,025.00
Gross dividend rate (%)	-	-	-

* Annualised

Notes:-

- (i) *The increase in turnover and profitability for 1998 and 1999 was mainly due to higher demand for its products.*
- (ii) *There were no exceptional item and extraordinary item in respect of the above period and years under review.*
- (iii) *The effective tax rates in 1997 is slightly higher than the statutory tax rates due to certain expenses not being deducted for tax purposes. No provision for taxation was made in respect of income earned in 1999 as income earned in 1999 is waived from income tax. The provision for tax charge for year 1999 was in respect of deferred taxation liability.*

11. ACCOUNTANTS' REPORT (Cont'd)**IPSB**

	Year ended 30 June			01.07.98	Year
	1996	1997	1998	to	ended
	RM'000	RM'000	RM'000	31.12.98	31.12.99
				RM'000	RM'000
Turnover	228	316	568	335	1,021
Profit/(loss) before depreciation and interest	18	(10)	52	55	104
Depreciation	(14)	(23)	(26)	(15)	(40)
Interest expense	(3)	(4)	(7)	(3)	(4)
Interest income	-	-	1	1	-
Profit/(loss) before taxation	1	(37)	20	38	60
Taxation	-	(3)	(2)	(7)	-
Profit/(loss) after taxation	1	(40)	18	31	60
No. of ordinary shares of RM1.00 each in issue ('000)	50	100	100	100	100
Gross earnings/(loss) per share (sen)	2.93	(36.84)	20.00	75.96*	60.00
Net earnings/(loss) per share (sen)	2.93	(39.54)	18.40	61.16*	60.00
Gross dividend rate (%)	-	-	-	-	-

* Annualised

Notes:-

- (i) *The increase in turnover for the financial year ended 30 June 1997 was mainly due to increase in the demand for the company's products. The company suffered losses for the year ended 30 June 1997 mainly due to a reduction in gross margin as a result of increase in the cost of raw materials. However, profitability increased in years end 30 June 1998, 31 December 1998 and 31 December 1999 was due to increase in turnover and gross margin.*
- (ii) *The tax charge for the financial year ended 30 June 1997 was due to under provision of taxation in respect of previous year. The effective tax rates for financial years ended 30 June 1998 and 31 December 1998 was lower than the statutory tax rates due to unabsorbed losses brought forward. No provision for taxation was made in respect of income earned in 1999 as income earned in 1999 is waived from income tax.*
- (iii) *There were no exceptional item and extraordinary item and in respect of the financial period and years under review.*

11. ACCOUNTANTS' REPORT (Cont'd)**Rigel**

	14.07.94	01.11.95	Years ended 31 December		
	to	to	1997	1998	1999
	31.10.95	31.12.96	RM'000	RM'000	RM'000
	RM'000	RM'000			
Turnover	-	538	2,491	6,024	8,408
Profit/(loss) before depreciation and interest	(7)	(424)	(229)	1,222	1,609
Depreciation	-	(229)	(401)	(490)	(578)
Interest expense	(1)	(192)	(328)	(308)	(151)
Interest income	5	-	-	-	-
Profit/(loss) before taxation	(3)	(845)	(958)	424	880
Taxation	-	-	-	-	-
Profit/(loss) after taxation	(3)	(845)	(958)	424	880
No. of ordinary shares of RM1.00 each in issue ('000)	612	2,500	4,000	4,000	6,000
Gross earnings/(loss) per share (sen)	(0.38)*	(28.96)*	(23.95)	10.60	14.67
Net earnings/(loss) per share (sen)	(0.38)*	(28.96)*	(23.95)	10.60	14.67
Gross dividend rate (%)	-	-	-	-	-

* Annualised

Notes:-

- (i) Rigel commenced operation in June 1996 and incurred losses in its initial years of operation.
- (ii) Turnover increased substantially in 1998 and 1999 due to increase in export sales. Profitability increased in 1998 and 1999 due to increase in turnover and gross margin.
- (iii) There were no exceptional item and extraordinary item and in respect of the above period and years under review.
- (iv) There was no tax charge for the year ended 31 December 1998 due to sufficient tax losses brought forward and investment tax allowance to offset its taxable income. No provision for taxation was made in respect of income earned in 1999 as income earned in 1999 is waived from income tax.

11. ACCOUNTANTS' REPORT (Cont'd)**6. DIVIDENDS**

6.1 Details of dividends declared and paid or payable by the subsidiary companies for the financial years are as below:-

	Issued and paid-up share capital RM'000	Gross dividend rate	Net dividend paid/payable RM'000
UME (M)			
Year ended			
31 December 1996	2,500	80% less tax at 30%	1,400
UME (KL)			
Year ended			
31 December 1996	1,200	75% less tax at 30%	630
31 December 1998	1,200	50% less tax at 28%	432
31 December 1999	1,200	100% tax exempt	* 1,200
UME (JB)			
Year ended			
31 December 1998	90	500% less tax at 28%	324
31 December 1999	90	500% tax exempt	* 450
UMP			
Year ended			
31 December 1998	1,000	30% less tax at 28%	216
31 December 1999	1,000	15% tax exempt	* 150
AESB			
Year ended			
31 December 1999	100	69% tax exempt	* 69
AFSB			
Year ended			
31 December 1999	500	15% tax exempt	* 75
	Issued and paid-up share capital SGD'000	Gross dividend rate	Net dividend paid/payable SGD'000
AFSB			
Year ended			
31 December 1999	100	25% less tax at 26%	* 18

* These final dividends were approved and declared for the financial year ended 31 December 1999 at the Annual General Meeting held on 4 March 2000 and paid on 8 April 2000.

6.2 Except as shown above, no dividend has been paid or declared for other years under review.

11. ACCOUNTANTS' REPORT (Cont'd)

7. SUMMARISED BALANCE SHEETS

The summarised balance sheets of the companies in UGB Group based on the audited accounts set out below:-

UGB

	As at 31 December		
	1997	1998	1999
	RM'000	RM'000	RM'000
Current Assets	*	*	*
Less : Current Liabilities	(332)	(390)	(537)
Net Current Liabilities	(332)	(390)	(537)
Expenditure carried forward	332	390	537
	-	-	-
Financed by:-			
Share Capital	*	*	*
Unappropriated Profits	-	-	-
Shareholders' Funds	-	-	-
NTA per share (RM)	(166,000.00)	(195,000.00)	-

* This represent RM2.00

11. ACCOUNTANTS' REPORT (Cont'd)**UME (M)**

	As at 31 December					
	1994	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Fixed Assets	2,691	2,692	2,724	3,204	3,643	4,344
Subsidiary Companies	764	751	-	-	-	-
Investment	307	477	36	36	36	841
Associated Company	-	-	-	800	800	-
Current Assets	11,226	14,714	16,568	24,042	23,496	28,398
Less : Current Liabilities	(9,523)	(11,083)	(10,997)	(17,017)	(13,992)	(13,268)
Net Current Assets	1,703	3,631	5,571	7,025	9,504	15,130
	<u>5,465</u>	<u>7,551</u>	<u>8,331</u>	<u>11,065</u>	<u>13,983</u>	<u>20,315</u>
Financed by:-						
Share Capital	2,500	2,500	2,500	2,500	5,000	5,000
Unappropriated Profits	2,443	4,484	5,381	8,333	8,784	14,014
Revaluation Reserve	-	-	-	-	-	1,209
Shareholders' Funds	4,943	6,984	7,881	10,833	13,784	20,223
Long Term Liabilities	507	567	450	232	133	49
Deferred Taxation	15	-	-	-	66	43
	<u>5,465</u>	<u>7,551</u>	<u>8,331</u>	<u>11,065</u>	<u>13,983</u>	<u>20,315</u>
NTA per share (RM)	1.98	2.79	3.15	4.33	2.76	4.04

11. ACCOUNTANTS' REPORT (Cont'd)

UME (KL)

	As at 31 December					
	1994 RM'000	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
Fixed Assets	1,013	1,920	955	2,050	1,942	1,885
Subsidiary Company	-	96	-	-	-	-
Associated Company	11	20	-	-	332	408
Investment	156	287	-	24	137	599
Progress Payments	100	-	222	-	-	-
Current Assets	3,971	5,633	5,986	7,572	7,794	9,379
Less : Current Liabilities	(2,092)	(3,292)	(2,153)	(2,724)	(2,757)	(4,110)
Net Current Assets	1,879	2,341	3,833	4,848	5,037	5,269
	3,159	4,664	5,010	6,922	7,448	8,161
Financed by:-						
Share Capital	1,200	1,200	1,200	1,200	1,200	1,200
Revaluation Reserves	-	-	-	-	-	11
Unappropriated Profits	1,478	2,311	3,340	4,463	5,068	5,900
Shareholders' Funds	2,678	3,511	4,540	5,663	6,268	7,111
Long Term Liabilities	477	1,145	459	1,257	1,180	1,046
Deferred Taxation	4	8	11	2	-	4
	3,159	4,664	5,010	6,922	7,448	8,161
NTA per share (RM)	2.23	2.93	3.78	4.72	5.22	5.93

11. ACCOUNTANTS' REPORT (Cont'd)**UME (JB)**

	As at 31 December					
	1994	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Fixed Assets	543	792	747	826	755	764
Subsidiary Company	-	-	38	60	230	250
Associated Company	-	-	-	-	332	393
Quoted Investment	-	-	-	-	-	456
Current Assets	3,041	3,668	5,029	5,727	6,601	6,968
Less : Current Liabilities	(1,576)	(1,589)	(1,933)	(1,434)	(1,981)	(1,553)
Net Current Assets	1,465	2,079	3,096	4,293	4,620	5,415
	<u>2,008</u>	<u>2,871</u>	<u>3,881</u>	<u>5,179</u>	<u>5,937</u>	<u>7,278</u>
Financed by:-						
Share Capital	90	90	90	90	90	90
Revaluation Reserves	-	-	-	-	-	44
Unappropriated Profits	1,918	2,758	3,759	5,004	5,785	7,098
Shareholders' Funds	2,008	2,848	3,849	5,094	5,875	7,232
Long Term Liabilities	-	23	32	67	38	24
Deferred Taxation	-	-	-	18	24	22
	<u>2,008</u>	<u>2,871</u>	<u>3,881</u>	<u>5,179</u>	<u>5,937</u>	<u>7,278</u>
NTA per share (RM)	22.31	31.64	42.77	56.60	65.28	80.36

11. ACCOUNTANTS' REPORT (Cont'd)

AVSB

	As at 31 December					
	1994	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Fixed Assets	817	1,933	3,183	3,059	3,477	4,254
Intangible Assets	46	-	-	-	-	-
Current Assets	20	1,505	1,574	1,957	3,803	3,344
Less : Current Liabilities	(529)	(1,540)	(2,511)	(2,370)	(3,499)	(2,840)
Net Current Assets/ (Liabilities)	(509)	(35)	(937)	(413)	304	504
	<u>354</u>	<u>1,898</u>	<u>2,246</u>	<u>2,646</u>	<u>3,781</u>	<u>4,758</u>
Financed by:-						
Share Capital	350	1,500	1,500	1,500	2,000	2,000
Revaluation Reserves	-	-	-	-	-	598
Unappropriated Profits	(100)	13	422	721	1,035	1,651
Shareholders' Funds	250	1,513	1,922	2,221	3,035	4,249
Long Term Liabilities	104	322	324	425	746	509
Deferred Taxation	-	63	-	-	-	-
	<u>354</u>	<u>1,898</u>	<u>2,246</u>	<u>2,646</u>	<u>3,781</u>	<u>4,758</u>
NTA per share (RM)	0.58	1.01	1.28	1.48	1.52	2.12

11. ACCOUNTANTS' REPORT (Cont'd)

UMP

	As at 31 December					
	1994	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Fixed Assets	-	66	195	388	399	306
Subsidiary Company	-	-	-	-	173	272
Quoted Investment	-	-	-	37	609	-
Current Assets	55	908	2,247	2,485	2,194	5,681
Less : Current Liabilities	(3)	(625)	(1,734)	(1,440)	(1,378)	(3,921)
Net Current Assets	52	283	513	1,045	816	1,760
	<u>52</u>	<u>349</u>	<u>708</u>	<u>1,470</u>	<u>1,997</u>	<u>2,338</u>
Financed by:-						
Share Capital	50	75	75	75	1,000	1,000
Unappropriated Profits	2	235	567	1,173	856	1,255
Shareholders' Funds	52	310	642	1,248	1,856	2,255
Long Term Liabilities	-	39	66	222	141	82
Deferred Taxation	-	-	-	-	-	1
	<u>52</u>	<u>349</u>	<u>708</u>	<u>1,470</u>	<u>1,997</u>	<u>2,338</u>
NTA per share (RM)	1.04	4.13	8.56	16.64	1.86	2.26

11. ACCOUNTANTS' REPORT (Cont'd)

AFSB

	As at 31 December					
	1994	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Fixed Assets	33	120	128	759	796	682
Intangible Assets	5	-	-	-	-	-
Current Assets	312	823	1,124	856	1,022	1,130
Less : Current Liabilities	(57)	(169)	(278)	(301)	(426)	(497)
Net Current Assets	255	654	846	555	596	633
	293	774	974	1,314	1,392	1,315
Financed by:-						
Share Capital	200	500	500	500	500	500
Unappropriated Profits	93	274	474	545	610	612
Shareholders' Funds	293	774	974	1,045	1,110	1,112
Long Term Liabilities	-	-	-	240	211	177
Deferred Taxation	-	-	-	29	71	26
	293	774	974	1,314	1,392	1,315
NTA per share (RM)	1.44	1.55	1.95	2.09	2.22	2.22

11. ACCOUNTANTS' REPORT (Cont'd)

Q-Flex

	As at 31 December					
	1994	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Fixed Assets	473	458	569	734	839	822
Intangible Assets	6	-	-	-	-	-
Current Assets	296	684	541	1,407	1,935	1,981
Less : Current Liabilities	(386)	(469)	(174)	(808)	(1,249)	(1,082)
Net Current Assets	(90)	215	367	599	686	899
	389	673	936	1,333	1,525	1,721
Financed by:-						
Share Capital	500	500	500	500	500	500
Unappropriated Profits	(111)	140	337	587	805	1,059
Shareholders' Funds	389	640	837	1,087	1,305	1,559
Deferred Taxation	-	33	59	63	94	73
Long Term Liabilities	-	-	40	183	126	89
	389	673	936	1,333	1,525	1,721
NTA per share (RM)	0.77	1.28	1.67	2.17	2.61	3.12

11. ACCOUNTANTS' REPORT (Cont'd)

AESB

	As at 31 December				
	1995	1996	1997	1998	1999
	RM'000	RM'000	RM'000	RM'000	RM'000
Fixed Assets	121	114	123	100	542
Progress Payments	-	80	80	80	80
Current Assets	1,244	1,238	1,638	2,135	2,251
Less : Current Liabilities	(1,129)	(990)	(1,349)	(1,466)	(1,779)
Net Current Assets	115	248	289	669	472
	<u>236</u>	<u>442</u>	<u>492</u>	<u>849</u>	<u>1,094</u>
Financed by:-					
Share Capital	100	100	100	100	100
Unappropriated Profits	84	316	383	727	880
Shareholders' Funds	184	416	483	827	980
Long Term Liabilities	50	21	-	-	109
Deferred Taxation	2	5	9	22	5
	<u>236</u>	<u>442</u>	<u>492</u>	<u>849</u>	<u>1,094</u>
NTA per share (RM)	1.84	4.16	4.83	8.27	9.80

11. ACCOUNTANTS' REPORT (Cont'd)**Multi**

	As at 31 March		As at 31 December			
	1995 RM'000	1996 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
Fixed Assets	15	4	7	14	159	123
Intangible Assets	2	-	-	-	-	-
Current Assets	155	453	423	824	1,178	1,225
Less : Current Liabilities	(126)	(304)	(242)	(435)	(741)	(677)
Net Current Assets	29	149	181	389	438	548
	46	153	188	403	597	671
Financed by:-						
Share Capital	91	182	182	247	230	228
Unappropriated Profits/ Accumulated (Loss)	(45)	(29)	6	156	303	398
Shareholders' Funds	46	153	188	403	533	626
Long Term Liabilities	-	-	-	-	64	46
	46	153	188	403	597	671
NTA per share (RM)	0.48	0.84	1.03	1.63	2.32	2.75

The balance sheet has been translated from S\$ to RM using the year end rate.

	RM
31 March 95	1.8110
31 March 96	1.8150
31 December 96	1.8150
31 December 97	2.4718
31 December 98	2.2963
31 December 99	2.2770

11. ACCOUNTANTS' REPORT (Cont'd)

Unijin

	As at 31 December		
	1997	1998	1999
	RM'000	RM'000	RM'000
Fixed Assets	676	715	693
Current Assets	734	493	906
Less : Current Liabilities	(1,517)	(176)	(533)
Net Current Assets/(Liabilities)	(783)	317	373
	<u>(107)</u>	<u>1,032</u>	<u>1,066</u>
Financed by:-			
Share Capital	*	1,400	1,400
Accumulated Loss	(107)	(368)	(334)
Shareholders' Funds	<u>(107)</u>	<u>1,032</u>	<u>1,066</u>
NTA per share (RM)	(53,500.00)	0.74	0.76

* This represent RM2.00

11. ACCOUNTANTS' REPORT (Cont'd)

UME (KTN)

	As at 31 December		
	1997	1998	1999
	RM'000	RM'000	RM'000
Fixed Assets	79	111	215
Current Assets	448	624	910
Less : Current Liabilities	(473)	(569)	(718)
Net Current Assets/(Liabilities)	(25)	55	192
	<u>54</u>	<u>166</u>	<u>407</u>
Financed by:-			
Share Capital	8	8	8
Unappropriated Profits	11	111	353
Shareholders' Funds	19	119	361
Deferred Taxation	1	-	-
Long Term Liabilities	34	47	46
	<u>54</u>	<u>166</u>	<u>407</u>
NTA per share (RM)	2.38	14.88	45.13

11. ACCOUNTANTS' REPORT (Cont'd)

IPSB

	As at 30 June			As at 31 December		
	1995 RM'000	1996 RM'000	1997 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
Fixed Assets	44	58	80	72	82	113
Current Assets	37	71	152	154	200	455
Less : Current Liabilities	(74)	(70)	(163)	(138)	(164)	(390)
Net Current Assets/(Liabilities)	(37)	1	(11)	16	36	65
	<u>7</u>	<u>59</u>	<u>69</u>	<u>88</u>	<u>118</u>	<u>178</u>
Financed by :-						
Share Capital	*	50	100	100	100	100
Unappropriated Profits/Accumulated (Loss)	7	9	(31)	(12)	18	78
Shareholders' Funds	<u>7</u>	<u>59</u>	<u>69</u>	<u>88</u>	<u>118</u>	<u>178</u>
NTA per share (RM)	3,500.00	1.17	0.69	0.88	1.18	1.78

* This represent RM2.00

11. ACCOUNTANTS' REPORT (Cont'd)

Rigel

	As at 31 October	As at 31 December			
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
Fixed Assets	1,315	5,681	6,086	6,321	6,631
Investment	-	-	-	-	5
Intangible Assets	87	248	191	134	76
Current Assets	537	675	1,125	2,432	2,974
Less : Current Liabilities	(1,130)	(2,869)	(3,972)	(6,269)	(4,188)
Net Current Liabilities	(793)	(2,194)	(2,847)	(3,837)	(1,214)
	<u>609</u>	<u>3,735</u>	<u>3,430</u>	<u>2,618</u>	<u>5,498</u>
Financed by :-					
Share Capital	612	2,500	4,000	4,000	6,000
Accumulated Loss	(3)	(848)	(1,806)	(1,382)	(502)
Shareholders' Funds	609	1,652	2,194	2,618	5,498
Long Term Liabilities	-	2,083	1,236	-	-
	<u>609</u>	<u>3,735</u>	<u>3,430</u>	<u>2,618</u>	<u>5,498</u>
NTA per share (RM)	0.85	0.56	0.50	0.62	0.90

11. ACCOUNTANTS' REPORT (Cont'd)**8. STATEMENT OF ASSETS AND LIABILITIES**

The following is the detailed statement of assets and liabilities of the Proforma Group which have been prepared for illustrative purposes only and is based on the audited accounts of the companies in the UGB as at 31 December 1999 after incorporation of the revaluation surplus of the landed properties of UME (M), UME (KL), UME (JB), AVSB and AFSB. The statement of assets and liabilities has been prepared as if the acquisition of UME (M), UME (KL), UME (JB), UMP, AVSB, AFSB, Q-Flex, AESB and Multi ("Acquisitions"), the rights issue of 2,036,150 ordinary shares of RM1.00 each at par, the public issue of 7,600,000 ordinary shares of RM1.00 each at RM2.30 per share and the estimated listing expenses of RM1,500,000 were effected on 31 December 1999 and should be read in conjunction with the notes thereon:-

		As at 31 December 1999 RM'000	(I) After Acquisition but before Rights Issue and Public Issue RM'000	(ii) After Acquisition but before Rights Issue but before Public Issue RM'000	(III) After Acquisition, Rights Issue and Public Issue RM'000
EMPLOYMENT OF CAPITAL	Note				
FIXED ASSETS	8.2	-	14,743	14,743	14,743
INVESTMENTS	8.3	-	147	147	147
ASSOCIATED COMPANY	8.4	-	1,606	1,606	1,606
PROGRESS PAYMENT	8.5	-	80	80	80
CURRENT ASSETS					
Stocks	8.6	-	24,352	24,352	24,352
Trade debtors	8.7	-	23,689	23,689	23,689
Other debtors, deposits & prepayments		-	682	682	682
Fixed deposits	8.8	-	2,590	2,590	2,590
Cash and bank balances		*	3,945	5,981	21,961
		*	55,258	57,294	73,274
CURRENT LIABILITIES					
Trade creditors		-	7,504	7,504	7,504
Other creditors and accruals		537	1,661	1,661	1,661
Amount owing to directors	8.9	-	565	565	565
Term loans	8.10	-	401	401	401
Bank borrowings	8.11	-	10,627	10,627	10,627
Provision for taxation		-	1,533	1,533	1,533
Proposed dividend		-	1,986	1,986	1,986
		537	24,277	24,277	24,277
NET CURRENT ASSETS/(LIABILITIES)		(537)	30,981	33,017	48,997
INTANGIBLE ASSETS	8.12	537	791	791	791
		*	48,348	50,384	66,364
Financed by:-					
SHARE CAPITAL	8.13	*	31,364	33,400	41,000
SHARE PREMIUM	8.13	-	-	-	8,380
PROFIT AND LOSS ACCOUNT	8.13	-	13,903	13,903	13,903
SHAREHOLDERS' FUNDS		*	45,266	47,302	63,282
LONG TERM & DEFERRED LIABILITIES					
Term loans	8.10	-	1,716	1,716	1,716
Hire purchase and finance lease creditors	8.14	-	465	465	465
Deferred taxation	8.15	-	190	190	190
MINORITY INTEREST		-	711	711	711
		*	48,348	50,384	66,364
NTA per share (RM)		(268,418)	1.42	1.39	1.52

* This represents RM2.00

11. ACCOUNTANTS' REPORT *(Cont'd)*

NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES

8.1. SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting Convention

The accounts have been drawn up under the historical cost convention as modified by the revaluation of certain fixed assets and in compliance with applicable approved accounting standards.

(b) Basis of Consolidation

The proforma group accounts incorporated the audited accounts of UGB and its subsidiary companies made up to the end of the financial year.

The results of all the subsidiary companies are consolidated on the following basis:-

SUBSIDIARY COMPANIES	METHODS OF CONSOLIDATION
Unimech Engineering (M) Sdn. Bhd.	Merger accounting
Unimech Engineering (KL) Sdn. Bhd.	Merger accounting
Unimech Engineering (JB) Sdn. Bhd.	Merger accounting
Unimech Projects Sdn. Bhd.	Merger accounting
Arita Valve Mfg. (M) Sdn. Bhd.	Merger accounting
Arita Flanges Industries Sdn. Bhd.	Merger accounting
Multiplex Control & Engineering Services Pte. Ltd.	Merger accounting
Arita Engineering Sdn. Bhd.	Merger accounting
Q-Flex Industries (M) Sdn. Bhd.	Merger accounting
Unijin Instruments Industries Sdn. Bhd.	Acquisition accounting

Under the acquisition method, the results of the subsidiary companies acquired during the year are included in the Consolidated Profit and Loss Account from the effective date of acquisition only. The difference between the acquisition cost and the fair value of the net assets of the subsidiary companies is reflected as goodwill or reserve on consolidation, where appropriate.

Under the merger method of accounting, the results of the subsidiary companies are presented as if the companies had been combined throughout the current and previous financial years. The differences between the nominal value of the share capital issued as purchase consideration and the nominal value of the share capital of the subsidiary companies acquired is taken to merger reserve. Any merger debit arising is written off against reserves and unappropriated profits.

Inter-company transactions are eliminated on consolidation.

(c) Depreciation

Freehold land is not depreciated.

Leasehold lands are amortised over their remaining lease period of 46 years, 47 years and 94 years respectively.

11. ACCOUNTANTS' REPORT (Cont'd)

Depreciation of other fixed assets is calculated to write off the cost of each asset on the straight line basis over its estimated useful life at the following annual rates:-

Buildings	2%
Electrical installation	5% - 10%
Furniture, fittings & equipment	10% - 33%
Heavy moving equipment	10% - 20%
Motor vehicles	20%
Mould and tools	10%
Plant & machinery	10% - 20%

(d) Investments

Quoted investments is stated at the lower of cost and market value.

Unquoted investments are stated at cost. A provision is made when the directors are of the opinion that there is a permanent diminution in value of this investment.

(e) Associated Company

An associated company is a company, other than a subsidiary company, in which the Company has a long term equity investment of between 20% to 50% and where it has the power to exercise significant influence over the financial and operating policies through Board representation.

The Group's share of results of associated company based on their latest audited accounts is included in the Consolidated Profit and Loss Account and the Group's share of the retained profit and reserves of the associated company is added the to cost of investment in the Consolidated Balance Sheet.

(f) Stocks

Stocks are valued at the lower of cost and net realisable value. Cost of finished goods and work-in-progress include direct material, direct labour and attributable production overhead. Cost is determined on the first-in, first-out basis.

(g) Income Recognition

Interest on fixed deposit with licenced bank is taken up in the account on the accrual basis.

(h) Deferred Taxation

Provision is made by using the liability method for tax deferred in respect of all material timing differences except where no liabilities is expected to arise in the foreseeable future. Deferred tax benefits are recognised only where there is reasonable expectation of realisation in due course.

(i) Foreign Currencies Translation

Transactions in foreign currencies are converted into Ringgit Malaysia at the exchange rates approximating to those ruling at the transaction dates. Assets and liabilities in foreign currencies are translated into Ringgit Malaysia at the approximate exchange rate prevailing at the end of the financial year. All gains and losses on exchange are recognised in the Profit and Loss Account.

11. ACCOUNTANTS' REPORT (Cont'd)**(j) Hire Purchase and Finance Lease**

Assets acquired under hire purchase and finance lease arrangements are capitalised as fixed assets and the corresponding obligations are taken up as liabilities. The interest element is charged to the Profit and Loss Account over the period of the respective arrangements.

(k) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand, balances with banks (including bank overdrafts) and fixed deposits.

8.2. FIXED ASSETS - PROFORMA GROUP

(a) Particulars	Valuation/ Cost	Accumulated Depreciation	Net
	RM'000	RM'000	RM'000
At Valuation:-			
Freehold land & buildings	4,320	46	4,274
Leasehold land & buildings	3,850	75	3,775
	8,170	121	8,049
At Cost:-			
Freehold land & buildings	487	7	475
Electrical installation	282	76	206
Furniture, fittings & office equipment	2,252	1,095	1,157
Heavy moving equipment	473	199	274
Motor vehicles	2,880	1,965	915
Mould, tools & equipment	711	165	546
Plant & machinery	5,022	1,901	3,121
	12,107	5,408	6,694
Total	20,277	5,529	14,743

(b) Included in the net book value of fixed assets are the following assets which are acquired by way of hire purchase and finance lease instalment plans: -

	RM'000
Heavy moving equipment	59
Motor vehicles	191
Plant & machinery	861
	1,111

(c) The freehold land, long term leasehold land and buildings of the Group were revalued during the year by the directors based on a valuation exercise carried out in May 1999 by a firm of professional valuers using the open market value basis. The surplus arising from the revaluation exercise has been transferred to revaluation reserve and applied against the debit merger reserve (Note 8.18).

The freehold land, long term leasehold land and buildings of the Group are charged to financial institution for banking facilities granted to subsidiary companies.

11. ACCOUNTANTS' REPORT (Cont'd)

8.3. INVESTMENTS - PROFORMA GROUP

	RM'000
Quoted investment, at the lower of cost and market value	147
Quoted investment at market value	<u>170</u>

8.4. ASSOCIATED COMPANY - PROFORMA GROUP

Particulars of the associated company are as follows:-

(a)	<u>Name of Company</u>	<u>Principal Activity</u>	<u>Percentage of Equity Holding</u>	<u>Place of Incorporation</u>
	Rigel Metalcraft (M) Sdn. Bhd.	Investment casting of stainless steel and non- ferrous metals	28%	Malaysia
				RM'000
				1,748
				<u>(142)</u>
				<u>1,606</u>

8.5. PROGRESS PAYMENTS - PROFORMA GROUP

These are payments made in respect of a freehold land and building which is still under construction. Balance of the purchase price not provided for in the accounts is as per Note 8.16.

8.6. STOCKS - PROFORMA GROUP

	RM'000
Raw materials	2,703
Work-in-progress	457
Finished goods	<u>21,192</u>
	<u>24,352</u>

8.7. TRADE DEBTORS - PROFORMA GROUP

	RM'000
Trade debtors	23,730
Less : Provision for doubtful debts	<u>(41)</u>
	<u>23,689</u>

11. ACCOUNTANTS' REPORT (Cont'd)

8.8. FIXED DEPOSITS - PROFORMA GROUP

Certain fixed deposits with licenced banks are pledged to secure banking facilities granted to certain subsidiary companies.

8.9. AMOUNT OWING TO DIRECTORS - PROFORMA GROUP

The amount owing to directors is interest free, unsecured with no fixed repayment terms.

8.10. TERM LOANS - PROFORMA GROUP

	RM'000
Analysis of repayment	
Within 1 year	401
From 1 to 2 years	403
From 2 to 5 years	506
After 5 years	807
	2,117
Less: Portion repayable within 1 year (included under current liabilities)	(401)
	1,716

The term loans are secured by legal charges over the landed properties of the Group. Interest rates charged range from 0.35% to 2.5% per annum above the respective banks' base lending rates.

8.11. BANK BORROWINGS - PROFORMA GROUP

	RM'000
Bank overdrafts	7,845
Bills payable	2,782
	10,627

- (a) Bank borrowings are secured by: -
- (i) fixed charges against the subsidiary companies' freehold land & building and leasehold land & building;
 - (ii) fixed and floating charges against the subsidiary companies' present and future assets;
 - (iii) fixed charges against the directors' landed properties; and
 - (iv) a guarantee by the directors
- (b) The bank overdrafts bear interest at rates ranging from 1.75% to 2.5% per annum above the respective banks' base lending rates.

11. ACCOUNTANTS' REPORT (Cont'd)

8.12. INTANGIBLE ASSETS - PROFORMA GROUP

	Company RM'000	Proforma Group RM'000
Deferred expenditure	537	537
Goodwill on consolidation	-	254
	<u>537</u>	<u>791</u>

8.13. SHARE CAPITAL

	Share Capital RM'000	Share Premium RM'000	Revaluation Reserves RM'000	Retained Profits RM'000
Balance as per audited balance sheets of UGB as at 31 December 1999	*	-	-	-
Balance as per consolidated audited balance sheets of UME(M), UME(KL), UME(JB), AVSB, UMP, Q-Flex, AFSB, AESB, Multi and Unijin	-	-	-	32,791
Issuance of 31,363,848 new ordinary shares of RM1.00 each in respect of the Acquisitions for RM36,361,862	31,364	-	-	-
Incorporation of revaluation surplus	-	-	1,858	-
Set-off against merger reserve (Note 8.18)	-	-	(1,858)	(18,888)
As shown in Pro forma I	<u>31,364</u>	<u>-</u>	<u>-</u>	<u>13,903</u>
Rights issue of 2,036,150 new ordinary shares of RM1.00 each at par	2,036	-	-	-
As shown in Pro forma II	<u>33,400</u>	<u>-</u>	<u>-</u>	<u>13,903</u>
Public issue of 7,600,000 new ordinary shares of RM1.00 each at an issue price of RM2.30 per share	7,600	-	-	-
Premium arising from public issue	-	9,880	-	-
Estimated listing expenses	-	(1,500)	-	-
As shown in Pro forma III	<u>41,000</u>	<u>8,380</u>	<u>-</u>	<u>13,903</u>

* This represents RM2.00

11. ACCOUNTANTS' REPORT (Cont'd)

8.14. HIRE PURCHASE AND FINANCE LEASE CREDITORS - PROFORMA GROUP

	RM'000
Gross amount payable	1,068
Less : Interest in suspense	<u>(257)</u>
	811
Less : Portion repayable within 1 year (included under other creditors and accruals)	<u>(346)</u>
	<u>465</u>

8.15. DEFERRED TAXATION - PROFORMA GROUP

	RM'000
As at 1 January 1999	277
Transfer to Profit and Loss Account	<u>(87)</u>
As at 31 December 1999	<u>190</u>

8.16. CAPITAL COMMITMENT - PROFORMA GROUP

	RM'000
Contracted but not provided for	<u>435</u>

8.17. CONTINGENT LIABILITY - PROFORMA GROUP

There is no contingent liability in respect of the group.

8.18. MERGER RESERVE - PROFORMA GROUP

	RM '000
Arising on acquisition of UME (M), UME (KL), UME (JB), UMP, AVSB, AFSB, Multi, Q-Flex and AESB	
Par value of shares issued	31,364
Par value of shares acquired	<u>10,618</u>
Debit merger reserve	<u>20,746</u>

This debit merger reserve has been applied against the following:-

Revaluation reserve arising from the revaluation of landed properties	1,858
Retained profits	<u>18,888</u>
	<u>20,746</u>

11. ACCOUNTANTS' REPORT (*Cont'd*)

8.19. NET TANGIBLE ASSETS PER ORDINARY SHARE

Based on the proforma statement of assets and liabilities of the Proforma Group as at 31 December 1999, the net tangible assets cover per share is calculated as follows: -

	RM'000
Net tangible assets as per the Group's statement of assets and liabilities	<u>62,491</u>
Number of ordinary shares of RM1.00 each in issue ('000)	<u>41,000</u>
Net tangible assets cover per ordinary share of RM1.00 each	<u>1.52</u>

9. ACCOUNTS

No audited accounts have been made up in respect of any period subsequent to 31 December 1999.

Yours faithfully

WONG LIU & PARTNERS
AF 0182
Public Accountants

TANG YIN KHAM
1728/3/00 (J)
Partner

12. DIRECTORS' REPORT

(Prepared for inclusion in this Prospectus)

Registered Office
Wisma Unimech
4934, Jalan Chain Ferry
12100 Butterworth
Pulau Pinang

8 May 2000

The Shareholders of UNIMECH GROUP BERHAD

Dear Sir/Madam,

On behalf of the Board of Directors of Unimech Group Berhad ("UGB"), I report after due enquiry that, during the period from 31 December 1999 (being the date to which the last audited accounts of UGB and its subsidiaries ("the Group") have been made up) to 8 May 2000 (being a date not earlier than fourteen (14) days before the issue of this Prospectus):-

- (a) the business of the Group, in the opinion of the Directors, has been satisfactorily maintained;
- (b) in the opinion of the Board of Directors, no circumstances have arisen subsequent to the last audited accounts of the Group which have adversely affected the operations or the value of the assets of the Group;
- (c) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in this Prospectus, there are no other contingent liabilities by reason of any guarantees given by the Group; and
- (e) save as disclosed in this Prospectus, since the last audited accounts, there has been no change in the published reserves nor any unusual factors affecting the profits of the Group.

Yours faithfully
For and on behalf of the Board of Directors of
UNIMECH GROUP BERHAD

Lim Cheah Chooi
Executive Chairman/ Group Managing Director

13. VALUATION CERTIFICATE

Henry Butcher, Lim, Long & Teoh (South) Sdn. Bhd.
52 & 52A, Jalan Kuning
Taman Pelangi 80400 Johor Bahru
Johor Darul Takzim

8 May 2000

The Board of Directors
Unimech Group Berhad
No. 4934, Jalan Chain Ferry
12100 Butterworth

Dear Sirs

UNIMECH GROUP BERHAD VALUATION OF PROPERTY

This letter has been prepared for inclusion in the Prospectus of Unimech Group Berhad to be dated 19 May 2000 in connection with the public issue of 7,600,000 new ordinary shares of RM1.00 each at an issue prices of RM2.30 per share payable in full upon application.

In accordance with your instruction, we have assessed the Open Market Value of the landed property set out below in relation to the proposed listing of Unimech Group Berhad on the Second Board of Kuala Lumpur Stock Exchange.

We have valued the aforesaid property vide our Report and Valuation Ref No. HBJB/99/126/PLT/TCY/sfa dated May 10, 1999 and the details of the aforesaid valuation are set out in our valuation reports. The valuation report have been prepared in accordance with the Guidelines on Asset Valuation for submission to the Securities Commission, Malaysia as well as professional standards prescribed by the Board of Valuers, Appraisers and Estate Agents, Malaysia and other professional bodies.

The Comparison Method was used in arriving at the value of the property.

We have valued the property of Unimech Engineering (J.B.) Sdn. Bhd. listed below with title free from all legal encumbrances, using the Comparison Method of valuation and are of the opinion that the Open Market Value of the property is as follows:

Property/ Reference no.	Date of Valuation	Tenure/ Approximate Age of Building (years)	Existing Use/ Description	Land area/ built-up area (sq.ft)	Open Market Value (RM)
Lot PTD 48292 Mukim of Plentong District of Johor Bahru Johor HBJB/99/126/PLT/TCY/sfa	10/5/99	Freehold/ 5 years old	An intermediate unit of one and a half storey terrace workshop	445.9346 sq.m. (4,800 sq. ft)/ 476.69 sq.m (5,134 sq.ft)	540,000

Yours faithfully
For and or behalf of
HENRY BUTCHER, Lim, Long & Teoh (South) Sdn. Bhd.

TEOH LEONG SENG, B.Sc
FRICS, FISM, IRRV
Chartered Valuation Surveyor
Registered Valuer (V183)

13. VALUATION CERTIFICATE (Cont'd)

Henry Butcher,
Lim & Long (N) Sdn. Bhd.
142-M, Jalan Burma
10050 Penang

8 May 2000

The Board of Directors
Unimech Group Berhad
Wisma Unimech
No. 4934, Jalan Chain Ferry
12100 Butterworth

Dear Sirs

UNIMECH GROUP BERHAD, VALUATION OF PROPERTY

This letter has been prepared for inclusion in the Prospectus of Unimech Group Berhad to be dated 19 May 2000 connection with the public issue of 7,600,000 new ordinary shares of RM1.00 each at an issue prices of RM2.30 per share payable in full upon application.

In accordance with your instructions, we have assessed the Market Value of the landed property set out below in relation to the proposed listing of Unimech Group Berhad ("UGB") on the Second Board of Kuala Lumpur Stock Exchange.

We have valued the aforesaid property vide our Report and Valuation Ref No. V/PG/9231 dated 7th June 1999 and the details of the aforesaid valuation are set out in our valuation reports. The valuation reports have been prepared in accordance with the " Guidelines on Asset Valuation for submission to the Securities Commission, Malaysia as well as professional standards prescribed by the Board of Valuers, Appraisers and Estate Agents, Malaysia and other professional bodies.

A combination of the Comparison and Investment Methods were used in arriving at the value of the property.

We have valued the property of Unimech Engineering (M) Sdn. Bhd. listed below with strata title being forthcoming and when issued will be free from all legal encumbrances, using the Comparison and Investment Methods of valuation and are of the opinion that the Market Value of the property is as follows:

Property/ Reference no.	Date of Valuation	Tenure/ Approximate Age of Building (years)	Existing Use/ Description	Land area/ built-up area (sq.ft)	Market Value (RM)
No. 598-15-A, Menara ASAS, Jalan Tanjung Bungah, 11200 Penang V/PG/9231	7/6/1999	Freehold/ one year	Residential/ An apartment	100.7 sq. metres (1,084 sq.ft.)	200,000

Yours faithfully

HENRY BUTCHER, Lim & Long (N) Sdn. Bhd.

TEOH POH HUAT (V-296)
FRICS, MISM. MBA (UK)
Chartered Surveyor/Registered Valuer

13. VALUATION CERTIFICATE (Cont'd)

Henry Butcher,
 Lim & Long (North) Sdn. Bhd.
 No. 2708, Chain Ferry Road
 Kimsar Garden
 13700 Prai

8 May 2000

The Board of Directors
 Unimech Group Berhad
 Wisma Unimech
 No. 4934, Jalan Chain Ferry
 12100 Butterworth

Dear Sirs,

**UNIMECH GROUP BERHAD
 VALUATION OF PROPERTY**

This letter has been prepared for inclusion in the Prospectus of Unimech Group Berhad ("UGB") to be dated 19 May 2000 in connection with the public issue of 7,600,000 new ordinary shares of RM1.00 each at an issue price of RM2.30 per share payable in full upon application.

In accordance with your instructions, we have assessed the Market Value of the landed properties set out below in relation to the proposed listing of Unimech Group Berhad ("UGB") on the Second Board of Kuala Lumpur Stock Exchange.

We have valued the aforesaid properties vide our Report and Valuation Ref No. V/BW/HAS/99, V/BW/HAO/99, V/BW/HAI/99, V/BW/HDY/99, V/BW/HAR/99, V/BW/HIH/99 dated May 10, 1999 and the details of the aforesaid valuation are set out in our valuation reports. The valuation reports have been prepared in accordance with the Guidelines on Asset Valuation for submission to the Securities Commission, Malaysia as well as professional standards prescribed by the Board of Valuers, Appraisers and Estate Agents, Malaysia and other professional bodies.

A combination of the Comparison and Contractor's Methods were used in arriving at the value of the property.

We have valued the properties listed below with titles free from all legal encumbrances, using the comparison and contractor's methods of valuation and are of the opinion that the market value of these properties are as follows:

Property/ Reference no.	Date of Valuation	Tenure/ Approximate Age of Building (years)	Existing Use/ Description	Land area/ built-up area (sq.ft)	Market Value (RM)
UME(M)* Lot Nos. 3075, 3076 & 3167, Section 4, Town of Butterworth, Province Wellesley North, Penang (V/BW/HAS/99)	10/5/99	Freehold / 5	Office & Warehouse	881 sq.m (9,483 sq.ft.) / 1,711 sq.m (18,420 sq.ft.)	2,800,000
UME(M)* Lot No. 3078 Section 4, Town of Butterworth, Province Wellesley North, Penang (V/BW/HAO/99)	10/5/99	Freehold	Open storage area	766 sq.m (8,243 sq.ft.)	620,000

13. VALUATION CERTIFICATE (Cont'd)

Property/ Reference no.	Date of Valuation	Tenure/ Approximate Age of Building (years)	Existing Use/ Description	Land area/ built-up area (sq.ft)	Market Value (RM)
UME(M)* H.S.(D) No. 435 Section 4, Town of Butterworth, Province Wellesley North, Penang (V/BW/HAI/99)	10/5/99	Freehold / 19	Shop house Rented out	186 sq.m (1,999 sq.ft.) / 371 sq.m (3,998 sq.ft.)	330,000
AFSB# H.S.(D) No. 718 P.T. No. 610, Mk 6 Province Wellesley Central Penang (V/BW/HDY/99)	10/5/99	Freehold / 3	Factory	374 sq.m (4,025 sq.ft.) / 270 sq.m (2,910 sq.ft.)	330,000
AVSB^ H.S.(D) No. 2843 Mukim 1 Province Wellesley Central Penang (V/BW/HAR/99)	10/5/99	60 years lease expiring in July 2046 / 7	Factory	4,047 sq.m (43,565 sq.ft.) / 1,989 sq.m (21,409 sq.ft.)	2,050,000
UME(KL)® H.S.(D) HBM 23 Mukim 1 Province Wellesley Central Penang (V/BW/HHH/99)	10/5/99	60 years lease expiring in September 2045 / 14	Factory	1,677 sq.m (18,050 sq.ft.) / 1,778 sq.m (19,135 sq.ft.)	980,000

UME(M)* - Unimech Engineering (M) Sdn. Bhd.
 AFSB# - Arita Flanges Industries Sdn. Bhd.
 AVSB^ - Arita Valve Mfg (M) Sdn. Bhd.
 UME(KL)® - Unimech Engineering (KL) Sdn. Bhd.

Yours faithfully
HENRY BUTCHER, Lim & Long (North) Sdn. Bhd.

KHOR BOON SOO
 Registered Valuer
 (V440)

13. VALUATION CERTIFICATE (Cont'd)

Henry Butcher,
Lim & Long Sdn. Bhd.
25, Jalan Yap Ah Shak
Off Jalan Dang Wangi
50300 Kuala Lumpur

8 May 2000

The Board of Directors
Unimech Group Berhad
Wisma Unimech
No. 4934, Jalan Chain Ferry
12100 Butterworth

Dear Sirs

UNIMECH GROUP BERHAD.

This letter has been prepared for inclusion in the Prospectus of Unimech Group Berhad to be dated 19 May 2000 in connection with the public issue of 7,600,000 new ordinary shares of RM1.00 each at an issue prices of RM2.30 per share payable in full upon application.

In accordance with your instructions, we have assessed the Market Value of the landed property set out below in relation to the proposed listing of Unimech Group Berhad on the Second Board of Kuala Lumpur Stock Exchange.

We have valued the aforesaid properties vide our Report and Valuation Ref No. V/B04-99/0302 and V/B04-99/0340 dated May 10, 1999 and the details of the aforesaid valuation are set out in our valuation reports. The valuation reports have been prepared in accordance with the Guidelines on Asset Valuation for submission to the Securities Commission, Malaysia as well as professional standards prescribed by the Board of Valuers, Appraisers and Estate Agents, Malaysia and other professional bodies.

A combination of the Comparison and Investment Methods were used in arriving at the value of the properties.

We have valued the property of Unimech Engineering (KL) Sdn. Bhd. listed below with titles free from all legal encumbrances, using the Comparison and Investment Methods of valuation and are of the opinion that the Market Value of the properties are as follows:

Property/ Reference no.	Date of Valuation	Tenure/ Approximate Age of Building (years)	Existing Use/ Description	Land area/ built-up area (sq.ft/ sq.m)	Market Value (RM)
No. 11A, Jalan PJS 11/14 Bandar Sunway, Selangor V/B04-99/0302	May 10, 1999	99 years leasehold Age - 5 years	11/2 storey light industrial terrace factory	L – 2,380/ 221.10 B – 3,558/ 330.55	520,000

Company Number : 407580-X

13. VALUATION CERTIFICATE *(Cont'd)*

Property/ Reference no.	Date of Valuation	Tenure/ Approximate Age of Building (years)	Existing Use/ Description	Land area/ built-up area (sq.ft/ sq.m)	Market Value (RM)
No. 4, Jalan PJS 7/17 Bandar Sunway Selangor Darul Ehsan V/B04-99/0340	May 10, 1999	99 years leasehold Age - 6 years	1 1/2 storey light industrial terrace factory	L – 1,988/ 184.69 B – 2,800/ 260.12	420,000

Yours faithfully
For and on behalf of
HENRY BUTCHER, Lim & Long Sdn. Bhd.

LONG TIAN CHEK
B.Sc., ARICS, MIS(M)
Registered Valuer (V-241)

14. STATUTORY AND OTHER GENERAL INFORMATION

14.1 SHARE CAPITAL

- (i) No shares will be allotted on the basis of this Prospectus later than six (6) months after the date of the issue of this Prospectus.
- (ii) There are no founder, management or deferred shares in the Company. There is only one class of shares in the Company, namely ordinary shares of RM1.00 each, all of which rank pari passu with one another.
- (iii) Save for the shares reserved for the eligible Directors, employees and other persons of the Group as disclosed in Section 7.1 of this Prospectus, no other persons have been or are entitled to be given an option to subscribe for any shares, stocks or debentures of the Company and its subsidiaries.
- (iv) No options to subscribe for any shares, stocks or debentures of the Company or its subsidiaries have been granted or exercised by any Director of the Company during the last financial year.
- (v) Save as disclosed in Section 8 and Section 9 of this Prospectus, no shares or debentures of the Company and its subsidiaries have been or are proposed to be issued as partly or fully paid-up in cash or otherwise than in cash within the 2 years preceding the date hereof.
- (vi) Save for the Issue Shares reserved for eligible Directors and employees of the Group as disclosed in Section 7.1 of this Prospectus, there is currently no other scheme for or involving the employees in the capital of the Company or its subsidiaries.

14.2 ARTICLES OF ASSOCIATION

The following provisions are reproduced from the Company's Articles of Association, which have been approved by the KLSE.

(i) ***Remuneration of Directors***

Article 85

- (a) The fees payable to the Directors shall from time to time be determined by an ordinary resolution of the Company in general meeting. Provided that such fees shall not be increased except pursuant to an ordinary resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.
- (b) Executive director(s) shall, subject to the terms of any agreement (if any) entered into in any particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may from time to time determine. All remuneration payable to the non-executive Director(s) shall be determined by a resolution of the Company in general meeting.
- (c) Fees payable to non-executive Directors shall be a fixed sum, and not by a commission on or percentage of profits or turnover.

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (d) Salaries payable to executive Director(s) may not include a commission on or percentage of turnover.
- (e) Any fee paid to an Alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 86

- (1) The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board Meetings of the Company.
- (2) If any Director being willing shall be called upon to perform extra services or to make any special efforts 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 Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Company in general meeting and such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors. Any extra remuneration payable to non-executive Director(s) shall not include a commission on or percentage of turnover or profits.

Article 111

The remuneration of a Managing Director or Managing Directors shall be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these mode.

(ii) *Voting and Borrowing Powers of Directors*

Section 90

- (1) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company, or its subsidiaries.
- (2) The Directors shall not borrow any money or mortgage or charge any of the Company's or its subsidiaries' undertaking, property, or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

Article 106

A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly a personal interest and if he shall do so his vote shall not be counted.

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Article 107

A Director may vote in respect of:-

- (a) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.

(iii) *Changes in Share Capital and Variation of Class Rights*

Article 10

The Company may exercise the powers of paying commissions conferred by the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the commission shall not exceed the rate of ten per cent (10%) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to ten per cent (10%) of that price (as the case may be). Such commission may satisfied by the payment of cash or the allotment of fully paid shares or partly paid shares or by a combination of any of the aforesaid methods of payment. The company may also on any issue of shares pay such brokerage as may be lawful.

Article 46

The Company 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, by Ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase directs.

Article 49

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 calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital.

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Article 50

The Company may by Ordinary resolution:-

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) divide its share capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act and so that as between the resulting shares, one (1) or more of such shares may, by the resolution by which such sub-division is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares and;
- (c) cancel shares which at the date of the passing of the Resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

Article 42

The Company may by ordinary resolution passed at a general meeting convert any paid-up shares into stock or re-convert any stock into paid up shares of any denomination.

Article 4A

Subject to and in accordance with the Act and the regulations made pursuant thereto and the guidelines of the Exchange and any other relevant authorities, the Company shall be entitled at any time and from time to time and on any terms it deems fit, purchase and/or acquire all or any of its own shares from any party(ies) whatsoever provided:-

- (a) the Company is solvent at the date of the purchase;
- (b) the purchase is made through the stock exchange on which the shares are quoted; and
- (c) the purchase is made in good faith and in the interest of the Company.

Article 51

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 authorisation, and consent required by law.

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

(iv) *Transfer of Shares*

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 the 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 25

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

(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 Central Depository in accordance with the Rules of the Central Depository and notwithstanding Section 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

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

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.
- (2) For the avoidance of doubt, no company which fulfils the requirements of paragraphs (a) and (b) of clause 9.5B(1) shall allow any transmission of securities from the Malaysian Register into the Foreign Register.

(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 in the company has been transmitted by operation of law.

Section 103(1A)

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 use, or in any form authorised or required for that 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 title 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 affecting any transfer of securities.

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Section 107C(2)

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

(iv) Rules of MCD

The rules within Malaysian Central Depository 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 reason 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 of this Chapter.

Rule 9.03(2)

It shall be the responsibility of the authorised depository agent, in processing the transfer between the 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 document 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 of the said form duly witnessed by another person (other than the depositor's spouse);
- (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 of securities arising from the provision of any written law or an order of the court of competent jurisdiction;
 - (ii) rectification of errors;
 - (iii) pledge, charge or mortgage;
 - (iv) mandatory offer pursuant to the provision of the Malaysian Code on Takeovers and Mergers 1987;
 - (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 MCD may from time to time determine in its Procedures Manual.

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

14.3 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- (i) The names, addresses and occupation of the Directors are set out in Section 2 of this Prospectus.
- (ii) A Director is not required to hold any qualification share in the Company unless otherwise so fixed by the Company in general meeting.
- (iii) None of the Directors or proposed Directors have any existing or proposed service contracts with the Company or its subsidiaries, excluding contracts expiring or determinable by the employing company without payment or compensations (other than statutory compensation) within one (1) year.
- (iv) The aggregate remuneration paid to the Directors of the Company for services rendered to the Company and its subsidiaries in all capacities for the financial year ended 31 December 1999 amounted RM1,529,000. For the financial year ending 31 December 2000, the amount payable to the Directors of the Company for services rendered to the Company and its subsidiaries in all capacities is forecast to be approximately RM2,236,020.
- (v) Save and except for the Acquisitions and Transfers as disclosed in the Prospectus, none of the Directors or substantial shareholders of the Company 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 by or leased to or proposed to be leased to the Company and its subsidiaries within the two (2) years preceding the date of this Prospectus.
- (vi) None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in any business carrying on a similar trade as the Company or any of its subsidiaries which is not quoted on a recognised stock exchange.
- (vii) Based on the Register of Directors' and Directors' Shareholdings of UGB as at 8 May 2000, the Directors and their shareholding in the Company before and after the Public Issue are as follows:-

Directors	<----- Before the Public Issue----->				<-----After the Public Issue----->			
	No. of ordinary shares held				No. of ordinary shares held			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Lim Cheah Chooi	13,674,937	40.9	-	-	13,684,937	33.4	-	-
Lim Kim Guan	3,617,115	10.8	-	-	3,627,115	8.8	-	-
Siew Fook Kheong	160,437	0.5	-	-	170,437	0.4	-	-
Dato' Kamal Mohd Hashim bin Che Din	1,527,331	4.6	-	-	1,537,331	3.7	-	-
Abdul Rafique bin Abdul Karim	6,809,352	20.4	-	-	6,819,352	16.6	-	-
Ngoi Foo Sing	3,095,709	9.3	-	-	3,105,709	7.6	-	-
Han Mun Kuan	536,687	1.6	-	-	546,687	1.3	-	-
Lee Yoke Khay	0	0.0	-	-	10,000	*	-	-
Tan King Tai @ Tan Khoon Hai	120,119	0.4	-	-	130,119	0.3	-	-
Norman bin Abdul Rahman	-	-	-	-	-	-	-	-

* Amount below 0.1 %

14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (viii) Based on the Register of Substantial Shareholders as at 8 May 2000, the names and the respective interests of the substantial shareholders of the Company before and after the Public Issue are as follows:-

	<----- Before the Public Issue----->				<-----After the Public Issue----->			
	No. of ordinary shares held				No. of ordinary shares held			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Lim Cheah Chooi	13,674,937	40.9	-	-	13,684,937	33.4	-	-
Lim Kim Guan	3,617,115	10.8	-	-	3,627,115	8.8	-	-
Dato' Kamal Mohd Hashim bin Che Din	1,527,331	4.6	-	-	1,537,331	3.7	-	-
Abdul Rafique bin Abdul Karim	6,809,352	20.4	-	-	6,819,352	16.6	-	-
Ngoi Foo Sing	3,095,709	9.3	-	-	3,105,709	7.6	-	-
Kelsom Bee binti Ali	1,527,331	4.6	-	-	2,027,331	4.9	-	-
Mohayat bin Paridan	489,947	1.5	-	-	1,939,947	4.7	-	-

- (ix) No Director, senior executive officer or person nominated to become a Director or senior executive officer is or was involved in the following events:-

- a 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 a or is a director or senior executive officer;
- conviction in a criminal proceedings or is a named subject of pending criminal proceedings; and
- the subject of an order, judgement or ruling of any court, 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.

- (x) Save as disclosed below, none of the Directors have any interest in any contract or agreement, which is significant in relation to the business of the Group taken as a whole as at 8 May 2000:-

- Lim Cheah Chooi is a substantial shareholder of Uni-Cargo Freight Systems (M) Sdn. Bhd., a company which (in the normal course of business) provides cargo handling services for the UGB Group.

The equity interest held by the abovesaid director in Uni-Cargo Freight Systems (M) Sdn Bhd as at 8 May 2000 is as follows:-

Name	<-----No of shares held----->			
	Direct	%	Indirect	%
Lim Cheah Chooi	1	50	-	-

- On 27 December 1998, Lim Cheah Chooi has entered into a tenancy agreement with Unijin in respect of the property known as No. 46, Lengkok Kapal, Off Jalan Chain Ferry, 12100 Butterworth for a term of two (2) years expiring on 27 December 2000. The tenancy agreement is renewable upon expiry. Currently, the property is used as a factory for the manufacture of pressure gauges. The monthly rental payable is RM2,000 per month which is based on commercial rates and are at arms' length.

14. STATUTORY AND OTHER GENERAL INFORMATION *(Cont'd)*

14.4 GENERAL

- (i) The nature of the Company's business and the names of all corporations which are deemed to be related to the Company by virtue of Section 6 of the Companies Act, 1965 are disclosed in Section 8 of this Prospectus.
- (ii) Save for Multi, which is incorporated and conducting business in Singapore, the Company has not established a place of business outside Malaysia.
- (iii) UGB is not listed on any stock exchange.
- (iv) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 15 of this Prospectus.
- (v) The date and time of the opening of the Application Lists is set out in Section 15.1 of this Prospectus.
- (vi) The amount payable in full on application is RM2.30 per Issue Share.
- (vii) No amount or benefit has been paid or given within the two preceding years of the date hereof, nor is it intended to be so paid or given to any promoter.
- (viii) Save as disclosed in this Prospectus, the financial condition and operations of the UGB Group are not affected by any of the following:-
 - (a) known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in the UGB Group's liquidity increasing or decreasing in any material way;
 - (b) material commitments for capital expenditure;
 - (c) unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from operations of the Group; and
 - (d) known trends or uncertainties that have had or that the UGB Group reasonably expects will have a material, favourable or unfavourable impact on the revenue or operating income of the Group.
- (ix) As at the date of this Prospectus, the Company or any of its subsidiaries do not have any outstanding convertible debt securities.
- (x) Particulars relating to the outstanding borrowings and contingent liabilities of the Company and its subsidiaries are disclosed in Section 10.1 of this Prospectus.
- (xi) The name and address of the Auditors and Reporting Accountants of the Company are set out in Section 2 of this Prospectus.
- (xii) Save as disclosed in section 4 of this Prospectus, the Directors of the Company are not aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Group.

14. STATUTORY AND OTHER GENERAL INFORMATION *(Cont'd)*

14.5 EXPENSES AND COMMISSION

- (i) Underwriting commission is payable by the Company to the Managing Underwriter and Underwriters at the rate of 1.5% of the issue price of RM2.30 per share on 3,600,000 of the Issue Shares being underwritten.
- (ii) Brokerage at the rate of 1% of the issue price of RM2.30 per share on all of the Issue Shares is payable by the Company in respect of successful applications which bears the stamp of either CIMB, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Bankers in Malaysia or MIH.
- (iii) An estimated RM1,500,000 in respect of expenses and fees incidental to the Public Issue and listing of and quotation for the entire issued and paid-up capital of UGB on the Second Board of the KLSE will be borne by UGB.

Save as disclosed above, no commission, discount, brokerage or other special terms have, within the two (2) preceding years prior to the date of this Prospectus, been paid or granted or is payable by the Company and its subsidiaries to any Director, promoter or expert or proposed Director for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions for any shares in or debentures of the Company and its subsidiaries in connection with the issue or sale of any capital of the Company and its subsidiaries.

14.6 MATERIAL LITIGATION

Neither UGB nor its subsidiaries are engaged in any material litigations, either as plaintiff or defendant and the Directors of the Company have no knowledge of any proceedings pending or threatened against the Company or any of its subsidiaries of any facts likely to give rise to any proceedings which might materially and adversely affect the position and business of the Company or any of its subsidiaries.

14.7 MATERIAL CONTRACTS

Same 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 UGB or any of its subsidiaries during the two (2) years immediately preceding the date of this Prospectus:-

- (i) Underwriting Agreement dated 6 March 2000 between UGB, CIMB and the Underwriters for the underwriting of 3,600,000 Issue Shares RM2.30 for an underwriting commission of 1.5% of the issue price of RM2.30 per share.
- (ii) Conditional Share Sale and Purchase Agreements dated 24 May 1999 between UGB (as the Purchaser) and individual vendors for the acquisition of the entire issued and paid-up capital of UME(M), UME(KL), UME(JB), AESB, Multi, UMP, AVSB, AFSB and Q-Flex at a purchase consideration of RM1.16 per share respectively. The total purchase consideration of RM36,981,862 is to be satisfied by the issue of 31,899,998 new UGB ordinary shares of RM1.00 each credited as fully paid-up at par.

14. STATUTORY AND OTHER GENERAL INFORMATION *(Cont'd)*

- (iii) Consolidated, Amended and Restated Sale & Purchase Agreement dated 4 March 2000 between UGB (as the Purchaser) and individual vendors for the acquisition of the entire issued and paid-up capital of UME(M) pursuant to the revision in the purchase consideration from RM15,488,733 to RM14,988,733 as approved by the SC on 16 December 1999 to be satisfied by an issue of 12,928,106 new ordinary shares of RM1.00 each in UGB at an issue price of approximately RM1.16 per share, credited as fully paid-up.
- (iv) Consolidated, Amended and Restated Sale & Purchase Agreement dated 4 March 2000 between UGB (as the Purchaser) and individual vendors for the acquisition of the entire issued and paid-up capital of UME(KL) pursuant to the revision in the purchase consideration from RM6,399,293 to RM6,279,293 as approved by the SC on 16 December 1999 to be satisfied by an issue of 5,416,026 new ordinary shares of RM1.00 each in UGB at an issue price of approximately RM1.16 per share, credited as fully paid-up.
- (v) On 8 April 2000, UME (KL) and UME (JB) executed two transfer forms (Forms 32A), to effect the transfer of 800,400 ordinary shares of RM1.00 each representing 13.34% equity interest in Rigel from UME(M), 439,800 ordinary shares of RM1.00 each representing 7.33% equity interest in Rigel from UME(KL) and 439,800 ordinary shares of RM1.00 each representing 7.33% equity interest in Rigel from UME(JB) to UGB for a cash consideration of RM800,000, RM440,000 and RM440,000 respectively.
- (vi) On 8 April 2000, UME (M), UME (KL) and UME (JB) executed two transfer forms (Forms 32A), to effect the transfer of 364,000 ordinary shares of RM1.00 each representing 26% equity interest in Unijin from UME(KL) and 350,000 ordinary shares of RM1.00 each representing 25% equity interest in Unijin from UME(JB) to UGB for a cash consideration of RM364,000 and RM350,000 respectively.

14.8 PUBLIC TAKEOVERS

During the last financial year and the current financial year up to the date of this Prospectus there were no:-

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

14. STATUTORY AND OTHER GENERAL INFORMATION *(Cont'd)*

14.9 LETTERS OF CONSENT

- (i) The written consents of the Principal Bankers, Solicitor, Registrar, Company Secretaries, Issuing House, Adviser and Managing Underwriter, Underwriters to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name, Accountants' Report and Letters relating to the consolidated profit forecast for the financial year ending 31 December 2000, and the pro forma consolidated balance sheets as at 31 December 1999 in the manner and form in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.
- (iii) The written consents of the Valuers to the inclusion of their names and their letters in the manner and form in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (iv) The written consent of the Management Consultant to the inclusion of its name and the extraction of its Valves and Piping Industry Assessment Report in the manner and form in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

14.10 DOCUMENTS AVAILABLE FOR INSPECTION

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

- (i) Memorandum and Articles of Association of UGB and its subsidiaries;
- (ii) The Accountants' Report and Directors' Report, referred to in Sections 11 and 12 respectively of this Prospectus;
- (iii) The Auditors' Letter relating to the consolidated profit forecast of UGB Group for the year ending 31 December 2000 and the pro forma consolidated balance sheets as at 31 December 1999 are included in Section 10.2 and 10.4 respectively of this Prospectus;
- (iv) Audited accounts of UGB for the past three (3) financial years ended 31 December 1999;
- (v) Audited accounts of UME(M) for the past five (5) financial years ended 31 December 1999;
- (vi) Audited accounts of UME(KL) for the past five (5) financial years ended 31 December 1999;

14. STATUTORY AND OTHER GENERAL INFORMATION *(Cont'd)*

- (vii) Audited accounts of UME(JB) for the past five (5) financial years ended 31 December 1999;
- (viii) Audited accounts of AVSB for the past five (5) financial years ended 31 December 1999;
- (ix) Audited accounts of UMP for the past five (5) financial years ended 31 December 1999;
- (x) Audited accounts of Q-Flex for the past five (5) financial years ended 31 December 1999;
- (xi) Audited accounts of AFSB for the past five (5) financial years ended 31 December 1999;
- (xii) Audited accounts of AESB for the financial period from 17 September 1994 to 31 December 1995 and the past four (4) financial years ended 31 December 1999;
- (xiii) Audited accounts of Multi for the past financial years ended 31 March 1996, the nine (9) months period ended 31 December 1996 and the past three (3) financial years ended 31 December 1999;
- (xiv) Audited accounts of Unijin for the financial period from 23 March 1997 to 31 December 1997 and the two (2) financial years ended 31 December 1999;
- (xv) Audited accounts of UME(KTN) for the financial period from 23 September 1996 to 31 December 1997 and the two (2) financial years ended 31 December 1999;
- (xvi) Audited accounts of IPSB for the past three (3) financial years ended 30 June 1998, the six (6)-month financial period ended 31 December 1998 and the financial year ended 31 December 1999;
- (xvii) Audited accounts of Rigel for the financial period from 14 July 1994 to 31 October 1995, the financial period from 1 November 1995 to 31 December 1996 and the past three (3) financial years ended 31 December 1999;
- (xviii) The Valuers' Certificates as included in Section 13 of this Prospectus together with the Valuation Report referred to therein;
- (xix) The material contracts referred to in Section 14.7 of this Prospectus; and
- (xx) The letters of consent referred to in Section 14.9 of this Prospectus.

14.11 RESPONSIBILITY STATEMENTS

- (i) CIMB acknowledges that to the best of its knowledge and belief, the Prospectus constitutes a full and true disclosure of all material facts about the Public Issue and UGB and its subsidiaries and is satisfied that the consolidated profit forecast for the financial year ending 31 December 2000 of the Group (for which the Directors are solely responsible) has been stated by the Directors after due and careful inquiry.

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14. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (ii) This Prospectus has been seen and approved by the Directors of UGB 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.

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15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

15.1 OPENING AND CLOSING OF APPLICATION LISTS

The Application Lists will open at 10.00 a.m. on 2 June 2000 and will remain open until 8.00 p.m. on the same day or for such further period or periods as the Directors of UGB may decide, with the consent of the Managing Underwriters and Underwriters. Late applications will not be entertained.

15.2 METHODS OF APPLICATIONS

Applications for the Offer Shares may be made using either of the following ways:-

- (i) Application Forms; or
- (ii) Electronic Share Application.

15.3 APPLICATIONS USING APPLICATION FORMS

(i) Application Forms

The following relevant Application Forms issued with their Notes and Instructions are enclosed with this Prospectus and are deemed to form part thereof:-

- (a) **Pink** Application Forms for application by eligible Directors, employees and other persons (such as suppliers, distributors, dealers and customers) of the Group; and
- (b) **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 Bumiputera individuals, companies, societies, co-operatives and institutions.

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

(ii) Procedure for Application

Applications for the 7,600,000 Issue Shares must be made on the relevant Application Forms provided.

(a) *Applications by the eligible Directors, employees and other persons of the Group*

Applications for the 2,050,000 of the Issue Shares reserved for eligible Directors, employees and other persons of the Group must be made on the **Pink** Application Forms provided.

15. PROCEDURE FOR APPLICATION AND ACCEPTANCE

(b) Applications by Bumiputera Investors approved by MITI and Applications by the Malaysian public

Applications for 1,950,000 of the Issue Shares reserved for Bumiputera Investors and application for 3,600,000 of the Issue Shares by the Malaysian public must be made on the **White** Application Forms provided.

Employees of MIH and their immediate family are strictly prohibited from applying for the shares in this exercise.

Only one 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 RM2.30 per ordinary share. Persons submitting applications by way of Application Forms may not submit applications by way of Electronic Share Applications and Vice Versa. A corporation or institution cannot apply for shares by way of Electronic Share Application.

Each completed Application Form must be despatched by **ORDINARY POST** in the official envelopes provided, to the following address:-

Malaysian Issuing House Sdn. Bhd.
27th Floor, Menara Multi-Purpose
Capital Square, No. 8 Jalan Munshi Abdullah
50100 Kuala Lumpur

or **DELIVERED BY HAND AND DEPOSITED** in the Drop-In Boxes provided at the back portion of Menara Multi-Purpose, Capital Square, No. 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur so as to arrive not later than 8.00 p.m. on 2 June 2000.

Applications may also be delivered in a drive-in manner at Stadium Hoki Tun Razak, Jalan Duta, Kuala Lumpur on 2 June 2000, between 8.30 a.m. to 8.00 p.m. only.

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

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

(iii) Terms and Conditions for Applications using Application Forms

Applications by way of Application Forms shall be made on, and subject to, the terms and conditions appearing below:-

- (a) Application for the Issue Shares must be made on the Application Form issued together with this Prospectus and must be completed in accordance with the Notes and Instructions printed on the reverse side of the Application Form and this Prospectus. In accordance with Section 37(1) of the Companies Act 1965, the Application Form together with the Notes and Instructions printed therein shall constitute an integral part of this Prospectus. Applications which do not STRICTLY conform to the terms of this Prospectus or Application Form or Notes and Instructions printed therein or which are illegible will not be accepted.
- (b) EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY REMITTANCE IN RINGGIT MALAYSIA FOR THE FULL AMOUNT PAYABLE BY EITHER:-
 - (i) 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 APPLICANTS); OR
 - (ii) CHEQUES ISSUED BY PARTICIPATING LICENSED FINANCE COMPANIES IN MALAYSIA AND DRAWN ON A BANK IN KUALA LUMPUR (DIFFERENTIATED BY A SPECIAL RED BAND FOR BUMIPUTERA APPLICANTS); OR
 - (iii) MONEY ORDER (FOR APPLICANTS FROM SABAH AND SARAWAK ONLY); OR
 - (iv) GUARANTEED GIRO ORDER ("GGO") FROM BANK SIMPANAN NASIONAL MALAYSIA (DIFFERENTIATED BY A SPECIAL RED BAND FOR BUMIPUTERA APPLICANTS); OR

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

- (v) ATM STATEMENT OBTAINED FROM EITHER:-
- ARAB-MALAYSIAN BANK BERHAD;
 - ARAB-MALAYSIAN FINANCE BERHAD;
 - ASIA COMMERCIAL FINANCE (M) BERHAD;
 - BAN HIN LEE BANK BERHAD;
 - BUMIPUTRA-COMMERCE BANK BERHAD;
 - BSN COMMERCIAL BANK (MALAYSIA) BERHAD
 - BANK UTAMA (MALAYSIA) BERHAD;
 - CREDIT CORPORATION MALAYSIA BERHAD;
 - EON BANK BERHAD;
 - EON FINANCE BERHAD;
 - HOCK HUA BANK BERHAD;
 - HOCK HUA FINANCE CORPORATION BERHAD
 - HONG LEONG BANK BERHAD
 - HONG LEONG FINANCE BERHAD
 - INTERNATIONAL BANK MALAYSIA BERHAD (formerly known as Hock Hua Bank (Sabah) Berhad);
 - MALAYAN BANKING BERHAD;
 - MAYBAN FINANCE BERHAD;
 - MBf FINANCE BERHAD;
 - MULTI-PURPOSE BANK BERHAD;
 - ORIENTAL BANK BERHAD;
 - ORIENTAL FINANCE BERHAD;
 - PHILEO ALLIED BANK (MALAYSIA) BERHAD (formerly known as Allied Bank (Malaysia) Berhad);
 - PUBLIC BANK BERHAD;
 - PUBLIC FINANCE BERHAD;
 - RHB BANK BERHAD
 - SABAH BANK BERHAD;
 - SIME BANK BERHAD;
 - THE PACIFIC BANK BERHAD; OR
 - UNITED MERCHANT FINANCE BERHAD.

AND MUST BE MADE OUT IN FAVOUR OF "**MIH SHARE ISSUE ACCOUNT NO. 171**" 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). APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN THOSE STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES OR INAPPROPRIATE BANKER'S DRAFT/CASHIER'S ORDER WILL NOT BE ACCEPTED. DETAILS OF THE REMITTANCE MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED.

- (c) AN APPLICANT SHOULD STATE HIS CDS ACCOUNT NUMBER IN THE SPACE PROVIDED IN THE APPLICATION FORM IF HE PRESENTLY HAS SUCH AN ACCOUNT. WHERE AN APPLICANT DOES NOT PRESENTLY HAVE A CDS ACCOUNT, HE SHOULD STATE IN HIS APPLICATION FORM HIS PREFERRED ADA CODE.
- (d) THE NAME AND ADDRESS OF THE APPLICANT (AS EXACTLY STATED ON THE APPLICATION FORM) MUST BE WRITTEN ON THE REVERSE SIDE OF THE BANKER'S DRAFT, CASHIER'S ORDER, ATM STATEMENT, MONEY ORDER, CHEQUES ISSUED BY PARTICIPATING LICENSED FINANCE COMPANIES OR GUARANTEED GIRO ORDER (GGO) FROM BANK SIMPANAN NASIONAL.

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

- (e) The Directors of the Company reserve the right to require any successful applicant to appear in person at the registered office of MIH within fourteen (14) days of the date of the notice issued to him to ascertain the regularity or propriety of the application. The Directors of the Company shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with these provision.
- (f) The Directors of the Company reserve the right to reject applications which do not conform to these instructions or which are illegible or which are accompanied by remittances improperly drawn.
- (g) The Directors of the Company reserve the right not to accept any application or accept any application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the shares to a reasonable number of applicants with a view to establishing an adequate market for the shares.
- (h) Where an application is not accepted, the full amount of the application monies, without interest, will be returned and dispatched to the applicant within twenty one (21) days from the date of the final ballot of the Application Lists by registered post at the address shown on the Application Form at the applicant's own risk.
- (i) MIH reserves the right to bank in all application monies from unsuccessful Bumiputera applicants and partially-successful applicants, which would subsequently be refunded without interest by registered post.
- (j) PLEASE DIRECT ALL ENQUIRIES IN RESPECT OF THE FORM OF APPLICATION TO MIH.

15.4 APPLICATIONS USING ELECTRONIC SHARE APPLICATIONS

- (i) **Steps for Electronic Share Application through a Participating Financial Institution's ATM**
 - (a) Applicant must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account.
 - (b) Applicant must have a CDS account.
 - (c) Applicant is to apply for the initial public share offering via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application is set out in Section 15.4 (ii) under the Terms and Conditions for Electronic Share Applications. Applicant is to enter at least the following information through the ATM where the instructions on the ATM screen at which he enters his Electronic Share Application requires him to do so:-
 - Personal Identification Number (PIN)
 - **MIH Share Issue Account Number 171**
 - CDS Account Number
 - Number of Shares applied for and/or the Ringgit amount to be debited from the account
 - Confirmation of several mandatory statements.

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

(ii) Terms and Conditions for Electronic Share Applications

The procedures for Electronic Share Applications at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions (the "Steps"). For illustration purposes, the procedures for Electronic Share Applications at ATMs are set out in "Steps for Electronic Share Application through a Participating Financial Institution's ATM" in Section 15.4 (i) of this Prospectus. The Steps set out the actions that the applicant must take at the ATM to complete an Electronic Share Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Applications set out below before making an Electronic Share Application. Any reference to "applicant" in the terms and conditions for Electronic Share Applications and the Steps shall mean the applicant who applies for shares through an ATM of any of the Participating Financial Institutions.

In the case of Electronic Share Applications, only an applicant who is an individual with a CDS Account is eligible to utilise the facility.

The applicant must have an existing bank account with, and be an ATM cardholder of, one of the Participating Financial Institutions before he can make an Electronic Share Application at an ATM of that Participating Financial Institution. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for shares at an ATM belonging to other Participating Financial Institutions. Upon the completion of his Electronic Share Application transaction, the applicant will receive a computer-generated transaction slip ("Transaction Record"), confirming the details of his Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by the Company or MIH. The Transaction Record is for retention by the applicant and should not be submitted with any Application Form.

Upon the closing of the Offer for the application for the Public Issue Shares on 2 June 2000 at 8.00 p.m. ("Closing Date and Time"), the participating Financial Institution shall submit a magnetic tape containing its respective customers' applications for the Public Issue Shares to MIH as soon as practicable but not later than 12.00 p.m. of the 2nd business day after the Closing Date and Time.

An applicant will be allowed to make an Electronic Share Application for shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which he has an account and its branches, subject to the applicant making only one application. An applicant who has a bank account with a Participating Financial Institution and has been issued an ATM card will be allowed to apply for shares via an ATM of that Participating Financial Institution which is situated in another country or place outside of Malaysia, subject to the applicant making only one application. A fee of RM2.50 per application will be charged.

AN APPLICANT MUST ENSURE THAT HE USES HIS OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. AN APPLICANT OPERATING A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION MUST ENSURE THAT HE ENTERS HIS OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO HIM IN HIS OWN NAME. HIS APPLICATION WILL BE REJECTED IF HE FAILS TO COMPLY WITH THE FOREGOING.

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

The Electronic Share Application shall be made on, and subject to, the terms and conditions contained in Section 15.4 (ii) as well as the terms and conditions appearing below:-

- (a) The Electronic Share Application shall be made in connection with and subject to the terms of this Prospectus and the Memorandum and Articles of Association of the Company.
- (b) The applicant is required to confirm the following statement [by depressing predesignated keys (or buttons) on the ATM keyboard] and undertake that the following information given is true and correct:-
 - I have attained 18 years of age as at the closing date of the share application.
 - I am a Malaysian citizen residing in Malaysia.
 - I have read the relevant Prospectus and understood and agreed with the terms and conditions of this application.
 - This is the only application that I am submitting.
 - I hereby give consent to the Participating Financial Institution and MCD to disclose information pertaining to myself and my account with the Participating Financial Institution and MCD to MIH and other relevant authorities.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless the applicant completes all the steps required by the Participating Financial Institution. By doing so, the applicant shall be treated as signifying his confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 97 of the Banking and Financial Institutions Act 1989 and Section 45 of the Securities Industry (Central Depositories) Act 1991 to the disclosure by the relevant Participating Financial Institution or MCD, as the case may be, of any of the applicant's particulars to MIH, or any relevant regulatory bodies.

- (c) THE APPLICANT CONFIRMS THAT HE IS NOT APPLYING FOR SHARES AS NOMINEE OF ANY OTHER PERSONS AND THAT ANY ELECTRONIC SHARE APPLICATION THAT HE MAKES IS MADE BY HIM AS BENEFICIAL OWNER. THE APPLICANT SHALL ONLY MAKE ONE ELECTRONIC SHARE APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE PUBLIC ISSUE SHARES, WHETHER AT THE ATMS OF ANY PARTICIPATING FINANCIAL INSTITUTION OR ON THE PRESCRIBED APPLICATION FORMS.
- (d) The applicant must have sufficient funds in his account with the relevant Participating Financial Institution at the time he makes his Electronic Share Application, failing which his Electronic Share Application will not be completed. Any Electronic Share Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.

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

- (e) The applicant agrees and undertakes to subscribe for or purchase and to accept the number of shares applied for as stated on the Transaction Record or any lesser number of shares that may be allotted or allocated to him in respect of his Electronic Share Application. In the event that the Company decides to allot or allocate any lesser number of such shares or not to allot or allocate any shares to the applicants, the applicant agrees to accept any such decision as final. If the applicant's Electronic Share Application is successful, his confirmation (by his action of pressing the designated key on the ATM) of the number of shares applied for shall signify, and shall be treated as, his acceptance of the number of shares that may be allotted or allocated to him and to be bound by the Memorandum and Articles of the Company.
- (f) The Company reserves the right to reject any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the shares to a reasonable number of applicants with a view to establishing an adequate market for the shares.
- (g) Where an Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institution will be informed of the non-successful or partially successful applications. Where the Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest into the applicant's account with that Participating Financial Institution within two (2) market days after the receipt of confirmation from MIH. MIH shall inform the Participating Financial Institutions of the non-successful or partially successful applications within two (2) market days after the balloting date. The applicants may check their accounts on the fifth market day from the balloting day.

Where an Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into the applicant's account with the Participating Financial Institution within two (2) market days after the receipt of confirmation from MIH. A number of applications will, however, be held in reserve to replace any successfully balloted applications which are subsequently rejected. For such applications which are subsequently rejected, the application monies without interest will be refunded to applicants by MIH by way of cheques issued by MIH. The cheque will be issued to the applicant not later than twenty one (21) days from the day of the final ballot of the application list.

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

- (h) The applicant requests and authorises the Company:-
- (i) to credit the shares allotted or allocated to the applicant into the CDS account of the applicant; and
 - (ii) to issue share certificate(s) representing such shares allotted or allocated in the name of MCD Nominees Sdn. Bhd. and send the same to MCD.
- (i) The applicant, acknowledging that his Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond the control of the Company, MIH or the Participating Financial Institution, irrevocably agrees that if:
- (i) the Company or MIH does not receive the applicant's Electronic Share Application;
 - (ii) data relating to the applicant's Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to the Company or MIH,
- the applicant shall be deemed not to have made an Electronic Share Application and the applicant shall not claim whatsoever against the Company, MIH or the Participating Financial Institutions for the shares applied for or for any compensation, loss or damage.
- (j) All particulars of the applicant in the records of the relevant Participating Financial Institution at the time he makes his Electronic Share Application shall be deemed to be true and correct and the Company, MIH and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (k) The applicant shall ensure that his personal particulars as recorded by both MCD and relevant Participating Financial Institution are correct and identical. Otherwise, his Electronic Share Application is liable to be rejected. The applicant must inform MCD promptly of any change in address failing which the notification letter of successful allotment or allocation will be sent to his registered address last maintained with MCD.
- (l) By making and completing an Electronic Share Application, the applicant agrees that:
- (i) in consideration of the Company agreeing to allow and accept the making of any application for shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, his Electronic Share Application is irrevocable;
 - (ii) the Company, the Participating Financial Institutions, MCD and MIH shall not be liable for any delays, failures or inaccuracies in the processing of data relating to his Electronic Share Application to the Company due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;

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

- (iii) notwithstanding the receipt of any payment by or on behalf of the Company, the acceptance of the offer made by the applicant to subscribe for and purchase the shares for which the applicant's Electronic Share Application has been successfully completed shall be constituted either by the issue of notices of successful allotment for prescribed securities, in respect of the said shares;
 - (iv) the applicant irrevocably authorises MCD to complete and sign on his behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the shares allotted or allocated to the applicant; and
 - (v) the Company agrees that, in relation to any legal action or proceedings arising out of or in connection with the contract between the parties and/or the Electronic Share Application Scheme and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that the Company irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (m) The Directors of the Company reserve the right to require any successful applicant to appear in person at the registered office of MIH within fourteen (14) days of the date of the notice issued to him to ascertain the regularity or propriety of the application. The Directors of the Company shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.
- (n) The Directors of the Company reserve the right to reject applications which do not conform to these instructions.
- (o) Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:-
- ARAB-MALAYSIAN BANK BERHAD (295576-U)
 - ARAB-MALAYSIAN FINANCE BERHAD (5493-X)
 - BUMIPUTRA-COMMERCE BANK BERHAD (13491-P)
(at selected branches in the Klang Valley only)
 - HSBC BANK MALAYSIA BERHAD (127776-V)
(formerly known as Hong Kong Bank Malaysia Berhad)
 - MALAYAN BANKING BERHAD (3813-K)
 - MAYBAN FINANCE BERHAD (3905-T)
 - OCBC BANK (MALAYSIA) BERHAD (5493-X)
 - ORIENTAL BANK BERHAD (845-W)
 - STANDARD CHARTERED BANK MALAYSIA BERHAD
(115793-P) (at selected branches only)

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

15.5 APPLICATIONS AND ACCEPTANCES

The Directors of UGB reserve the right not to accept any application, which does not comply with the instructions, 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.

ALL APPLICATIONS MUST BE FOR 1,000 ORDINARY SHARES OR MULTIPLES THEREOF.

In the event of an over-subscription, acceptance of applications shall be subject to ballot to be conducted in the manner approved by the Directors of UGB. Due consideration will be given to the desirability of distributing the ordinary shares to a reasonable number of applicants with a view to broadening the shareholding base of the Company and establishing an adequate market for UGB's ordinary shares. Pursuant to the SC Policies and Guidelines on Issue/Offer of Securities, the Company is required to have at least 25% of the issued and paid-up capital of the Company at the time of listing in the hands of public shareholders and a minimum number of 750 public shareholders holding not less than 1,000 shares each of which at least 500 shareholders are members of the public who are not employees of the Company and its subsidiaries upon listing. However, in the event that the above requirement is not met pursuant to this Public Issue, the Company will not be allowed to proceed with its listing plan.

In the event of an under-subscription by the Malaysian public, all the ordinary shares not applied for will be made available for subscription proportionately by the Managing Underwriter and Underwriters.

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 AND SHALL BE DISPATCHED BY REGISTERED POST TO THE APPLICANT WITHIN TWENTY-ONE (21) DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS AT 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 REMITTANCES HAVING BEEN PRESENTED FOR PAYMENT.

THE ISSUING HOUSE RESERVES THE RIGHT TO BANK IN ALL APPLICATION MONIES FROM UNSUCCESSFUL BUMIPUTERA APPLICANTS AND FROM PARTIALLY SUCCESSFUL APPLICANTS. REFUND MONIES IN RESPECT OF UNSUCCESSFUL BUMIPUTERA APPLICANTS WHOSE MONIES HAVE BEEN BANKED IN AND PARTIALLY SUCCESSFUL APPLICANTS WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DISPATCHED TO THE APPLICANT WITHIN TWENTY ONE (21) DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS BY REGISTERED POST AT THE ADDRESS SHOWN ON THE APPLICATION FORM AT THE APPLICANT'S OWN RISK.

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

15.6 CDS ACCOUNTS

Pursuant to Section 29 of the Securities Industry (Central Depositories) Act, 1991, all dealings in UGB shares will be by book entries through CDS Accounts. No share certificate will be issued to successful applicants.

In the case of an application by way of an Application Form, an applicant should state his CDS account number in the space provided in the Application Form or if he presently has such accounts. If the applicant does not presently have such an account, he should state his preferred ADA Code in the space provided. If a successful applicant fails to state either his CDS account number or the preferred ADA Code in his Application Form, the Company may, in the exercise of its absolute discretion, instruct MIH to insert a preferred ADA Code in the Application Form and further instruct MCD to open a CDS account on the applicant's behalf at the specified ADA and credit the shares allotted to the applicant into the applicant's CDS account.

In the case of an application by way of Electronic Share Application, only an applicant who has a CDS account can make an Electronic Share Application and the applicant shall furnish his CDS account number to the Participating Financial Institution by way of keying in his CDS account number if the instructions on the ATM screen at which he enters his Electronic Share Application requires him to do so.

Failure to comply with these specific instructions as the Electronic Share Application requires 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 and inaccurate application. Applications may also be rejected if the applicants' particulars provided in the Application Forms, or in the case of Electronic Share Applications, if the records of the Participating Financial Institutions at the time of making the Electronic Share Applications differ from those in MCD's records, such as the identity card number, names and nationalities.

15.7 NOTICE OF ALLOTMENT

Shares allotted to all successful applicants will be credited to their respective CDS Accounts. A notice of successful allotment will be dispatched to the successful applicant at his/her address shown on the Application Form at the applicant's own risk within thirty (30) days after the final ballot of the application. For Electronic Share Applications, the notice of allocation will be dispatched to the successful or partially successful applicant at his/her address last maintained with the MCD at the applicant's own risk within thirty (30) days after the final ballot of the application list. This is the only acknowledgement of acceptance of the application.

15.8 FORMALISING CDS ACCOUNTS

Successful applicants whose CDS Accounts have been opened by the MCD at their preferred ADA or the ADA caused to be inserted by MIH at the instruction of the Company in case where the successful applicant fails to state either his/her CDS account number or preferred ADA Code, is required to formally open his/her accounts by submitting to the ADA the necessary documents and the account opening fee. No transaction of shares credited to the account can be effected until the account has been formally opened.

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)**15.9 LIST OF ADAs**

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

Name	Address and telephone number	Broker Code	Name	Address and telephone number	Broker Code
KUALA LUMPUR			K&N KENANGA BHD.	8th Floor, Pemas International Building 801, Jalan Sultan Ismail 50250 Kuala Lumpur Tel. No.: 03-2613066	073-001
AFFIN-UOB SECURITIES SDN BHD	Level 3, Menara Keck Seng, Jalan Bukit Bintang, 55100 Kuala Lumpur Tel. no: 03-2438668	028-001	KUALA LUMPUR CITY SECURITIES SDN. BHD.	3.07, Level 3 Bangunan Angkasaraya Jalan Ampang 50450 Kuala Lumpur Tel. No.: 03-2449322	076-001
ARAB-MALAYSIAN SECURITIES SDN. BHD.	15th Floor, Bangunan Arab-Malaysian 55 Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: 03-2382788	086-001	LEONG & COMPANY SDN. BHD.	Level 18, Wisma Cyclecarri 288, Jalan Raja Laut 50350 Kuala Lumpur P. O. Box 10943 50730 Kuala Lumpur Tel. No.: 03-2928888	061-001
BBMB SECURITIES SDN. BHD.	Level 2, 3, 4 & 17 Letter Box No. 2 Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: 03-2019900	099-001	MAYBAN SECURITIES SDN. BHD.	30th Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel. No.: 03-2323822	098-001
BIMB SECURITIES SDN. BHD.	1st & 2nd Floor Podium Block, Bangunan AMDB No. 1, Jalan Lumut 50350 Kuala Lumpur Tel. No.: 03-4433533	024-001	MGI SECURITIES SDN. BHD.	1st & 2nd Floor, Wisma MGIC 38, Jalan Dang Wangi 50100 Kuala Lumpur Tel No.: 03-2911889	052-001
CIMB SECURITIES SDN. BHD	9th Floor, Commerce Square Jalan Semantan Damansara Heights 50490 Kuala Lumpur Tel. No.: 03-2532288	065-001	MIDF SISMA SECURITIES SDN. BHD.	17 & 18 Floor, Empire Tower 182, Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: 03-2668888	026-001
FIMA SECURITIES SDN. BHD.	No. 45-14, Plaza Level & Level 1, Plaza Damansara, Jalan Medan Setia Satu, Damansara Heights, 50490 Kuala Lumpur Tel. No.: 03-2549966	018-001	OSK SECURITIES BHD.	10th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel. No.: 03-2624388	056-001
HLG SECURITIES SDN. BHD. (formerly known as Zalik Securities Sdn. Bhd.)	21st Floor, Wisma HLA Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: 03-2452998	066-001	PB SECURITIES SDN. BHD.	27th Floor, Bangunan Public Bank, 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel. No.: 03-2013011	051-001
INTER-PACIFIC SECURITIES SDN. BHD.	Level 7, Menara Shahzan Insas 30, Jalan Sultan Ismail 50250 Kuala Lumpur Tel. No.: 03-2441888	054-001	PENKALEN SECURITIES SDN. BHD.	Ground, Mezzanine & 1st Floors Menara Pengkalen (formerly known as Wisma Pekerti) No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel. No.: 03-2448055	064-001
JUPITER SECURITIES SDN. BHD.	7th-9th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: 03-2041888	055-001			

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Name	Address and telephone number	Broker Code	Name	Address and telephone number	Broker Code
RASHID HUSSAIN SECURITIES SDN. BHD.	Level 1, 2, 3 and 5 Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: 03-9852233	087-001	SJ SECURITIES SDN. BHD.	Level 3, Holiday Villa No. 9, Jalan SS 12/1, Subang Jaya 47500 Petaling Jaya Selangor Darul Ehsan Tel. No.: 03-7340202/7340101	096-001
KAF-SEAGROATT & CAMPBELL SDN. BHD.	26th-30th Floor, The Weld Tower 76 Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: 03-2081600	053-001	MELAKA		
SIME SECURITIES SDN. BHD.	21st Floor, Bangunan Sime Bank 4, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel. No.: 03-2749288	097-001	MALACCA SECURITIES SDN. BHD.	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang, P.O. Box 248 75250 Melaka Tel. No.: 06-3371533	012-001
TA SECURITIES BHD.	TA One Tower 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No.: 03-2321277	074-001	OCBC SECURITIES (MELAKA) SDN. BHD.	579,579A & 579B Taman Melaka Raya 75000 Melaka Tel. No.: 06-2825211	072-001
SELANGOR DARUL EHSAN			STRAITS SECURITIES SDN. BHD.	Lot 9 & 10, 1st Floor Bangunan Tabong Haji Jalan Bandar Kaba P.O. Box 209 75740 Melaka Tel. No.: 06-2833622	011-001
AMSTEEL SECURITIES (M) SDN. BHD.	No. 1, Lintang Pekan Baru (2nd, 3rd & 4th Floors) Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel. No.: 03-3439999	080-001	PERAK DARUL RIDZUAN		
HALIM SECURITIES SDN. BHD.	68, Jalan 52/6 New Town Centre P. O. Box 561 46770 Petaling Jaya Selangor Darul Ehsan Tel. No.: 03-7555777	091-001	BOTLY SECURITIES SDN. BHD.	1st Floor, Plaza Teh Teng Seng 227, Jalan Kampar 30250 Ipoh Perak Darul Ridzuan Tel. No.: 05-2531313	058-001
HWANG-DBS SECURITIES BERHAD (Shah Alam Branch)	18-20 th Floor, Plaza Masalam, 2 Jalan Tengku Ampuan Zabedah, E9/E, Section 9, 40100 Shah Alam Tel. No. 03-5533288	068-002	KIN KHOON & CO. SDN. BHD.	23 & 25, Wisma Kota Emas Jalan Dato' Tahwil Azhar P. O. Box No. 421 30910 Ipoh Perak Darul Ridzuan Tel. No.: 05-2543311	017-001
JF APEX SECURITIES BERHAD	3rd Floor, Wisma Apex 145A-C, Jalan Bukit P. O. Box 16 43007 Kajang Selangor Darul Ehsan Tel. No.: 03-8361118	079-001	MBf NORTHERN SECURITIES SDN. BHD.	No. 71, Jalan Lim Bo Seng 30300 Ipoh Perak Darul Ridzuan Tel. No.: 05-2548999	067-001
MOHAIYANI SECURITIES SDN. BHD.	2nd & 3rd Floor Plaza Damansara Utama No. 2, Jalan SS21/60 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel. No.: 03-7197345	095-001	M & A SECURITIES SDN. BHD.	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel. No.: 05-2419800	057-001
			PHILEO ALLIED SECURITIES SDN. BHD.	63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel. No.: 05-2558233	071-001

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Name	Address and telephone number	Broker Code	Name	Address and telephone number	Broker Code
SBB SECURITIES SDN. BHD.	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel. No.: 05-2530888	090-001	KEDAH DARUL AMAN		
TAIPING SECURITIES SDN. BHD.	21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel. No.: 05-8060888	092-001	ALOR SETAR SECURITIES SDN. BHD.	Lot T-30, 2nd Floor Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel. No.: 04-7318088	094-001
PREMIER CAPITAL SECURITIES SDN. BHD.	Wisma Premier Capital 21-25, Jalan Seenivasagam, 30450 Ipoh Perak Darul Ridzuan Tel. No.: 05-2415100	082-001	PERLIS INDRA KAYANGAN		
PULAU PINANG			UPEN SECURITIES SDN. BHD.	2nd Floor, Podium Block Bangunan KWSP 01000 Kangar Perlis Indra Kayangan Tel. No.: 04-9766315	023-001
A. A. ANTHONY & COMPANY SDN. BHD.	No. 41-1-1 & 41-2-1 Jalan Cantonment 10250 Pulau Pinang Tel. No.: 04-2299318	014-001	NEGERI SEMBILAN DARUL KHUSUS		
HWANG-DBS SECURITIES BHD.	Levels 2, 3, 4, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel. No.: 04-2636996	068-001	PAN MALAYSIA EQUITIES SDN. BHD.	2nd, 9th & 10th Floor Bangunan Yayasan Negeri Sembilan Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: 06-7638999	084-001
KE-ZAN SECURITIES SDN. BHD.	Wisma Ke-Zan 64, Bishop Street 10200 Pulau Pinang Tel. No.: 04-2634222	085-001	MALPAC SECURITIES SDN. BHD. <i>(formerly known as Seremban Securities Sdn. Bhd.)</i>	1st, 2nd and 3rd Floors 19, 20 & 21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel. No.: 06-7623131	063-001
MERCURY SECURITIES SDN. BHD.	2nd Floor, Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Seberang Prai, Pulau Pinang Tel. No.: 04-3322123	093-001	JOHOR DARUL TAKZIM		
SMITH ZAIN SECURITIES SDN. BHD.	7th & 8th Floor, Menara PSCI 39 Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel. No.: 04-2283355	016-001	ENG SECURITIES SDN. BHD.	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel. No.: 07-2231211	081-001
SOON THEAM SECURITIES SDN. BHD.	No. 111 Jalan Macalister 10400 Pulau Pinang Tel. No.: 04-2281868	060-001	JB SECURITIES SDN. BHD.	Suite 8.2, Level 8, Menara Sarawak Enterprise No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel. No.: 07-3332000/ 3332800	078-001
THONG & KAY HIAN SECURITIES SDN. BHD.	Level 5 & 6, Wisma Sri Pinang 60 Green Hall 10200 Pulau Pinang Tel. No.: 04-2635481	070-001	KESTREL SECURITIES SDN. BHD.	No. 57, 59 & 61 Jalan Ali 84000 Muar Johor Darul Takzim Tel. No.: 06-9532222	088-001
UT SECURITIES SDN. BHD.	12th Floor, Bangunan Mayban Trust 3, Penang Street 10200 Pulau Pinang Tel. No.: 04-2626644	059-001			

15. STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Name	Address and telephone number	Broker Code	Name	Address and telephone number	Broker Code
PENINSULA SECURITIES SDN. BHD.	Level 2, Menara Pelangi Jalan Kuning Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel. No.: 07-3333600	077-001	SARAWAK SECURITIES SDN. BHD. (Miri Branch)	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel. No.: 085-435577	019-002
PJB PACIFIC SECURITIES SDN. BHD.	Podium 2A & 3 Menara Ansar 65, Jalan Trus 80000 Johor Bahru Johor Darul Takzim Tel. No.: 07-2222692/ 2765201	027-001	SABAH		
SOUTH JOHOR SECURITIES SDN. BHD.	3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel. No.: 07-4317033	069-001	INNOSABAH SECURITIES SDN. BHD.	11 Equity House, Block K Sadong Jaya, Karamuning 88100 Kota Kinabalu Sabah Tel. No.: 088-234099	020-001
PAHANG DARUL MAKMUR			WILAYAH PERSEKUTUAN LABUAN		
WK SECURITIES SDN. BHD.	A-397, A-399 & A-401 Taman Sri Kuantan III Jalan Berserah 25300 Kuantan Pahang Darul Makmur Tel. No.: 09-5660800	083-001	LABUAN SECURITIES SDN. BHD.	Level 2, Wisma Oceanic Jalan O K K Awang Besar 87007 Wilayah Persekutuan Labuan Tel. No.: 087-410621	022-001
KELANTAN DARUL NAIM					
KOTA BHARU SECURITIES SDN. BHD.	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel. No.: 09-7433388	075-001			
TERENGGANU DARUL IMAN					
FA SECURITIES SDN. BHD.	3rd Floor, Wisma UMNO Jalan Masjid Abidin 20100 Kuala Terengganu Terengganu Darul Iman Tel. No.: 09-6238128	021-001			
PTB SECURITIES SDN. BHD.	Tingkat 1, 2 & 3, No. 61, Jalan Sultan Ismail Peti Surat 151 Pejabat Pos Besar 20700 Kuala Terengganu Terengganu Darul Iman Tel. No.: 09-6235546	025-001			
SARAWAK					
SARAWAK SECURITIES SDN. BHD.	Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel. No.: 082-338000	019-001			