
I. **PROPECTUS SUMMARY**

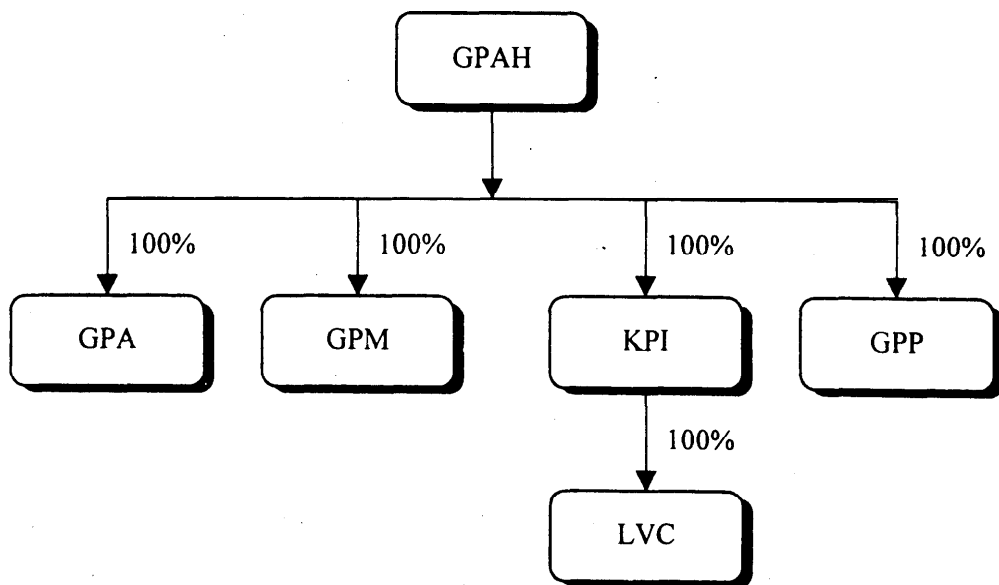
The information set out in this section is derived from, and should be read in conjunction with, the full text of this Prospectus.

1. **BUSINESS**

GPAH is an investment holding company while the principal activities of its subsidiaries are as follows:-

Name	Effective equity interest held by GPAH %	Principal activities
<i>Subsidiaries of GPAH</i>		
GPA	100	Manufacturing of automotive batteries and components
GPM	100	Marketing of automotive batteries
KPI	100	Manufacturing of industrial plastic and its related products
GPP	100	Dormant
<i>Subsidiary of KPI</i>		
LVC	100	Marketing and trading of finished plastic products

The corporate structure of the GPAH Group is as follows:-



I. PROPECTUS SUMMARY (*Cont'd*)

2. MANAGEMENT AND OWNERSHIP

The management team of the GPAH Group is guided by its Chairman, Dato' Tan Hua Choon and led by its Managing Director, Lee Kok Yong. Lee Kok Yong has vast experience in the automotive battery industry and, together with the management team, is responsible for the GPAH Group's growth and for the overall business operations and formulation of the Group's strategic plans and policies. He is further supported and guided by Dato' Tan Hua Choon, the Chairman of GPAH. Dato' Tan Hua Choon is a self-made businessman who has been involved in a wide range of businesses, including manufacturing, marketing and trading for the last 37 years. He has built up investments in many public listed companies including Jasa Kita Berhad, Keladi Maju Berhad, Malaysia Aica Berhad, PDZ Holdings Bhd and FCW Holdings Berhad.

Dato' Tan Hua Choon is a substantial shareholder of GPAH by virtue of his direct shareholding of 14.05% after the Public Issue (based on his shareholding as at 15 June 2000). Dato' Tan Hua Choon is also the father of Tan Han Chuan who is also a substantial shareholder of GPAH, with 14.03% shareholding in GPAH after the Public Issue (based on his shareholding as at 15 June 2000). Lee Kok Yong is a substantial shareholder of GPAH by virtue of his direct shareholding of 11.47% after the Public Issue (based on his shareholding as at 15 June 2000).

The key management team of the GPAH Group comprises people with proven capabilities and experience in their respective fields of manufacturing, production, quality control, design, production planning, marketing, accounting and human resource management, and have contributed significantly to the GPAH Group's success.

3. INVESTMENT CONSIDERATIONS

The following is a summary of the investment considerations (which may not be exhaustive) which applicants for the New Shares should carefully consider in addition to other information contained elsewhere in this Prospectus before applying for the New Shares:-

(i) No Prior Market for GPAH shares

Prior to this Public Issue, there has been no public market for the ordinary shares in GPAH.

(ii) Control by Substantial Shareholders

Based on the Register of Substantial Shareholders as at 15 June 2000, the substantial shareholders of GPAH, namely Dato' Tan Hua Choon, Lee Kok Yong, Tan Han Chuan, Minhat bin Mion, Abdul Rasip bin Haron and Dato' Osman bin Mohd. Zain will collectively hold 72.83% of the enlarged issued and paid-up share capital in the Company following the Public Issue. The aforesaid substantial shareholders acting together may be able to influence the outcome of certain matters requiring the vote of the Company's shareholders.

(iii) Business Risks

The Group is subject to certain risks inherent in the automotive battery and plastic injection moulding industries such as shortages of labour and raw material, increases in costs of labour and raw materials, changes in business and credit conditions and fluctuations in foreign exchange rates.

(iv) Health and environmental factors

As the manufacture of automotive batteries involves the processing of lead, this type of business is subject to certain health and environmental factors.

(v) **Political** and Economic Factors

Like most businesses, the sector in which the Group operates is subject to risks inextricably linked to political vagaries and economic factors. Adverse developments in the political and economic environment and uncertainties in Malaysia and overseas markets in which the Group serves or sources its raw materials from may materially and adversely affect the financial performance of the Group.

(vi) **Competition**

The GPAH Group faces competition from various competitors.

(vii) **Dependence on key personnel**

The Group believes that its continued success depends to a significant extent upon the abilities and continued efforts of its existing Directors and senior management.

(viii) **Disclosure regarding forward looking statements**

This Prospectus contains forward looking statements i.e. those other than statements of historical facts. As such, any differences in the expectation of the Group from its actual performance may result in the Group's financial and business performance and plans to be materially different from that anticipated.

4. **FINANCIAL HIGHLIGHTS**

The following table is extracted from the Accountants' Report in Section X and should be read in conjunction with the notes thereto.

The following table sets out a summary of the proforma audited consolidated results of the GPAH Group for the 5 financial years ended 31 March 2000, prepared on the assumption that the current structure of the Group has been in existence throughout the financial years under review:-

	<----- Proforma ----->				
	<----- Year ended 31 March ----->				
	1996	1997	1998	1999	2000
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	28,644	37,602	46,529	51,477	57,267
Profit before taxation	885	2,337	4,077	6,891	7,710
Taxation	(344)	(579)	(467)	-	(1,586)
Profit after taxation	541	1,758	3,610	6,891	6,124
Number of ordinary shares of RM1.00 each assumed in issue ('000)	17,932	17,932	17,932	17,932	17,932
Gross EPS (sen)	4.94	13.03	22.74	38.43	43.00
Net EPS (sen)	3.02	9.80	20.13	38.43	34.15

I. PROPECTUS SUMMARY *(Cont'd)*

Notes:-

- (1) *The trend of increasing turnover and profit before taxation over the 5 financial years ended 31 March 2000 is mainly attributable to the increase in sales of automotive batteries.*
- (2) *The profit before taxation for the financial year ended 31 March 1996 was affected by an exceptional increase in the price of lead during the financial year.*
- (3) *For the financial year ended 31 March 1997, turnover and profit before taxation improved in line with expansion in both local and export sales of automotive batteries*
- (4) *Profit before taxation for the financial year ended 31 March 1998 increased by 74% in line with increased turnover mainly due to the increase in export sales and higher average export selling prices.*
- (5) *For the financial year ended 31 March 1999, both the turnover and profit before taxation increased in line with the recovery of the local economy and the further expansion of export markets.*
- (6) *The turnover and profit before taxation increased for the financial year ended 31 March 2000 mainly due to the improvement in sales in both the local and export markets.*
- (7) *The effective tax rates compared to the statutory rates.*
 - (i) *for financial year ended 31 March 1996 was higher due to certain expenses being disallowed for taxation purposes for GPM and LVC,*
 - (ii) *for financial years ended 31 March 1997, 1998 and 2000 were lower due to utilisation of capital allowance and reinvestment allowance for GPA.*

There is no tax charge on the income for the financial year ended 31 March 1999 as the amount payable is waived in accordance with the Income Tax (Amendment) Act 1999.
- (8) *There were no extraordinary or exceptional items for the financial years under review.*
- (9) *KPI and LVC were acquired by GPA in April 1996. As such the proforma consolidated accounts for the financial year ended 31 March 1996 exclude the accounts of KPI and LVC.*

5. BASIS OF ARRIVING AT THE PUBLIC ISSUE PRICE

The issue price of RM1.50 per New Share was determined and agreed upon by the Company and CIMB, as Adviser and Managing Underwriter, after taking into consideration the following factors:-

- (i) the Group's financial and operating history and conditions as outlined in Sections VIII, IX and X of this Prospectus;
- (ii) the prospects of the automotive battery industry and the Group as outlined in Sections V and VIII (3) of this Prospectus;
- (iii) the forecast net PE Multiple of 8.26 times and 8.28 times based on the forecast net EPS of 18.15 sen and 18.11 sen computed using the weighted average number of shares assumed in issue during the financial year comprising 32,333,333 ordinary shares of RM 1.00 each and the enlarged issued share capital of 40,000,000 ordinary shares of RM 1.00 each respectively;
- (iv) the proforma Group NTA per share of RM 1.31 as at 31 March 2000; and
- (v) the forecast dividend yield of 2.0% for the financial year ending 31 March 2001.

I. PROPECTUS SUMMARY (Cont'd)

6. PRINCIPAL STATISTICS RELATING TO THE PUBLIC ISSUE**(i) Share Capital***Authorised*

50,000,000 ordinary shares of RM1 .00 each RM50,000,000

Issued and fully paid-up as at the date of this Prospectus

34,000,000 ordinary shares of RM1 .00 each RM34,000,000

To be issued pursuant to the Public Issue

6,000,000 new ordinary shares of RM1 .00 each RM6,000,000

RM40,000,000

(ii) Issue Price For Each New Share

RM1.50

(iii) Proforma Group NTA As At 31 March 2000

Proforma Group NTA RM52,469,000
(after the restructuring exercise as detailed in Section VIII of
this Prospectus including the Acquisition, Rights Issue and
Public Issue and after deducting estimated listing expenses of
RM1,300,000)

Proforma Group NTA per share RM 1.3 1
(based on the enlarged share capital of 40,000,000 ordinary
shares of RM 1 .00 each)

(iv) Consolidated Profit Forecast For The Financial Year Ending 31 March 2001

RM'000

Consolidated profit before taxation 9,043

Taxation (1,801)

Consolidated profit after taxation **7,242**

Pre-acquisition profit ⁽¹⁾ (1,372)

Consolidated profit after taxation attributable to shareholders **5,870**

*Based on the weighted average number of ordinary shares
assumed in issue*

Net EPS based on the consolidated profit after taxation
attributable to shareholders (sen) ⁽²⁾ 18.15

Net PE multiple (times) ⁽³⁾ 8.26

I. PROPECTUSSUMMARY (Cont'd)

*Based on the enlarged number of **ordinary shares in issue***

Net EPS based on the consolidated profit after taxation before netting off pre-acquisition profit (sen)	⁽⁴⁾ 18.11
Net PE multiple (times)	⁽³⁾ 8.28

Notes:-

- (1) **The pre-acquisition profit is in respect of the profit after taxation of the subsidiaries prior to the Acquisition and Transfers for the period from 1 April 2000 to 30 May 2000.**
- (2) **Based on the consolidated profit after taxation attributable to shareholders and the weighted average number of shares assumed in issue during the financial year after the Acquisition, Rights Issue and Public Issue comprising 32,333,333 ordinary shares of RM1.00 each.**
- (3) **Based on the issue price of RM1.50 per New Share.**
- (4) **Based on the consolidated profit after taxation before netting off pre-acquisition profit and the enlarged issued and paid-up share capital of RM40,000,000 comprising 40,000,000 ordinary shares of RM1.00 each.**

(v) Dividend Forecast For The Financial Year Ending 31 March 2001

Tax-exempt dividend per ordinary share (sen)	““3.00
Tax-exempt dividend yield (%)	⁽²⁾ 2.00
Tax-exempt dividend cover (times)	4.89

Notes:-

- (1) **Based on the enlarged issued and paid-up share capital of RM40,000,000 comprising 40,000,000 ordinary shares of RM1.00 each**
- (2) **Based on the issue price of RM1.50 per New Share.**

11. CORPORATE INFORMATION

DIRECTORS

Name	Address	Occupation	Nationality
Dato' Tan Hua Choon	No. 23, Jalan Batai Barat Damansara Heights 50490 Kuala Lumpur	Chairman	Malaysian
Lee Kok Yong	No. 120, Jalan Terasek Bangsar Baru 59 100 Kuala Lumpur	Managing Director	Malaysian
Thor Poh Seng	No. 6, Jalan USJ 6/2E UEP Subang Jaya 47610 Petaling Jaya Selangor Darul Ehsan	Director	Malaysian
Minhat bin Mion	No. 14, Jalan SS 3/82 47300 Petaling Jaya Selangor Darul Ehsan	Director	Malaysian
Gan Lock Yong @ Gan Choon Hur	No. 3, Jalan 79/26 Taman Sri Rampai Setapak 53300 Kuala Lumpur	Director	Malaysian
Haji Azizzuddin bin Haji Hussein	95D , Guchil3 18020 Kuala Krai Kelantan	Director	Malaysian

AUDIT COMMITTEE

Name	Responsibility	Directorship
Thor Poh Seng	Chairman of the Committee	Non-Executive and Independent
Haji Azizzuddin bin Haji Hussein	Member of the Committee	Non-Executive and Independent
Lee Kok Yong	Member of the Committee	Executive

II. CORPORATE INFORMATION (Cont'd)

COMPANY SECRETARIES	Lim Lai Sam (MAICSA 0877479) c/o 8-3, Jalan Segambut 5 1200 Kuala Lumpur Tan Shien Yin (MAICSA 7018545) c/o S-3, Jalan Segambut 5 1200 Kuala Lumpur
REGISTERED OFFICE	8-3, Jalan Segambut 5 1200 Kuala Lumpur
PRINCIPAL BANKER	Malayan Banking Berhad No. 14-22, Jalan Kepayang Off Jalan Meru 4 1500 Klang Selangor Darul Ehsan
AUDITORS & REPORTING ACCOUNTANTS	PricewaterhouseCoopers Public Accountants 1 Ith Floor, Wisma Sime Darby Jalan Raja Laut P.O. Box 10192 50706 Kuala Lumpur
SOLICITORS FOR THE PUBLIC ISSUE	Jeff Leong, Poon & Wong Advocates & Solicitors A-11-3A, Level 11 Megan Phileo Avenue Jalan Yap Kwan Seng 50450 Kuala Lumpur
VALUERS	Khong & Jaafar Sdn. Bhd. 57-1, Jalan Telawi Tiga Bangsar Baru 59100 Kuala Lumpur Jurukor Hartanah 86A, Jalan Padang Belia Brickfields 50470 Kuala Lumpur
REGISTRAR	PFA Registration Services Sdn. Bhd. Level 13, Uptown 1 No. 1, Jalan SS21/58 Damansara Uptown 47400 Petaling Jaya Selangor Darul Ehsan

II. CORPORATE INFORMATION (Cont'd)

ISSUING HOUSE	Malaysian Issuing House Sdn. Bhd. 27th Floor, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50 100 Kuala Lumpur
ADVISER AND MANAGING UNDERWRITER	Commerce International Merchant Bankers Berhad 8th Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur
UNDERWRITERS	CIMB Securities Sdn. Bhd. 9th Floor, Commerce Square Jalan Semantan Damansara Heights 50490 Kuala Lumpur Kuala Lumpur City Securities Sdn. Bhd. 3.07, Level 3 Bangunan Angkasaraya Jalan Ampang 50450 Kuala Lumpur
LISTING SOUGHT	Second Board of the KLSE

III. INTRODUCTION

This Prospectus is dated 27 June 2000.

A copy of this Prospectus has been lodged with and registered by the Registrar of Companies, Malaysia who takes no responsibility for its contents.

Approval has been obtained from the SC on 21 March 2000, 19 June 2000 and 22 June 2000 on the restructuring exercise detailed in this Prospectus. The approval of the SC shall not be taken to indicate that the SC recommends the Public Issue. Investors should rely on their own evaluation to assess the merits and risks of any investment.

The valuation of the property approved by the SC shall only be utilised for the purpose of the corporate proposal submitted and shall not be construed as an endorsement by the SC on the value of the subject property for any other purposes.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991 and Section 39(1)(j) of the Companies Act, 1965, the KLSE has prescribed GPAH as a Prescribed CDS Security. In consequence thereof, the New Shares issued through this Prospectus will be deposited directly with MCD and any dealings in these shares will be carried out in accordance with the aforesaid Acts and the Rules of MCD.

Approval-in-principle has been obtained from the KLSE on 20 June 2000 for admission to the Official List of the Second Board of the KLSE and for permission to deal in and quotation for the entire issued and fully paid-up ordinary share capital of GPAH, including the New Shares which are the subject of the Public Issue, details of which are contained in this Prospectus, on the Second Board of the KLSE. These ordinary shares will be admitted to the Official List of the Second Board of the KLSE and official quotation will commence after receipt of confirmation from MCD that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been dispatched to all successful applicants.

Pursuant to the SC Policies and Guidelines on Issue/Offer of Securities, the Company is required to have at least 25% of its issued and paid-up share capital 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 GPAH Group upon completion of the Public Issue and at the point of listing. In the event that the above requirement is not met pursuant to this Public Issue, the Company may not be allowed to proceed with its listing plan.

An applicant should state his CDS account number in the space provided in the Application Form if he presently has such an account and he should then not enter the preferred ADA Code. Where an applicant does not presently have a CDS account, he should state in the Application Form his preferred ADA Code. In the case of an application by way of Electronic Share Application, only an applicant who is an individual with a CDS account is eligible to use this facility. A corporation or institution cannot apply for the New Shares by way of Electronic Share Application.

Acceptance of applications will be conditional upon permission being granted by the KLSE to deal in or for quotation for all of the entire enlarged issued capital of the Company, including the New Shares. Accordingly, monies paid in respect of any application accepted will be returned if the said permission is not granted.

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

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

III. INTRODUCTION (*Cont'd*)

The distribution of this Prospectus and the issuance of the New Shares in certain other **jurisdictions** may be restricted by law. Persons into whose possession this Prospectus may come are required to inform themselves of and to observe such restrictions.

This Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any New Shares in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

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

IV. INVESTMENT CONSIDERATIONS

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

1. NO PRIOR MARKET FOR GPAH SHARES

Prior to this Public Issue, there has been no public market for GPAH shares. There can be no assurance that an active market for GPAH shares will develop upon its listing on the Second Board of the KLSE or, if developed, that such market will be sustained. The issue price of RM 1.50 for the New Shares has been determined after taking into consideration a number of factors, including but not limited to, the Group's financial and operating history and condition, its prospects and the prospects for the industry in which the Group operates, the management of the Group and the market prices for shares of companies engaged in businesses similar to that of the Group. There can be no assurance that the issue price will correspond to the price at which GPAH shares will trade on the Second Board of the KLSE upon or subsequent to its listing or that an active market for GPAH shares will develop and continue upon or subsequent to its listing.

2. CONTROL BY SUBSTANTIAL SHAREHOLDERS

Based on the Register of Substantial Shareholders as at 15 June 2000, the substantial shareholders of GPAH namely Dato' Tan Hua Choon, Lee Kok Yong, Tan Han Chuan, Minhat bin Mion, Abdul Rasip bin **Haron** and Dato' Osman bin Mohd. Zain will collectively hold 72.83% of the enlarged **issued** and paid-up share capital in the Company following the Public Issue. The aforesaid substantial shareholders acting together may be able to influence the outcome of certain matters requiring the vote of the Company's shareholders.

3. BUSINESS RISKS

The GPAH Group is subject to certain risks inherent in the automotive battery and plastic injection moulding industries. These include the macro effects of a general downturn in the global and national economies and particularly with respect to each of the industries, the entry of new players, introduction of new technologies, methodologies and/or products which may place the Group at a competitive disadvantage. Business risks also include inherent risks such as **labour** and raw material shortages, increases in costs of labour and raw materials, changes in business and credit conditions and fluctuations in foreign exchange rates.

Although the Group seeks to limit these risks through a prudent approach with regards to its business, no assurance can be given that these considerations will not have a material adverse effect on the Group's business.

4. HEALTH AND ENVIRONMENTAL FACTORS

As the manufacturing of automotive batteries involve the processing of lead, the Group is exposed to potential problems arising from the adverse effects of lead poisoning. To minimise the exposure of its workers to health hazards, GPAH has appointed a consultant, Mediviron Services Sdn, Bhd., which 'is registered with the Department of Occupational Safety and Health ("**DOSH**") to conduct the following tests, under the Occupational Safety and Health Act, 1994 ("**OSHA**"):-

- (a) Lead content in blood for workers, which is conducted once a year; and
- (b) Lead in air, which is conducted once a year, If found to have any non-compliance, the consultant recommends corrective action and is responsible for submitting results of the test to DOSH.

The Group has currently taken out a Public Liability Policy and an Employers Liability Policy which insures third parties and employees from bodily injury or illness (including exposure to lead stocks) arising from the activities of the Group. The Group also maintains its responsibilities to its workers by complying with all the relevant health and safety regulations in force in Malaysia.

On the environmental front, periodic inspections are conducted by officers from the Department of Environment (“DOE”) to ensure the necessary adherence to their standards on toxic and industrial waste and effluent system. GPAH, in its efforts to continually improve the working conditions, has expanded its extraction system and formed a Safety Committee in full compliance with the OSHA.

5. POLITICAL AND ECONOMIC FACTORS

The Group’s future growth and level of profitability are expected to be closely linked to the economic conditions in Malaysia and other overseas markets in which the Group serves or sources its raw materials from. Adverse developments in the political and economic environment and uncertainties in Malaysia and overseas markets in which the Group serves or sources its raw materials from could materially and adversely affect the financial performance of the Group. These include risks of war, global economic downturn and unfavourable change in government policy such as introduction of new regulations.

6. COMPETITION

The automotive batteries and components manufactured by the GPAH Group faces competition from various local and overseas competitors. No assurance is given that the Group will be able to maintain its existing market share in the future.

Although the Group constantly strives to mitigate these risks through, inter-alia, semi and fully automated operations, economies of scale, sourcing from a large number of suppliers for its raw materials, expanding its distribution network and training and retaining of skilled labour, no assurance can be given that any change in these factors will not have a material adverse effect on the Group’s business.

7. DEPENDENCE ON KEY PERSONNEL

The Company believes that its continued success will depend to a significant extent upon the abilities and continued efforts of its existing Directors and senior management. The loss of any of the Company’s Directors or key members of the senior management could adversely affect the Group’s ability to compete in the industry. However, every effort is presently made to groom younger members of the management team to play key roles in the Group’s business operations.

8. DISCLOSURE REGARDING FORWARD LOOKING STATEMENTS

This Prospectus contains forward looking statements i.e. those other than statements of historical facts. Although the Group believes that the expectations reflected in such future statements are reasonable at this time, there can be no assurance that such expectations will prove to be correct. Any differences in the expectation of the Group from its actual performance may result in the Group’s financial and business performance and plans to be materially different from anticipated.

V. SECTORAL ASSESSMENT

1. THE MALAYSIAN ECONOMY

The Malaysian economy staged a turnaround in 1999 as shown by the rebound from a 7.5% contraction of the real Gross Domestic Product (“GDP”) growth in 1998 to a strong growth of 5.4% in 1999 which was higher than the earlier forecast of 4.3%. The value of GDP has returned to almost the same level as in 1997. Although Malaysia’s real GDP growth contracted by 1.3% in the first quarter of 1999, it recovered with a positive growth of 4.1% in the second quarter, strengthened further and became more broad-based to 8.2% in the third quarter and 10.6% in the fourth quarter. This represents a significant improvement in the Malaysian economy given the five consecutive quarters of contractions, beginning in the first quarter of 1998.

The rapid expansion in output and export of manufactured goods, recovery in the construction sector, stronger growth of the domestic demand associated with stronger growth in private consumption and a recovery in public sector spending as well as through additional fiscal stimulus would boost Malaysia’s prospect for economic growth in the year 2000. Against the more favourable external environment and strengthening domestic economy, the forecast for real GDP growth for the year 2000 has been revised upwards to 5.8% from the earlier estimate of 5%. The government’s initiatives and policy measures to strengthen the nation’s external reserves position, financial system and the corporate sector have restored financial stability, revived economic activities and improved the resilience of the economy to external shocks and systemic risks. In addition, the prevailing low rates of inflation and the nation’s large surplus resource position allow **further** demand stimulus measures to be taken in year 2000 to sustain the economic recovery process.

(Source : Bank Negara Malaysia Report 1999; Malaysian Economic Report 1999/2000, Business Times- 4 April 2000)

2. THE AUTOMOTIVE BATTERY INDUSTRY

The automotive battery industry is part of the automotive parts and components industry which exists alongside the country’s motor vehicles manufacturing and assembling sectors. The automotive battery industry caters to both local and export markets.

The local automotive battery market can be **categorised** into two principal segments, that is the Original Equipment Market (“OEM”) and the Replacement Market (“REM”).

The factor determining the demand for automotive batteries in the OEM is the number of registration of new vehicles each year.

The table below sets out the details of the yearly registrations for motor vehicles from 1988 to 1999:-

Year	Passenger cars	Buses	Taxis	Hired vehicles	Commercial vehicles	Others	Total
1988	75,413	1,292	632	342	12,649	5,014	95,342
1989	109,112	1,491	1,008	570	2 1,474	9,685	143,340
1990	152,737	1,985	2,756	941	3 1,268	14,415	204,102
1991	146,546	1,638	3,078	523	34,412	13,209	2 19,406
1992	128,154	2,083	2,270	567	29,175	12,442	174,691
1993	129,868	1,834	2,216	686	21,515	10,113	166,232
1994	180,052	2,213	3,754	2,791	27,482	20,168	236,460
1995	249,159	2,474	4,479	2,716	39,834	29,546	328,208
1996	3 18,765	2,620	4,358	2,545	69,234	30,844	428,366
1997	374,343	2,947	5,257	1,860	65,160	28,396	477,963
1998	159,642	797	3,569	552	11,786	6,342	182,688
1999	296,716	508	1,925	1,724	19,987	8,102	328,962

(Source : Jabatan Pengangkutan Jalan, Malaysia)

V. SECTORAL ASSESSMENT (Cont'd)

The demand for automotive batteries in the REM is a function of the number of existing vehicles on the road, the growth rate of vehicles in use and average battery life. As at 31 December 1999, the registered vehicle population in Malaysia is as follows:-

Vehicle Type	No. of Units
Passenger cars	3,787,047
Buses	47,674
Taxis	55,626
Hired vehicles	10,020
Commercial vehicles	642,976
Others	304,135
	<hr/> 4,847,478 <hr/>

(Source : Jabatan Pengangkutan Jalan, Malaysia)

The other important market for automotive batteries is the export market. The forecast for the next 5 years shows growth in the battery business for all regions of the globe. Asia shows accelerated growth rates from the current 102 million passenger car batteries to between 110 and 125 million by 2002. Europe's expansion will increase to between 60 and 68 million units by 2002. European OEMs have described aggressive programs for hybrid vehicles and may be leading the way towards the new generation of multi-voltage and higher-voltage passenger car vehicles.

(Source: Battery Man, July 1999)

The traditional export markets for Malaysian-made automotive batteries used to be confined to the Middle East, Australia and Hong Kong. However, the European markets are now opening up to battery manufacturers outside Europe, mainly Asian battery manufacturers. This is due to strict environmental controls requiring the installation of expensive pollution control equipment which increased production costs and escalating high labour cost.

Malaysian battery manufacturers have had the opportunity to make a fairly successful entry into the European and other international markets due to improved product quality in compliance with international standards as well as competitive pricing due to the depreciation of the RM against the USD.

The diversification of the Malaysian economy away from agriculture and into the manufacturing sector has provided ample business and further development opportunities for the automotive battery industry. Despite millions spent on research by developed countries, no cost-effective substitute has been invented for the lead-acid automotive batteries. The battery is an essential item in any vehicle and motor vehicles are the main mode of transport in Malaysia and many other countries. Therefore, demand for automotive batteries is reasonably resilient to economic cycles. Given that the Asian economies are recovering, the industry would therefore be able to capitalise on the improvement in the country's and the region's economy.

VI. PARTICULARS OF THE PUBLIC ISSUE

1. SHARE CAPITAL

RM

Authorised50,000,000 ordinary shares of RM 1 .00 each 50,000,000***Issued and fully paid-up as at the date of this Prospectus***

34,000,000 ordinary shares of RM1 .00 each 34,000,000

To be issued pursuant to the Public Issue6,000,000 new ordinary shares of RM 1 .00 each 6,000,000
40,000,000

The issue price of RM 1.50 for each New Share is payable in full on application.

There is only one class of shares in the Company, namely ordinary shares of RM 1 .00 each. The New Shares will rank **pari passu** in all respects with the existing issued and paid-up ordinary shares in the Company including voting rights and will be entitled to all rights and dividends and distribution that may be declared after the issuance of the said shares.

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

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

2. DETAILS OF THE PUBLIC ISSUE

The Public Issue is subject to the terms and conditions of this Prospectus and, upon acceptance, the New Shares will be allotted in the following manner:-

- (i) 1,256,000 New Shares will be reserved for eligible Directors, employees and other persons who have contributed to the success of the GPAH Group (such as distributors and dealers); and
- (ii) 4,744,000 New Shares will be made available 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.

The New Shares under paragraph (i) above will not be underwritten. Any New Shares under paragraph (i) not subscribed for will be reallocated to the other eligible Directors, employees and/or other persons who have contributed to the success of the GPAH Group (such as distributors and dealers) until all such New Shares are fully subscribed by persons in that category. The New Shares under paragraph (ii) above will be underwritten by the Managing Underwriter and Underwriters as set out in Section II of this Prospectus at an underwriting commission of one percent (1%) of the issue price of RM 1.50 per New Share.

VI. . PARTICULARS OF THE PUBLIC ISSUE (*Cont'd*)

3. OPENING AND CLOSING OF APPLICATION LISTS

The Application Lists will open at 10.00 a.m. on 10 July 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 the Company in their absolute discretion may decide.

4. BASIS OF ARRIVING AT THE PUBLIC ISSUE PRICE

The issue price of RM 1.50 per New Share was determined and agreed upon by the Company and CIMB, as Adviser and Managing Underwriter, after taking into consideration the following factors:-

- (i) the Group's financial and operating history and conditions as outlined in Sections VIII, IX and X of this Prospectus;
- (ii) the prospects of the automotive battery industry and the Group as outlined in Sections V and VIII (3) of this Prospectus;
- (iii) the forecast net PE Multiple of 8.26 times and 8.28 times based on the forecast net EPS of 18.15 sen and 18.11 sen computed using the weighted average number of shares assumed in issue during the financial year comprising 32,333,333 ordinary shares of RM1.00 each and the enlarged issued share capital of 40,000,000 ordinary shares of RM 1 .00 each respectively;
- (iv) the proforma Group NTA per share of RM 1.3 1 as at 3 1 March 2000; and
- (v) the forecast dividend yield of 2.0% for the financial year ending 3 1 March 2001.

5. PURPOSES OF THE PUBLIC ISSUE

The purposes of the Public Issue are as follows:-

- (i) To provide an opportunity for the Malaysian public, eligible Directors and employees of the GPAH Group and other persons who have contributed to the Group's success such as distributors and dealers to participate in the continuing growth of the GPAH Group;
- (ii) To enable GPAH to gain access to the capital market to tap external sources of borrowings and equity funds for the future expansion and continued growth of the Group;
- (iii) To enhance the image of the Group, and indirectly of the Group's products, a substantial portion of which is exported; and
- (iv) To obtain a listing of and quotation for the entire issued and paid-up share capital of GPAH on the Second Board of the KLSE.

VI. PARTICULARS OF THE PUBLIC ISSUE (*Cont'd*)

6. PROCEEDS FROM THE RIGHTS ISSUE AND PUBLIC ISSUE

The total gross proceeds receivable by the GPAH Group arising from the Rights Issue and Public Issue (details of which are as set out in Section VIII of this Prospectus) of **RM25,068,290** will be utilised as follows:-

	RM'000	Notes
Repayment of bank borrowings of the Group	9,046	(1)
Financing the purchase of plant and machinery	4,500	(2)
Repayment of shareholder's advance	3,600	(3)
Working capital	6,622	
Estimated listing expenses	1,300	
	25,068	

Notes:-

(1) *The GPAH Group plans to repay the following bank borrowings:-*

<i>Bank</i>	<i>Type of facilities</i>	<i>Period of utilisation</i>	<i>RM'000</i>
<i>Malayan Banking Berhad</i>	<i>Bank overdraft, bankers' acceptances, export credit refinancing</i>	<i>July to September 2000</i>	<i>5,989</i>
<i>Malayan Banking Berhad</i>	<i>Term loan obtained to finance the purchase of plant and machinery</i>	<i>July to September 2000</i>	<i>3,057</i>
			<i>9,046</i>

The repayment of the abovementioned bank borrowings will result in an estimated interest savings of approximately RM769,000 per annum for the GPAH Group.

(2) *The GPAH Group plans to utilise part of the proceeds to finance the purchase of plant and machinery required for the expansion of the Group's business as follows: -*

<i>Plant and machinery</i>	<i>Cost RM'000</i>	<i>Expected period of installation</i>
<i>Air compressor</i>	<i>65</i>	<i>July to September 2000</i>
<i>3 units Auto grid casting and trimming machine</i>	<i>750</i>	<i>1 unit between October to December 2000 2 units between April to June 2001</i>
<i>High rate discharge tester</i>	<i>180</i>	<i>October to December 2000</i>
<i>Cast-on-strap machine</i>	<i>965</i>	<i>January to March 2001</i>
<i>Plate cutting & lug cleaning machine</i>	<i>400</i>	<i>January to March 2001</i>
<i>Enveloping machine</i>	<i>850</i>	<i>January to March 2001</i>
<i>Paste/Slurry recovery system</i>	<i>80</i>	<i>April to June 2001</i>
<i>Formation line</i>	<i>400</i>	<i>July to September 2001</i>
<i>Life cycle tester</i>	<i>180</i>	<i>July to September 2001</i>
<i>Charge retention tester</i>	<i>180</i>	<i>July to September 2001</i>
<i>Drying oven</i>	<i>450</i>	<i>October to December 2001</i>
	<i>4,500</i>	

The abovementioned plant and machinery is expected to increase the existing production capacity by approximately 18% equivalent to an increase of approximately 144,000 units of automotive batteries per annum.

VI. PARTICULARS OF THE PUBLIC ISSUE *(Cont'd)*

⁽³⁾ ***The advance from Mr. Tan Han Chuan, a substantial shareholder of GPAH, is unsecured, interest free and has no fixed term of repayment. The loan was extended for working capital purposes.***

7. BROKERAGE AND UNDERWRITING COMMISSION

Brokerage is payable by the Company at the rate of 1.0% of the issue price of RM 1.50 per New Share in respect of successful applications which bear the stamps of CIMB, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.

The Managing Underwriter and the Underwriters as mentioned in Section II of this Prospectus have agreed to underwrite **4,744,000** New Shares. Underwriting commission is payable by the Company at the rate of 1.0% of the issue price of RM 1.50 per New Share being underwritten.

VII. MORATORIUM ON SHARES

The SC, in approving the listing of GPAH, stated that a moratorium shall be placed on the disposal of shares by certain shareholders of GPAH. The moratorium has been imposed on the sale of **18,000,000** ordinary shares representing 45% of the enlarged share capital of GPAH held by the following shareholders as set out below. Such shareholders are not allowed to sell, transfer or assign their shareholdings in GPAH amounting in aggregate to 45% of the enlarged share capital of GPAH within one (1) year from the date of admission of GPAH to the Official List of the Second Board of the KLSE. Thereafter, each of them is allowed to sell, transfer or assign every subsequent year up to a maximum of one-third per annum (on a straight line basis) of their respective shareholdings in the Company which are placed under moratorium.

The restriction is specifically endorsed on the share certificates representing the respective shareholdings which are under moratorium to ensure that trading of these shares are not allowed in compliance with the restriction imposed by the SC and the KLSE. This restriction is fully accepted by the shareholders and the public is deemed to have notice of the restriction.

The shareholders and their shareholdings (based on the Register of Members as at 15 June 2000) which are under the moratorium imposed by the SC and KLSE are as follows:-

	No. of ordinary shares held after the Public Issue	% of the issued and paid-up share capital	No. of ordinary shares under moratorium	% of the issued and paid-up share capital
Dato' Tan Hua Choon	5,620,784	14.05	5,610,784	14.03
Lee Kok Yong	4,586,921	11.47	3,288,600	8.22
Tan Han Chuan	5,610,784	14.03	5,610,784	14.03
Abdul Rasip bin Haron	10,551,507	26.38	1,896,832	4.74
Minhat bin Mion	1,710,000	4.28	900,000	2.25
Nga Poh Thai	772,343	1.93	693,000	1.73
	28,852,339	72.14	18,000,000	45.00

The statement to be endorsed on the said share certificates is as follows:-

"The shares comprised herein are not capable of being sold transferred or assigned for a period as determined by the Securities Commission ("Moratorium Period"). Accordingly, the shares comprised herein will not constitute good delivery pursuant to the Rules of the Exchange during the Moratorium Period, No share certificate or certificates will be issued to replace this certificate during the Moratorium Period unless the same shall be endorsed with this restriction."

VIII. INFORMATION ON THE GPAH GROUP

1. INCORPORATION

GPAH was incorporated in Malaysia under the Companies Act, 1965 on 14 September 1999 as a public limited company under its present name. GPAH is principally an investment holding company.

2. RESTRUCTURING EXERCISE

In conjunction with, and as part of the listing of and quotation for the entire issued and paid-up ordinary shares of GPAH on the Second Board of the **KLSE**, the Company undertook a restructuring exercise which was approved by the SC on 21 March 2000, 19 June 2000 and 22 June 2000, **MITI** on 20 December 1999 and **FIC** on 10 December 1999 involving the following interconditional **transactions**:-

(i) Acquisition

On 30 May 2000, GPAH entered into a Sale and Purchase Agreement with the shareholders of GPA for the acquisition of 100% equity interest in GPA comprising **5,200,000** ordinary shares of **RM1.00** each for a total purchase consideration of **RM23,269,977**, satisfied through the issuance of **17,931,708** new ordinary shares of **RM1.00** each in GPAH at an issue price of approximately RM 1.30 per share as follows:-

Name of shareholders	No. of GPA shares acquired	% of GPA paid-up share capital	No. of new GPAH shares issued as consideration
Dato' Tan Hua Choon	858,120	16.50	2,959,146
Lee Kok Yong	700,000	13.46	2,413,883
Lim Hock Chee	90,000	1.73	3 10,356
Hanafi Gan bin Abdullah	80,000	1.54	275,872
Gan Kah Chuan	80,000	1.54	275,872
Nga Poh Choo	35,822	0.69	123,529
Nga Poh Thai	118,123	2.27	407,336
Nga Thiam Poh	27,912	0.54	96,252
Low Chee Hong	18,143	0.36	62,564
Tan Han Chuan	858,120	16.50	2,959,146
Ong Huey Peng	100,000	1.92	344,841
Wong Chee Choon	100,000	1.92	344,841
Low Cheng Peng	100,000	1.92	344,841
Minhat bin Mion	260,000	5.00	896,585
Abdul Rasip bin Haron	1,613,760	31.03	5,564,899
Dato' Osman bin Mohd. Zain	160,000	3.08	551,745
	5,200,000	100.00	17,931,708

VIII. INFORMATION ON THE GPAH GROUP *(Cont'd)*

The purchase consideration of **RM23,269,977** for the Acquisition was arrived at based on the adjusted audited NTA of GPA as at 31 March 1999 of **RM23,269,977** after incorporating the revaluation surplus of **RM3,269,889** arising from the revaluation of land and buildings of GPA. The details of the revaluation of land and buildings of GPA and Valuation Certificate are set out under Section VIII(7) and Section XII of this Prospectus,

The Acquisition was completed on 30 May 2000.

(ii) Transfers

Upon completion of the Acquisition, the entire equity interest in GPM, KPI and GPP, which were subsidiaries of GPA, were transferred from GPA to GPAH for a total cash consideration of **RM1,200,002**.

The consideration of **RM1,200,002** was arrived at based on the respective carrying values of GPA's cost of investments in GPM, KPI and GPP as follows:-

Company	GPA's cost of investment RM
GPM	600,000
KPI	600,000
GPP	2
	<hr/>
	1,200,002
	<hr/>

The abovementioned transfers were financed via inter-company advances and were completed on 30 May 2000.

(iii) Rights Issue

On 31 May 2000, GPAH implemented a rights issue of **16,068,290** new ordinary shares of **RM1.00** each in GPAH at par, credited as fully paid-up, on the basis of approximately eight hundred and ninety-six (896) new ordinary shares of **RM 1.00** each for every one thousand (1,000) ordinary shares held after the Acquisition.

The utilisation of the gross proceeds of **RM16,068,290** arising from the Rights Issue is detailed in Section VI(6) of this Prospectus. The Rights Issue resulted in the issued and paid-up share capital of GPAH being increased from **RM17,931,710** to **RM34,000,000**.

(iv) Public Issue

Following the completion of the Rights Issue and in conjunction with the flotation of GPAH on the Second Board of the **KLSE**, the Company is implementing a public issue of **6,000,000** new ordinary shares of **RM1.00** each at an issue price of **RM1.50** per New Share. The Public Issue is the subject of this Prospectus.

Upon completion of the Public Issue, the issued and paid-up share capital of GPAH will increase from **RM34,000,000** to **RM40,000,000** comprising **40,000,000** ordinary shares of **RM1.00** each in GPAH. The utilisation of proceeds arising from the Public Issue is detailed in Section VI(6) of this Prospectus.

All the new ordinary shares arising from the restructuring exercise rank **pari passu** in all respects with the then existing ordinary shares of GPAH including voting rights and the rights to all dividends and distributions that may be declared subsequent to the completion of the restructuring exercise and any surplus in the event of liquidation of the Company.

VIII. INFORMATION ON THE GPAH GROUP *(Cont'd)*

3. BUSINESS OVERVIEW

3.1 History

GPAH was incorporated in Malaysia under the Companies Act, 1965 on 14 September 1999 as a public limited company under its present name. GPAH is principally an investment holding company. In conjunction with listing of and quotation for the entire issued and paid-up ordinary shares of GPAH on the Second Board of the KLSE, GPAH undertook the Acquisition and Transfers which were completed on 30 May 2000.

GPA was incorporated in Malaysia under the Companies Act, 1965 on 30 May 1984 as a private limited company under the name of P.E.L. Credit & Leasing Sdn. Bhd.. The company subsequently changed its name to STB industries Sdn. Bhd. on 18 October 1988 and assumed its present name on 17 August 1990. The company remained dormant until 1989 when it commenced manufacturing automotive batteries following its acquisition of the operations of Swee Thye Battery Manufacturing Sdn. Bhd., a family-owned business involved in the manufacture of automotive batteries since the 1960's.

On 9 January 1996, GPA entered into an agreement to acquire the entire issued and paid-up share capital of KPI from Nga Poh Choo, Nga Poh Thai, Nga Thiam Poh and Low Chee Hong through a share swap. Prior to the acquisition by GPA, KPI was operating as a family-owned business involved in plastic injection moulding, and marketing and trading of finished plastic products. Subsequent to the acquisition by GPA, additional machinery was acquired and fresh capital was injected into KPI. The change in ownership saw a shift in the business as KPI moved towards catering for the needs of GPA.

3.2 Product Range

The GPAH Group manufactures 2 main types of products as follows:-

automotive batteries (complete units and semi-finished components) which are manufactured by GPA; and

plastic components which are manufactured by KPI.

The breakdown of the proforma turnover for the GPAH Group for the financial year ended 31 March 2000, is as follows:-

	RM'000	%
Automotive batteries	54,719	95.6
Plastic components	2,548	4.4
	<hr/>	
	57,267	100.0

As seen from the above, the plastic components sold to external parties contributed less than 5% of the total turnover of the GPAH Group. The plastic components supplied by KPI to GPA for the manufacture of automotive batteries are not included in the turnover stated above.

Automotive batteries

GPA mainly produces complete units of automotive batteries in various sizes ranging from 9-plate batteries to 3 1 -plate batteries. The Group's comprehensive product line caters for a wide range of Malaysian, Japanese, Korean and European made vehicles, ranging from small passenger cars to trucks and buses. GPA also produces a small percentage of semi-finished components which are sold to assemblers who assemble their own batteries.

For the financial year ended 3 1 March 2000, approximately 54% of the total units of automotive batteries sold (equivalent to 48% of the turnover) were sold to the export market.

Plastic components

Based on the financial year ended 3 1 March 2000, approximately 64% of the plastic components supplied by KPI were for the GPAH Group's internal consumption i.e. plastic components which are used in the manufacturing of automotive batteries such as battery casings, battery covers, vent plugs and other items including inserts, terminal caps and plastic handles. The remainder 36% of total sales consists of plastic battery water bottles as well as plastic components for customers, both local and overseas, on a custom moulding basis. KPI is mainly focused on producing plastic components for GPA, to be used in the manufacturing of automotive batteries. This is in line with the GPAH Group's objective to move upstream and create a vertical integration of its activities. As such, the GPAH Group is able to manage its operations more effectively and efficiently and is not overly-dependent on external parties for its supply of plastic components required for the manufacturing of automotive batteries.

3.3 Production

Automotive batteries

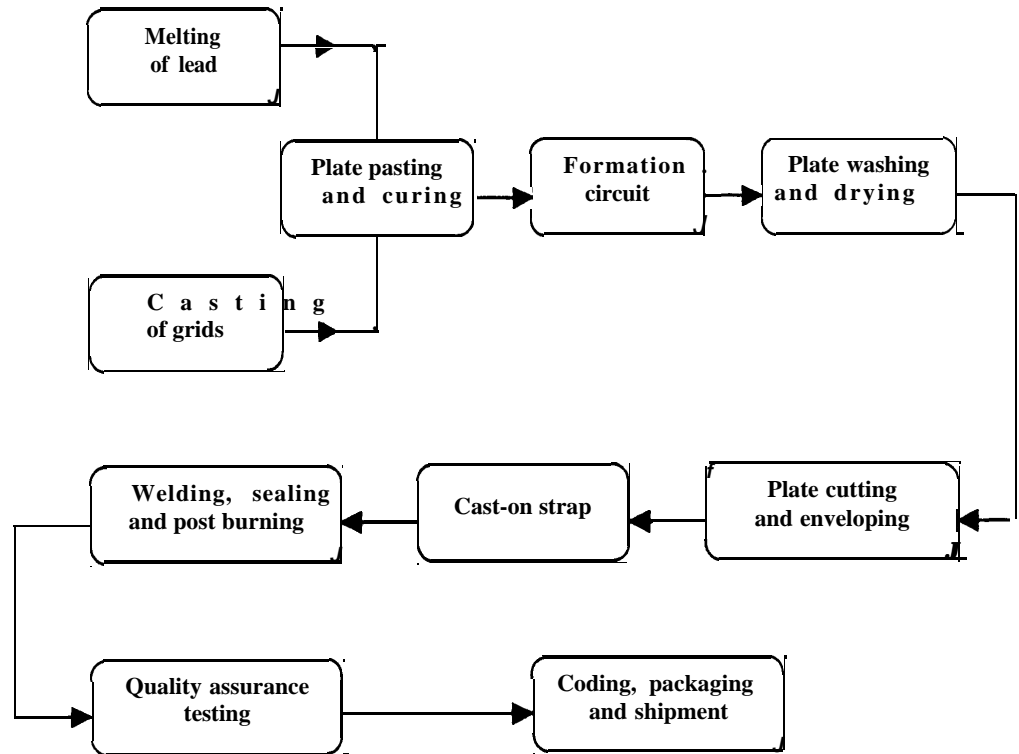
The following table shows the annual production output of GPA over the past 5 financial years ended 3 1 March 2000:-

Year ended 31 March	1996	1997	1998	1999	2000
	'000	'000	'000	'000	'000
Complete units of automotive batteries	424	508	544	582	691

Presently, GPA operates from its production facility located in Klang, which has a total land area of 107,429 sq. ft. and a built-up area of approximately 80,000 sq. ft.. This factory is equipped with 2 fully automated assembly lines with an approximate maximum production capacity of 800,000 units per annum. As at 15 June 2000, the factory is operating with 169 workers on 2 eight-hour shifts a day.

VIII. INFORMATION ON THE GPAH GROUP (*Cont'd*)

A brief description of the production process for the manufacturing of automotive batteries is illustrated in the following **diagram**:-



GPA has always strived to meet a high standard in its production and since 1993, GPA has been awarded the MS ISO 9002 certification (Quality Systems - Model for Quality Assurance in Production, Installation and Servicing) by SIRIM QAS Sdn. Bhd.

Plastic components

Presently, KPI operates from its rented production facility located in Klang, which has a total land area of approximately 43,560 sq. ft. and a built-up area of 25,200 sq. ft.. The Tenancy Agreement for the premises is for a period of 3 years until May 2002 and is subject to fresh negotiation upon the **expiry** of the agreement. The Tenancy Agreement does not contain a renewal clause.

Currently, KPI has 8 units of plastic injection **moulding** machines. As at 15 June **2000**, the plastic injection moulding machines run on 2 shifts of 12 hours each with 38 workers. The total rated capacity for the machines amount to 825 tons of Polypropylene Copolymers per annum.

3.4 Markets and distribution network

Automotive batteries

For the financial year ended 31 March 2000, the export market absorbed approximately 54% of the total units of automotive batteries supplied by the GPAH Group, an increase of 5% from 49% for the financial year ended 31 March 1999. The GPAH Group exports to approximately 46 distributors in more than 30 countries including Nigeria, Singapore, Lebanon, the United Kingdom, Myanmar, Mauritius and Australia. The overseas clients are mainly distributors of automotive batteries who market the Group's various brands of automotive batteries as well as their own brands of automotive batteries, for which GPA is contracted to produce for such distributors. The GPAH Group **recognises** that the consistent quality of its products and the wide usage of the English language in **Malaysia** are attributes to the Group's success for the export market as these give a competitive edge over the Group's main competitors in countries such as Thailand, Indonesia and South Korea. Furthermore, the attainment of the MS ISO 9002 certification also provides the Group with a further competitive advantage over its regional competitors as it provides its overseas customers with an added confidence in the quality of the Group's products.

In Malaysia, the market for the automotive batteries can be divided into 2 main categories, namely the REM and the OEM. The Group's local sales has been more focused on the REM which forms the largest segment of the automotive batteries market. Based on the audited accounts for the financial year ended 31 March 2000, approximately 98% of the GPAH Group's local sales of automotive batteries were to the REM while only 2% were to the OEM. For the past 3 financial years ended 31 March 2000, sales to the OEM averaged 2.4% of the Group's local sales of automotive batteries. The Company's domestic OEM customers include Tan Chong Assemblies Sdn. Bhd. (the distributor of *Nissan* vehicles) and Daihatsu (M) Sdn. Bhd. (the distributor of *Daihatsu* vehicles).

Within the REM, there are basically 2 groups of clients – the direct selling clients and the contract manufacturing clients. The direct selling clients consist of automotive battery distributors and dealers who sell batteries under the Group's brand names whereas the contract manufacturing clients consist of established suppliers of automotive batteries who market their own brands of automotive batteries. GPA caters nearly exclusively to the direct selling segment, those selling under the Group's various own brand names of "GP", "Nippon", "Denchi" and "Energy". For the financial year ended 31 March 2000, approximately 95% of the sales within the REM was to the direct selling clients while 5% was to the contract manufacturing clients. For the domestic REM, GPA has appointed distributors and dealers in every state in Malaysia to market the "GP", "Nippon", "Denchi" and "Energy" brands of automotive batteries. As at 15 June 2000, GPA has appointed a total of 33 distributors and 123 dealers throughout Malaysia.

Plastic components

For the financial year ended 31 March 2000, approximately 36% of the Group's sales of plastic products consist of plastic battery water bottles and custom moulded plastic components. The major customers of the plastic battery water bottles include Chemioxy International Trading (a Singapore company operating in Myanmar involved in the distribution of automotive batteries) and Syarikat Guan Heng (a company involved in the distribution of automotive batteries). **KPI's** major customers for the custom moulded plastic components are **Bando** Electronics (M) Sdn. Bhd. (a company involved in the electronics industry), **Weida** Integrated Industries Sdn. Bhd. (a company involved in the agriculture industry) and **Delimec** Hygiene Sdn. Bhd. (a company involved in the supply of toiletries and sanitary ware).

VIII. INFORMATION ON THE GPAH GROUP (Cont'd)

3.5 Product development and improvement

Although the GPAH Group does not engage full-time Research and Development officers, the Group has always been in the forefront of implementing new improvements to its products. GPA is one of the pioneer companies in Malaysia to introduce the superior Polyethylene Envelope Separator to replace the conventional Polyvinyl Chloride Leaf Separator and is also among the pioneers in installing a fully automated assembly line. As part of the company's product development programme, the company has been successfully involved in designing its own battery casings over the past 3 years.

One of the responsibilities of Mr. Wong Yoke Kuen, the General Manager of GPA, is to improve the quality of GPA's products and to keep abreast with the latest international developments in automotive battery technology. Mr. Wong has more than 26 years of experience in the automotive battery industry and, in view of his vast experience, was appointed in 1996 to the SIRIM Technical Committee, the regulating body for Storage Battery Standards and Regulations in Malaysia.

3.6 Sources of raw materials

The GPAH Group has been able to secure a steady supply of materials including raw materials such as pure lead and antimonial lead for its manufacturing operations at competitive prices. Recognising the need to maintain the highest quality of products manufactured, the raw materials used by the GPAH Group are sourced both locally as well as from overseas. To ensure competitive pricing and reliability of supply and to minimise over-dependence on a few suppliers, the raw materials are sourced from a large pool of suppliers with established business relationships with the Group.

The major types of raw materials used in the manufacturing operations of the GPAH Group are as follows:-

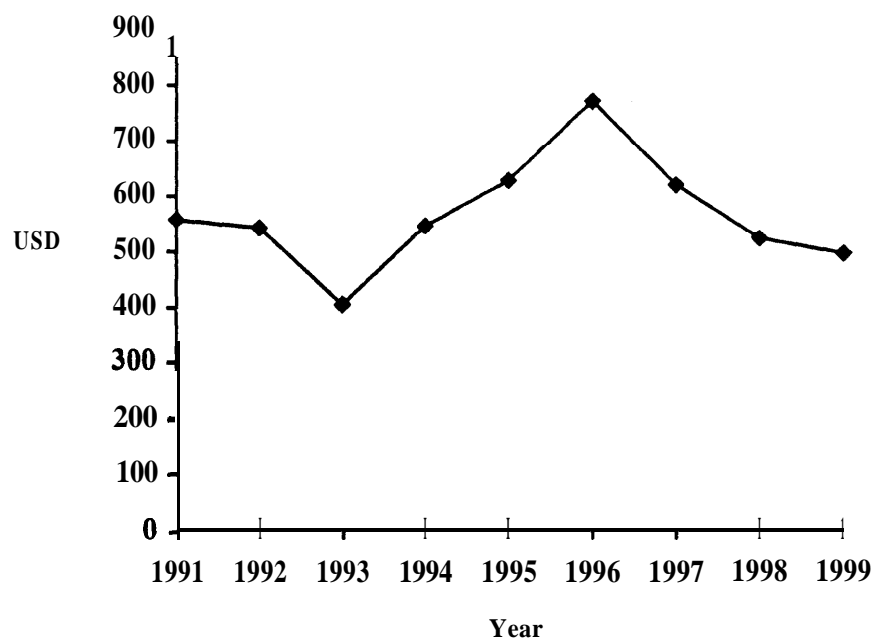
Description	Source of raw materials		Percentage of total cost of raw materials for the financial year ended 31 March 2000 %
	Local %	Imported %	
Lead	62.2	37.8	48.5
Separators	1.1	98.9	9.6
Polypropylene Copolymers	16.5	83.5	5.6

In the past, the GPAH Group has never encountered any major shortages of the raw materials stated above. The price- of lead is officially quoted on the London Metal Exchange and the yearly average lead prices (in USD) from 1991 to 1999 have been consistently priced between USD405 to USD63 1 per metric ton except for the year 1996 when the yearly average price shot up to a high of USD775 per metric ton. The average lead price for May 2000 was USD412 per metric ton.

VIII. INFORMATION ON THE GPAH GROUP *(Cont'd)*

The table below shows the yearly average prices of lead per metric ton from 1991 to 1999:-

Lead Prices - Yearly average prices per metric ton (in USD)



(Source : Extracted from information provided on the website of the London Metal Exchange)

3.7 Future Plans And Prospects

The Group's main strategy for growth is to expand its present production capacity, to penetrate into new markets as well as to develop and diversify its existing product line to include other related value-added products.

The principal strategies for the future growth of the GPAH Group are as follows:-

(i) Capacity expansion

The Group has embarked on an expansion program to cater for the increase in demand from the export markets as well as the anticipated increase in demand from local markets arising from the gradual improvement in the economic outlook of the country. During the financial year ended 31 March 2000, the Group has already acquired additional plant and machinery totalling approximately RM3.117 million. GPA has, amongst others, commissioned a second new fully automated assembly line at a cost of RM1.4 million in June 1999. With the above additional capital expenditure, GPA increased its production to 60,000 units per month from the average of 48,500 units per month for the year ended 31 March 1999.

VIII. INFORMATION ON THE GPAH GROUP (*Cont'd*)

On 10 June 2000, GPA entered into Sale and Purchase Agreements to acquire 3 pieces of vacant land for the construction of new manufacturing facilities. The construction of the new manufacturing facilities is expected to commence by December 2000 and is expected to be completed by the year 2002. The estimated construction cost is RM7.15 million of which approximately RM2.5 million will be funded internally and approximately RM4.65 million will be financed through a bank loan. Further details on the acquisition are set out in new Section VIII(7) herein.

In line with this expansion, the Group is also expected to acquire new plant and machinery at a total estimated investment of RM7.745 million over the 2 years ending 31 March 2002, of which approximately RM3.245 million will be financed through internally generated funds and hire purchase and RM4.5 million from proceeds arising from the Rights Issue and Public Issue. With the new factory building and the additional plant and machinery, the Group is expected to further increase its production capacity of automotive batteries from its present maximum annual production capacity of approximately 800,000 units per annum to 1,000,000 units per annum.

(i) *Expansion of export markets*

The traditional export markets for Malaysian made automotive batteries used to be confined to a few countries such as Singapore, Australia and countries in the Middle East. However, developments in Europe, Africa and Central Asia have opened up new markets for Malaysian manufacturers of automotive batteries. In Europe, strict environmental controls and high **labour** costs have caused manufacturers there to scale down production. In order to meet demand, suppliers source from countries in South East Asia which have lower production costs, and this translates into lower selling prices. In the emerging nations in the African continent and Central Asia, demand for motor vehicles has increased, opening up a new market for automotive batteries. Currently, the Group already exports to countries such as Cyprus, Malta, Nigeria, Kenya, Egypt and Uzbekistan. The Group expects the future increase in its production capacity to be utilised to meet the anticipated increase in demand from Europe and the other emerging markets.

Along with the Group's plans to capture a bigger segment of the export market, GPA is also offering its expertise and technical know-how to assist in setting up assembly lines for its existing overseas customers. This will give GPA a long term secured business, tantamount to a contract as the toolings for the assembly line will be specifically made to suit GPA's semi-finished components which are currently being exported to these companies. GPA has successfully assisted in the setting up of three assembly lines overseas - in Mauritius, Vietnam and Myanmar. The Company is also currently in negotiations with its other customers to set up similar lines in Papua New Guinea, Egypt and Libya.

(iii) *Product diversification*

As part of the Group's diversification program, KPI has invested approximately RM223,000 in blow moulding machinery to produce plastic bottles for battery water. KPI currently produces approximately 140,000 bottles per month and projects a production of 200,000 bottles per month by June 2001.

VIII. INFORMATION ON THE GPAH GROUP *(Cont'd)*

In addition to producing battery water bottles, KPI has 'also invested approximately **RM60,000** in machinery to produce deionised battery water. The production of the deionised battery water commenced in October 1999. The GPAH Group is marketing the battery water to the local and export markets under the brand name of "GP".

The Directors of GPAH are confident that the above strategies, coupled with the positive outlook of the manufacturing and automotive battery industry and the favourable outlook of the Malaysian economy, will augur well for the demand of the Group's products.

4. SHARE CAPITAL

The authorised share capital of GPAH is **RM50,000,000** comprising **50,000,000** ordinary shares of **RM 1.00** each. The issued and paid-up share capital of GPAH as at the date of this Prospectus is **RM34,000,000** comprising **34,000,000** ordinary shares of **RM 1.00** each.

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

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration/Type of issue	Total issued and paid-up share capital RM
14.09.1999	2	Subscribers' shares	2
30.05.2000	17,931,708	Issued for the acquisition of the entire issued and paid-up share capital of GPA at an issue price of approximately RMI .30 per share	17,931,710
31.05.2000	16,068,290	Rights issue of approximately 896 for 1,000 at par	34,000,000

5. SUBSIDIARIES

The principal activities of the subsidiaries of GPAH, all of which were incorporated in Malaysia, as at the date of this Prospectus, are as follows:-

Name	Date of incorporation	Issued and paid-up share capital RM	Effective equity interest %	Principal activities
GPA	30.05.1984	5,200,000	100	Manufacturing of automotive batteries and components
GPM	07.02.1986	600,000	100	Marketing of automotive batteries
KPI	19.11.1993	758,269	100	Manufacturing of industrial plastic and its related products
LVC*	20.10.1975	400,000	100	Marketing and trading of finished plastic products
GPP	21.09.1990	2	100	Dormant

* subsidiary of KPI.

GPAH does not have any associated company as at the date of this Prospectus.

Further information on the subsidiaries of GPAH are as follows:-

(i) GPA

History and Business

GPA was incorporated in Malaysia under the Companies Act, 1965 on 30 May 1984 under the name of P.E.L. Credit & Leasing Sdn. Bhd. The company changed its name to STB Industries Sdn. Bhd. on 18 October 1988 and commenced operations in October 1989. The company assumed its present name on 17 August 1990.

The principal activity of GPA is the manufacturing of automotive batteries and components. The sale of automotive batteries to the export market is carried out by GPA while the sale of batteries to the local market is carried out through GPM. GPA's office and manufacturing facilities are located in Klang, Selangor Darul Ehsan. Details of the property are set out in Section VIII(7) herein.

On 9 January 1996, GPA entered into an agreement to acquire the entire issued and paid-up share capital of KPI, a company involved in the plastic injection moulding business. Pursuant to the Transfers, GPM, KPI and GPP have been transferred from GPA to GPAH.

GPA does not have any subsidiaries and associated companies as at the date hereof. As at 15 June 2000, GPA employs 200 employees.

Share capital

The authorised share capital of GPA is RM 10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of GPA is RM5,200,000 comprising 5,200,000 ordinary shares of RM1.00 each.

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

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration/Type of issue	Total issued and paid-up share capital RM
30.05.84	2	Subscribers' shares	2
09.06.89	4,998	Cash	5,000
14.09.89	2,495,000	Cash	2,500,000
30.12.89	2,500,000	Cash	5,000,000
12.04.96	200,000	Shares issued for the acquisition of KPI	5,200,000

***P*rofit and Dividend Record**

The following is a summary of the audited profit and dividend record of GPA for the 5 financial years ended 31 March 2000:-

	<----- Year ended 31 March ----->				
	1996	1997	1998	1999	2000
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	22,066	26,738	30,500	37,435	41,872
Profit/(loss) before taxation	(200)	353	1,733	2,534	2,570
Taxation	-	-	-		(328)
Profit/(loss) after taxation	(200)	353	1,733	2,534	2,242
Number of ordinary shares of RM 1.00 each in issue ('000)	5,000	5,200	5,200	5,200	5,200
Gross EPS/(Loss per share) (sen)	(4.00)	6.79	33.33	48.73	49.42
Net EPS/(Loss per share) (sen)	(4.00)	6.79	33.33	48.73	43.12
Gross dividend rate (%)	-	-	-	10.00	10.00

Notes:-

- (1) *The company incurred a loss before taxation for the financial year ended 31 March 1996 due to the exceptional increase in the price of lead and the higher cost of labour.*
- (2) *Turnover increased by 21% for the financial year ended 31 March 1997 due to the expanding local motor vehicle industry and the expansion into new overseas markets. Profit before taxation improved in line with the increase in turnover.*
- (3) *The turnover and profit before taxation increased for the financial year ended 31 March 1998 due to the continued expansion of the export market coverage and the increase in average export selling prices.*
- (4) *Profit before taxation increased in tandem with the turnover for the financial year ended 31 March 1999. The results were due to the recovery of the local economy as well as the expanding export markets.*
- (5) *Both the turnover and profit before taxation improved for the financial year ended 31 March 2000 mainly due to increased sales in the export markets.*
- (6) *The effective tax rates for the years under review were lower than the statutory rate due to the utilisation of capital allowances and reinvestment allowances. There is no tax charge on the income for the financial year ended 31 March 1999 as the amount payable is waived in accordance with the income Tax (Amendment) Act 1999.*
- (7) *There were no extraordinary or exceptional items for the financial years under review.*

(ii) GPM

History and Business

GPM was incorporated in Malaysia under the Companies Act, 1965 on 7 February 1986 as a private limited company under the name of Toulouse Marketing Sdn. Bhd. and subsequently changed its name to STB Marketing Sdn. Bhd. on 2 October 1989 before assuming its present name on 14 August 1990. GPM commenced operations in 1989.

GPM was set up as the marketing and trading arm of GPA, for the sale of GPA's batteries in the local market. GPM's office is located in the same building as GPA's office.

GPM does not have any subsidiaries and associated companies as at the date hereof. As at 15 June 2000, GPM employs 11 employees.

Share Capital

The authorised share capital of GPM is **RM 1,000,000** comprising **1,000,000** ordinary shares of **RM 1.00** each. The issued and paid-up share capital of GPM is **RM600,000** comprising **600,000** ordinary shares of **RM1.00** each.

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

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration/Type of issue	Total issued and paid-up share capital RM
07.02.86	2	Subscribers' shares	2
30.09.92	499,998	Cash	500,000
02.07.96	100,000	Cash	600,000

Profit and Dividend Record

The following is a summary of the audited profit and dividend record of GPM for the 5 financial years ended 31 March 2000:-

	<----- Year ended 31 March ----->				
	1996	1997	1998	1999	2000
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	16,743	20,550	23,551	26,649	28,418
Profit before taxation	924	1,603	1,485	3,553	4,070
Taxation	(282)	(520)	(455)	-	(1,152)
Profit after taxation	642	1,083	1,030	3,553	2,918
Number of ordinary shares of RM1.00 each in issue ('000)	500	600	600	600	600
Gross EPS (sen)	184.80	267.17	247.50	592.17	678.33
Net EPS (sen)	128.40	180.50	171.67	592.17	486.33
Gross dividend rate (%)				-	

Notes:-

- (1) *An upward revision in the selling price for automotive batteries during the year had a positive impact on both turnover and profit before taxation for the financial year ended 31 March 1996.*
- (2) *Turnover and profit before taxation continued to improve for the financial year ended 31 March 1997 as the local motor vehicle industry experienced a strong growth during the year.*
- (3) *Turnover increased by a moderate 15% for the financial year ended 31 March 1998 due to the regional economic crisis. Profit before taxation decreased by 7% as compared to the turnover, due to higher operational costs.*
- (4) *Turnover and profit before taxation continued to increase for the financial year ended 31 March 1999 in view of the continuing recovery of the local economy as well as the motor vehicles industry.*
- (5) *Turnover and profit before taxation increased for the financial year ended 31 March 2000 in line with the improved economic conditions in Malaysia.*
- (6) *The effective tax rates for the financial years ended 31 March 1996 to 1998 were higher than the statutory tax rate due to certain expenses being disallowed for taxation purposes. There is no tax charge on the income for the financial year ended 31 March 1999 as the amount payable is waived in accordance with the Income Tax (Amendment) Act 1999.*
- (7) *There were no extraordinary or exceptional items for the financial years under review.*

(iii) KPI

History and Business

KPI was incorporated in Malaysia under the Companies Act, 1965 on 19 November 1993 as a private limited company. KPI commenced operations in 1994 and is principally involved in the manufacturing of industrial **plastic** and its related products. The sale of plastic components to GPA for the manufacturing of automotive batteries as well as the export sales are carried out by **KPI** while the sale of plastic components to local external parties are carried out through **KPI's** subsidiary, LVC. **KPI's** office and manufacturing facilities are located on rented premises in Klang, Selangor Darul Ehsan.

KPI has one subsidiary, LVC. KPI does not have any associated companies as at the date hereof. As at 15 June 2000, KPI employs 45 employees.

Share Capital

The authorised share capital of KPI is RM 1,000,000 comprising 1,000,000 ordinary shares of **RM1.00** each. The issued and paid-up share capital of KPI is **RM758,269** comprising 758,269 ordinary shares of RM 1 .00 each.

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

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration/Type of issue	Total issued and paid-up share capital RM
19.11.93	2	Subscribers' shares	2
24.11.93	99,998	Cash	100,000
08.04.96	258,269	Cash	358,269
07.03.97	400,000	Shares issued as consideration for the acquisition of LVC	758,269

Profit and Dividend Record

The following is a **summary** of the audited profit and dividend record of KPI for the 15-month period ended 31 March 1996 and the 4 financial years ended 31 March 2000:-

	1 January 1995 to 31 March <----- Year ended 31 March ----->				
	1996	1997	1998	1999	2000
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	1,685	3,499	5,551	5,685	7,038
Profit/(Loss) before taxation	(375)	405	876	766	1,008
Taxation	-	-	(12)	-	(88)
Profit/(Loss) after taxation	(375)	405	864	766	920
Number of ordinary shares of RM1.00 each in issue ('000)	100	758	758	758	758
Gross EPS/(Loss per share) (sen)	(375)	53.43	115.57	101.06	132.98
Net EPS/(Loss per share) (sen)	(375)	53.43	113.98	101.06	121.37
Gross dividend rate (%)	-	.	.	.	-

Notes:-

- (1) **The company incurred a loss before taxation for the financial period ended 31 March 1996 due to an increase in depreciation charges and wage expenses during the period.**
- (2) **The turnover and profit before taxation continued to improve for the 2 financial years ended 31 March 1997 and 1998 as KPI began to focus on producing plastic components to be used in the manufacture of automotive batteries by GPA.**
- (3) **Profit before taxation declined slightly despite an increase in turnover for the financial year ended 31 March 1999 mainly due to an increase in labour costs.**
- (4) **The turnover and profit before taxation improved steadily for the financial year ended 31 March 2000 due to continued improvement in the Malaysian economy and the commencement of battery water bottle production and sales during the year.**
- (5) **The effective tax rates for the financial years ended 31 March 1997, 1998 and 2000 were lower than the statutory tax rate mainly due to the utilisation of tax losses brought forward. There is no tax charge on the income for the financial year ended 31 March 1999 as the amount payable is waived in accordance with the Income Tax (Amendment) Act 1999.**
- (6) **For the financial period ended 31 March 1996, the auditors did not observe the physical stock count and were unable to state whether it was appropriate to prepare the accounts on a going concern basis due to the substantial accumulated losses at that point in time.**
- (7) **There were no extraordinary or exceptional items for the financial period/years under review.**

(iv) **LVC**

History and Business

LVC was incorporated in Malaysia under the Companies Act, 1965 on 20 October 1975 as a private limited company under the name of Progressive Produce Sdn. Bhd.. The company changed its name to Plantation Produce Sdn. Bhd. on 29 November 1979 and subsequently assumed its present name on 13 February 1984. LVC commenced operations in 1984 and was engaged in commodities and securities trading until 1992. The company was then dormant until venturing into plastic injection moulding in 1994 with the letting 'of moulds and ventured into marketing for KPI in 1996.

LVC is a wholly-owned subsidiary of KPI and serves as the marketing arm of KPI, handling all transactions with local external parties (i.e. all local sales other than inter-company sales within the GPAH Group). LVC operates from KPI's office in Klang, Selangor Darul Ehsan.

LVC does not have any subsidiaries and associated companies as at the date hereof. As at 15 June 2000, LVC employs 1 employee.

Share Capital

The authorised share capital of LVC is **RM2,000,000** comprising **2,000,000** ordinary shares of **RM1.00** each. The issued and paid-up share capital of LVC is **RM400,000** comprising 400,000 ordinary shares of RM 1 .00 each.

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

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration/Type of issue	Total issued and paid-up share capital RM
20.10.75	2	Subscribers' shares	2
08.11.75	3	Cash	5
26.11.83	199,995	Cash	200,000
18.04.94	200,000	Cash	400,000

Profit and Dividend Record

The following is a summary of the audited profit and dividend record of LVC for the 5 financial years ended 31 March 2000:-

	<----- Year ended 31 March ----->				
	1996	1997	1998	1999	2000
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	239	444	80	169	253
Profit/(loss) before taxation	161	181	(18)	38	63
Taxation	(62)	(59)	-	-	(18)
Profit/(loss) after taxation	99	122	(18)	38	45
Number of ordinary shares of RM1.00 each in issue ('000)	400	400	400	400	400
Gross EPS/(Loss per share) (sen)	40.25	45.25	(4.50)	9.50	15.75
Net EPS/(Loss per share) (sen)	24.75	30.50	(4.50)	9.50	11.25
Gross dividend rate (%)	-	-	-	-	-

Notes:-

- (1) ***During the financial year ended 31 March 1996, LVC extended its principal activities to cover the marketing and trading of finished plastic products.***
- (2) ***Turnover and profit before taxation improved for the financial year ended 31 March 1997 due to an increase in the sales of finished plastic products.***
- (3) ***For the financial year ended 31 March 1998, turnover declined and the company incurred a loss before taxation as the company cut back on its mould letting business.***
- (4) ***Both turnover and profit before taxation improved for the financial year ended 31 March 1999 mainly due to sales to new customers.***
- (5) ***Both turnover and profit before taxation continued to improve for the financial year ended 31 March 2000 mainly due to the commencement of trading of battery water bottles.***
- (6) ***The effective tax rates for the financial years ended 31 March 1996 to 1997 were higher than the statutory tax rate due to certain expenses being disallowed for taxation purposes. There is no tax charge on the income for the financial year ended 31 March 1999 as the amount payable is waived in accordance with the Income Tax (Amendment) Act 1999***
- (7) ***There were no extraordinary or exceptional items for the financial years under review.***

(v) GPP

History and Business

GPP was incorporated in Malaysia under the Companies Act, 1965 on 21 September 1990 as a private limited company. GPP is presently dormant.

GPP does not have any subsidiaries and associated companies as at the date hereof.

Share Capital

The authorised share capital of GPP is **RM25,000** comprising 25,000 ordinary shares of **RM1.00** each. The issued and paid-up share capital of GPP is **RM2** comprising 2 ordinary shares of **RM1.00** each.

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

Date of allotment	No. of ordinary shares of RM1.00 each allotted	Consideration/Type of issue	Total issued and paid-up share capital RM
2 1.09.90	2	Subscribers' shares	2

Profit and Dividend Record

GPP has been dormant since its incorporation,

6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**(i) Board of Directors of GPAH**

Details of the Board of Directors of GPAH are as follows:-

Dato' Tan Hua Choon aged 58, is a self-made businessman. He was appointed Chairman and Director of GPAH on 31 May 2000. He has been involved in a wide range of businesses which include manufacturing, marketing and trading for the last 37 years. During the last 10 years, he has built-up investments in many public listed companies including **Jasa Kita Berhad** (an investment holding company with its subsidiaries mainly involved in sales and distribution, manufacturing and assembling power tools, electric motors and other industrial equipment), **Keladi Maju Berhad** (an investment holding company with its subsidiaries mainly involved in property development and cultivation of oil palm), **Malaysia Aica Berhad** (an investment holding company with its subsidiaries mainly involved in the manufacture of knocked-down furniture and parts, mouldings from rubber wood and prefabricated doors and door frames), **PDZ Holdings Bhd** (an investment holding company with its subsidiaries mainly involved in shipping and related services) and **FCW Holdings Berhad** (an investment holding company with its subsidiaries mainly involved in the provision of management services and trading of telecommunications equipment). He is currently the Chairman of **Malaysia Aica Berhad**, **Keladi Maju Berhad**, **FCW Holdings Berhad** and **Jasa Kita Berhad**. He is also a Director of several private limited companies.

Lee Kok Yong, aged 53, was appointed as Managing Director of GPAH on 31 May 2000. He was an Executive Director of GPA from 11 December 1989 until his appointment as the Managing Director on 1 April 1994. He holds a Diploma in Banking from the Institute of Bankers, London and has more than 10 years of experience in the banking industry. He left the banking industry in 1982 to form **Malaysian Resources Credit & Leasing Sdn. Bhd.**, a leasing company, in partnership with **Malaysian Resources Corporation Bhd.** He served the company until 1989 when he joined GPA. He is responsible for the overall business operations and formulation of the Group's business plans and strategies. He also acts as GPA's management representative for the purposes of the MS ISO 9002 certification.

Thor Poh Seng, aged 40, was appointed Director of GPAH on 31 May 2000. He graduated with a Bachelor of Engineering degree from **Universiti Pertanian Malaysia** (now known as **Universiti Putra Malaysia**) in 1984 and a Master's degree in Business Management from the **Asian Institute of Management**, the Philippines in 1989. He was an engineer with **Dunlop Estate Berhad** (a company involved in plantation, processing of plantation produce and property development) from 1984 to 1987 and a financial assistant with **Sitt Tatt Berhad** (a public listed company involved in the manufacture and trading of industrial gas) from 1989 to 1990. He joined **CIMB** as an Officer in the Corporate Finance Department in 1990 and left in 1993 as Manager, Advisory Services. He was appointed a Director of **Jasa Kita Berhad** in the same year. He is a Director of **Jasa Kita Berhad**, **Malaysia Aica Berhad**, **Keladi Maju Berhad**, **FCW Holdings Berhad** and Acting Chairman of **PDZ Holdings Bhd**, all of which are listed on the KLSE. He is also a Director of various private companies.

Minhat bin Mion, aged 52, was appointed Director of GPAH on 31 May 2000 and has been a Director of GPA since 1997. He graduated with a Bachelor of Arts (Honours) degree from **Universiti Malaya** in 1972 and obtained a post-graduate Diploma in Management Science from **Institut Tadbiran Awam Negara (INTAN)** in 1975. He was in the civil service from 1972 to 1991, in the administrative and diplomatic services. During his tenure as a civil servant, he served at the **Kuala Lipis Land Office**, **Ministry of Defence**, **Ministry of Works** and **Ministry of Health**. His last position was as Under Secretary in the Prime Minister's Department. Since 1992, **Encik Minhat** had conducted his own business concentrating on the travel, tourism and construction industries. He is presently the Chairman and Director of various private companies.

VIII. INFORMATION ON THE GPAH GROUP (*Cont'd*)

Gan Lock Yong @ Gan Choon Hur, aged 49, was appointed Director of GPAH on 31 May 2000. He is a Fellow of the Association of International Accountants, United Kingdom as well as a Member of the National Institute of Accountants, Australia. He joined **Jasa Kita** Trading Sdn. Bhd. (a company involved in the sale and distribution of power tools, electric motor and other industrial equipment) in 1983 as Accountant and Credit Controller and was later promoted to Finance Manager of the **Jasa Kita** Group. He was instrumental in the financial operations of the **Jasa Kita** Group until its eventual listing on the KLSE in 1993. He has been a director of GPA since 1994 and has been involved in the corporate planning of the Group. Mr. Gan also has wide experience in property and asset management and is currently also a Director of various private companies.

Haji Azizzuddin bin Haji Hussein, aged 42, was appointed Director of GPAH on 31 May 2000. He obtained a Higher National Diploma in Business Studies, majoring in Finance and Accounting from Stockport College of Technology (Manchester), United Kingdom in 1979 and he did his practical training in London where he was attached to a Chartered Accountants firm from 1980 to 1982. Upon his return to Malaysia, he ventured into private business. From 1992 to 1997, he was a management consultant and in end 1997, he joined Myriad **MISM (M)** Sdn. Bhd., a software development and management information system consultancy company, as its Finance & Administration Manager. He was a director of A&M Realty Berhad, a property development company, from 1994 to 1995. He is presently a director of Khong Guan Holdings Malaysia Berhad (a public listed company involved in the manufacture of biscuits and sweets) and various private companies.

(ii) Senior Management of the GPAH Group

Details of the Senior Management of the GPAH Group are as follows:-

Wong Yoke Kuen, aged 58, is the General Manager of GPA and has been with the Group since 1995. He obtained a Bachelor of Science degree in Chemical Engineering from **Nanyang** University, Singapore in 1967. He obtained a licence from the Malaysian Institute of Chemistry and has been registered as a "Professional Engineer – Chemical Engineer" since 1977. He has approximately 27 years of experience in the automotive battery industry and entered the industry in 1973 with his appointment as the Technical Manager of Associated Battery Manufacturer Sdn. Bhd. He served the company for 7 years before joining Chloride Malaysia Sdn. Bhd. as their Works Manager in 1980. In 1988, he left to take up the position of General Manager of JRC Tenaga Sdn. Bhd. until he took up his current position with GPA. Associated Battery Manufacturer Sdn. Bhd., Chloride Malaysia Sdn. Bhd. and JRC Tenaga Sdn. Bhd. are all companies involved in the manufacture of automotive batteries. Since 1996, he has been a member of SIRIM Technical Committee, the regulating body for Storage Battery Standards and Regulations in Malaysia.

Toh Ah Ee, aged 51, is the Senior Sales and Marketing Manager of GPM and is one of the pioneers of the Group, having been with Swee Thye Battery Manufacturing Sdn. Bhd., a company involved in the manufacture of automotive batteries, since 1972. With the acquisition of the operations of Swee Thye Battery Manufacturing Sdn. Bhd. by GPA, he was promoted to Senior Sales and Marketing Manager responsible for the entire sales in Malaysia. He obtained a diploma in Diesel Engineering from the Federal Institute of Technology, Malaysia in 1972,

VIII. INFORMATION ON THE GPAH GROUP (*Cont'd*)

Ong Chai Sang, aged 49, is the Production Manager of GPA. He joined Swee Thye Battery Manufacturing Sdn. Bhd. in 1969, progressing with the company from the conventional hard rubber battery manufacturing to the current Polypropylene container battery. He was specially trained in London on the casting operations for the manufacture of automotive batteries. In 1984, he was transferred as Sales Manager to take charge of the branch in Johore for 5 years. He joined GPA on 1 October 1989 as a Production Supervisor and was promoted to his present position on 1 March 1994 and is responsible to the General Manager for the daily operations of the plant. Being in the automotive battery business for more than 30 years, he is one of the most experienced persons in the industry.

Tan Kar Yoong, aged 38, is the Maintenance Manager of the Group and has been with GPA since 1991. He has nearly 17 years of experience in the automotive battery industry, joining Century Batteries (M) Sdn. Bhd., a company involved in the manufacture of automotive batteries, in 1983. He left in 1986 to take up the position as a Technical Supervisor with Swee Thye Battery Manufacturing Sdn. Bhd.. Subsequently, he went to Indonesia to assist in setting up the operations of P.T. Combat, a company involved in the manufacture of automotive batteries and battery casings, in 1989. He joined GPA when he returned to Malaysia in 1991.

Tan Chin Hock, aged 41, is the Quality Assurance (“QA”) Manager of GPA. He holds a Bachelor of Science (Physics & Maths) degree from Campbell University, the United States of America. He has 14 years of experience in the automotive battery industry including 4 years as the Technical Specialist of Century Batteries (M) Sdn. Bhd. until 1990 when he left to take up his present position in GPA. In addition to his role as the QA Manager, he also acts as the certified Internal Auditor for the MS ISO 9002 certification and is responsible for strict compliance with the quality standards and the yearly renewal of the quality system certification.

Shazana Yeoh binti Abdullah @ Yeoh Siew Tin, aged 42, is the Administrator/Personnel Manager of the Group. She joined GPA in October 1989 and is responsible for the human resource management of the Group and also assists the Managing Director in all aspects of operations. Prior to joining GPA, she worked as a secretary in Pacific Bank Berhad, a licensed commercial bank, and Malaysian Resources Credit & Leasing Sdn. Bhd. Currently, she also acts as a certified Internal Auditor for the MS ISO 9002 certification and is responsible for compliance with the quality standards.

Tan Yok Hua, aged 41, is the Manager for the Sales and Marketing Department. She has 8 years of experience as a secretary in several companies before taking up a position as a Sales Coordinator for 2 years with another automotive battery manufacturer, JRC Tenaga Sdn. Bhd. She joined GPA in June 1990 as a Sales Coordinator and was promoted to her present position on 1 October 1997, taking charge of sales administration for the local replacement market and the East Malaysian market.

Mok Kam Fai, aged 34, is the Financial Controller of GPA. Prior to joining GPA in April 1996, he was engaged as a Finance Manager in MBF Discount Card Sdn. Bhd., a company involved in the issue and sale of discount cards, since 1992. He obtained a Bachelor of Business (Accounting) degree from the Philip Institute of Technology in Australia in 1988 and is a Member of the Malaysian Institute of Accountants. In addition to his position as the Financial Controller, he is also the Lead Internal Auditor of the Company, responsible for the strict adherence to MS ISO 9002 standards.

VIII. INFORMATION ON THE GPAH GROUP (Cont'd)

Nga Poh Choo, aged 38, is a founding member of KPI and has been the Managing Director of KPI since KPI's inception. He obtained an external degree in Mechanical Engineering from the Institute of Mechanical Engineers, United Kingdom in March 1988. He is a Graduate Member of the Institution of Engineers, Malaysia and a Member of the Board of Engineers, Malaysia. He has acquired wide experience and knowledge in the technical and quality aspects of plastic injection moulding operations, starting out as a Quality Assurance Engineer with Teck See Plastic Industry Sdn. Bhd., a company involved in the manufacture of plastic products in 1986. In 1989, he joined Mah Sing Berhad, a public listed company involved in the manufacture of plastic products, and was promoted to Group Technical and Operations Manager before he left in 1993 to set up KPI.

Low Chee Hong, aged 29, is the Sales & Marketing Manager of KPI. Prior to joining KPI, he worked in MHE Demag Logistics (M) Sdn. Bhd., a company involved in the manufacture of cranes, starting out as a sales representative in 1991 and was promoted to project sales executive in 1993. He left to join KPI in 1994.

(iii) Family Relationship

Save as disclosed below, none of the Directors and Senior Management of the GPAH Group are related to each other:-

Nga Poh Choo is the brother-in-law of Low Chee Hong.

(iv) Employees

The GPAH Group employs a total workforce of 257 employees as at 15 June 2000. The GPAH Group has not encountered any strikes or disruptions and enjoys a cordial relationship with its employees. None of the employees belong to any union.

VIII. INFORMATION ON THE GPAH GROUP (Cont'd)

7. LANDED PROPERTIES

A summary of the information on landed property owned by the GPAH Group as at the date of this Prospectus is as follows:-

Registered owner	Location of property	Description of the property/Existing use	Tenure/ Approximate age of building (years)	Total land area/Built-up area (sq. ft.)	Net-book value as at 31.03.99 RM'000	Net book value as at 31.03.2000 RM'000	Open market valuation by the SC as at 31.03.99 RM'000	Valuation approved by the SC as at 31.03.99 RM'000	SC approved revaluation surplus
									based on net book value as at 31.03.99 RM'000
GPA	Lot PT 7836 in the Mukim of Kapar, District of Klang, Selangor Darul Ehsan	Industrial land together with industrial building and structures used in the manufacturing of automotive batteries	Freehold/ 15 years old	107,429/ 80,237	2,630	2,580	5,900	5,900	3,270

Note:-

⁽ⁱ⁾ *The valuation of this property was carried out by Khong & Jaafar Sdn. Bhd. on 23 July 1999 based on the Comparison Method and the Investment Method of valuation. The revaluation surplus will be incorporated into the accounts of the GPA in the financial year ending 31 March 2001.*

The abovementioned building does not have a Certificate of Fitness for Occupation, When the building was completed, the property was situated outside the jurisdiction of the Majlis Perbandaran Klang ("MPK"). The company was informed by MPK that a Certificate of Fitness for Occupation for the building will only be issued if the land owner makes an application to MPK but that this is not a mandatory requirement. Pursuant to the letter of approval from the SC dated 21 March 2000, the Company is required to make an application to the MPK for the Certificate of Fitness for Occupation and to update the SC every 6 months on the status of the application until the Certificate of Fitness for Occupation is obtained. GPA has made an application to the MPK on 30 March 2000 on this matter and is currently awaiting the decision of the MPK.

On 10 June 2000, GPA entered into Sale and Purchase Agreements to acquire 3 pieces of vacant land for the construction of new manufacturing facilities, for a total cash consideration of RM7.977 million ("Proposed Acquisition"). The purchase consideration of RM7.977 million was arrived at on a willing buyer-willing seller basis after taking into consideration the open market value as assessed by Jurukor Hartanah of RM8,970,000. The SC's approval for this valuation is not required hence it has not been submitted to the SC. The valuation of these properties was carried out on 31 May 2000 based on the Comparison Method of valuation. Approximately IZM2.7 million of the purchase consideration will be financed through internally generated funds while approximately RM5.277 million will be financed through a term loan. The Proposed Acquisition is currently subject to the approval of the FIC.

A summary of the information on the subject properties for the Proposed Acquisition is as follows:-

Location of property	Description/ tenure	Land use	Land area	Open Market Value RM
Lot 5031 in the Mukim of Kapar, District of Klang, Selangor Darul Ehsan	Vacant land/ Freehold	Industrial	3.062 acres (133,380 sq.ft.)	3,000,000
Lot 5032 in the Mukim of Kapar, District of Klang, Selangor Darul Ehsan	Vacant land/ Freehold	industrial	3.062 acres (133,380 sq.ft.)	3,000,000
Lot 5033 in the Mukim of Kapar, District of Klang, Selangor Darul Ehsan	Vacant land/ Freehold	Industrial	3.031 acres (132,030 sq.ft.)	2,970,000

IX. FINANCIAL INFORMATION

1. PROFIT AND DIVIDEND RECORD

The following is a summary of the proforma audited consolidated results of the GPAH Group for the 5 financial years ended 31 March 2000 prepared on the assumption that the current structure of the Group has been in existence throughout the financial years under review:-

	<----- Proforma ----->				
	<----- Year ended 31 March ----->				
	1996	1997	1998	1999	2000
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	28,644	37,602	46,529	51,477	57,267
Profit before taxation	885	2,337	4,077	6,891	7,710
Taxation	(344)	(579)	(467)	-	(1,586)
Profit after taxation	541	1,758	3,610	6,891	6,124
Number of ordinary shares of RM1.00 each assumed in issue ('000)	17,932	17,932	17,932	17,932	17,932
Gross EPS (sen)	4.94	13.03	22.74	38.43	43.00
Net EPS (sen)	3.02	9.80	20.13	38.43	34.15

Notes:-

- (1) The trend of increasing turnover and profit before taxation over the 5 financial years ended 31 March 2000 is mainly attributable to the increase in sales of automotive batteries
- (2) The profit before taxation for the financial year ended 31 March 1996 was affected by an exceptional increase in the price of lead during the financial year,
- (3) For the financial year ended 31 March 1997, turnover and profit before taxation improved in line with expansion in both local and export sales of automotive batteries.
- (4) Profit before taxation for the financial year ended 31 March 1998 increased by 74% in line with increased turnover mainly due to the increase in export sales and higher average export selling prices.
- (5) For the financial year ended 31 March 1999, both the turnover and profit before taxation increased in line with the recovery of the local economy and the further expansion of export markets
- (6) The turnover and profit before taxation increased for the financial year ended 31 March 2000 mainly due to the improvement in sales in both the local and export markets
- (7) The effective tax rates compared to the statutory rates
 - (i) for financial year ended 31 March 1996 was higher due to certain expenses being disallowed for taxation purposes for CPM and LVC;
 - (ii) for financial years ended 31 March 1997, 1998 and 2000 were lower due to utilisation of capital allowance and reinvestment allowance for GPA.

There is no tax charge on the income for the financial year ended 31 March 1999 as the amount payable is waived in accordance with the Income Tax (Amendment) Act 1999.
- (8) There were no extraordinary or exceptional items for the financial years under review.
- (9) KPI and LVC were acquired by GPA in April 1996. As such the proforma consolidated accounts for the financial year ended 31 March 1996 exclude the accounts of KPI and LVC

IX. FINANCIAL INFORMATION (Cont'd)

2. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**(i) Working Capital**

The Directors of GPAH are of the opinion that, after taking into account the consolidated **cashflow** forecast, banking facilities available and the gross proceeds from the Rights Issue and Public Issue, the Group will have adequate working capital for its foreseeable requirements.

(ii) Borrowings

Save for the total bank borrowings, bank overdrafts and credit facilities amounting to approximately RM9,232,507, secured by way of fixed charge over GPA's freehold land and buildings, a fixed and floating charge over the assets of GPA, a debenture on certain plant and machinery of KPI and guarantees by a Directors of GPA and KPI, the GPAH Group does not have any other loan capital outstanding or loan capital created but unissued, mortgages or charges outstanding as at 15 June 2000 (being the latest practicable date prior to the issue of this Prospectus).

(iii) Contingent Liabilities and Capital Commitments

The GPAH Group does not have any contingent liabilities as at 15 June 2000 (being the latest practicable date prior to the issue of this Prospectus).

Save as disclosed below, the GPAH Group does not have any other capital commitment as at 15 June 2000 (being the latest practicable date prior to the issue of this Prospectus):-

	RM'000
Approved and contracted for (in respect of the Proposed Acquisition)	7,977
Approved and not contracted for (in respect of the acquisition of additional machinery and equipment and the construction of new manufacturing facilities)	11,650
	<hr/>
	19,627
	<hr/>

IX. FINANCIAL INFORMATION (*Cont'd*)

3. CONSOLIDATED PROFIT FORECAST AND PRINCIPAL ASSUMPTIONS

The Board of Directors of GPAH forecast that, barring any unforeseen circumstances, the consolidated profit of the GPAH Group for the financial year ending 31 March 2001 will be as follows:-

	RM'000
Consolidated profit before taxation	9,043
Taxation	(1,801)
Consolidated profit after taxation	<u>7,242</u>
Pre-acquisition profit	⁽¹⁾ (1,372)
Consolidated profit after taxation attributable to shareholders	<u><u>5,870</u></u>

Based on the weighted average number of ordinary shares assumed in Issue

Net EPS based on the consolidated profit after taxation attributable to shareholders' (sen)	⁽²⁾ 18.15
Net PE multiple (times)	⁽³⁾ 8.26

Based on the enlarged number of ordinary shares in issue

Net EPS based on the consolidated profit after taxation before netting off pre-acquisition profit (sen)	⁽⁴⁾ 18.11
Net PE multiple (times)	⁽³⁾ 8.28

Notes:-

- (1) ***The pre-acquisition profit is in respect of the profit after taxation of the subsidiaries prior to the Acquisition and Transfers for the period from 1 April 2000 to 30 May 2000.***
- (2) ***Based on the consolidated profit after taxation attributable to shareholders and the weighted average number of shares assumed in issue during the financial year after the Acquisition, Rights Issue and Public Issue comprising 32,333,333 ordinary shares of RMI. 00 each.***
- (3) ***Based on the issue price of RM1.50 per New Share.***
- (4) ***Based on the consolidated profit after taxation before netting off pre-acquisition profit and the enlarged issued and paid-up share capital of RM40,000,000 comprising 40,000,000 ordinary shares of RMI. 00 each.***

IX. FINANCIAL INFORMATION *(Cont'd)*

The principal bases and assumptions upon which the above consolidated profit forecast have been prepared are set out **below**:-

1. The Public Issue will be successfully implemented by August 2000.
2. The GPAH Group adopts the acquisition basis of accounting for consolidation of the results of the subsidiaries. Inter-company transactions are eliminated on consolidation to reflect external transactions only.
3. The forecast has been prepared based on prevailing economic conditions and information available at the date of this Prospectus and do not encompass any assessment of the potential for future changes in the economic conditions in Malaysia.
4. There will be no significant change in the economic or political conditions or other abnormal changes in Malaysia and elsewhere which will materially affect the activities or performance of the GPAH Group.
5. There will be no significant change in present legislation or government regulations and policies in Malaysia and elsewhere which will adversely affect the GPAH Group, its operations or the market in which it operates.
6. There will be no material changes in the principal activities, management structure, accounting, trading and operational policies adopted by the GPAH Group.
7. There will be no major breakdown or disruption in the manufacturing facilities and industrial disputes which will adversely affect the operations and performance of the GPAH Group.
8. There will be no significant changes to the existing sales mix, both local and export, and between types of products for the GPAH Group.
9. The raw material price for lead will be as forecast and there will be no significant changes in the supply and prices of other raw materials.
10. There will be no significant change to the level of operating expenses including wages, cost of supplies, administration and overhead expenses and other costs other than those forecast.
11. Financing facilities will remain available at the current interest rates. The GPAH Group will be able to obtain additional financing facilities at prevailing interest rates.
12. Inflation rates will remain at present levels. .
13. The exchange rate of foreign currencies used for the forecast will not vary significantly from the prevailing rate of USD 1.00 : **RM3.80**.
14. There will be no material additions or disposals of fixed assets other than as planned in the forecast and all capital expenditure will be incurred and implemented as scheduled as stated **herein**.
15. There will be no significant changes in present bases or rates of taxation, tariffs and duties.
16. The cash proceeds of RM 16.07 million and RM9 million arising from the Rights Issue and Public Issue respectively will be received by August 2000 and **utilised** for the purposes as approved by the authorities as stated herein.
17. Listing expenses are estimated to be approximately **RM 1,300,000** and will be written off against the share premium account.

IX. FINANCIAL INFORMATION (*Cont'd*)

4. REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED PROFIT FORECAST
(*Prepared for inclusion in this Prospectus*)

PricewaterhouseCoopers
Public Accountant
1 1th Floor, Wisma Sime Darby
Jalan Raja Laut
P.O. Box 10192
50706 Kuala Lumpur

The Board of Directors
GPA Holdings Berhad
8-3, Jalan Segambut
5 1200 Kuala Lumpur

19 June 2000

GPA HOLDINGS BERHAD ("GPAH")
CONSOLIDATED PROFIT FORECAST FOR YEAR ENDING 31 MARCH 2001

Dear Sirs,

We have reviewed the accounting policies and calculations for the consolidated profit forecast of GPAH and its subsidiary companies ("GPAH Group"), for which the Directors are solely responsible, for the financial year ending 31 March 2001 as set out in the Prospectus to be dated 27 June 2000 in connection with the listing of and quotation for the entire enlarged issued and paid up share capital of GPAH on the Second Board of the Kuala Lumpur Stock Exchange.

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

Yours faithfully,

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Public Accountants

Kuala Lumpur

IX. FINANCIAL INFORMATION (*Cont'd*)

5. DIVIDEND FORECAST AND POLICY

The policy of the Directors of GPAH with regards to dividends is to allow shareholders to participate in the profits of the Company as well as leaving adequate reserves for the future growth of the Group.

Based on the forecast consolidated profit after taxation attributable to shareholders of RM5.87 million for the financial year ending 31 March 2001, the Directors of GPAH anticipate that, in the absence of unforeseen circumstances, the Company will be in a position to propose a tax-exempt gross dividend of 3 sen per share for the financial year ending 31 March 2001, based on the issued and paid-up share capital of 40,000,000 ordinary shares of RM1.00 each.

The intended appropriation of the forecast consolidated profit after taxation attributable to shareholders for the financial year ending 31 March 2001 will be as follows:-

	Forecast 2001 RM'000
Consolidated profit before taxation	9,043
Taxation	(1,801)
Consolidated profit after taxation	<u>7,242</u>
Pre-acquisition profit	(1,372)
Consolidated profit after taxation attributable to shareholders	<u>5,870</u>
Proposed tax-exempt dividend	(1,200)
Consolidated retained profit	<u>4,670</u>
Tax-exempt dividend per ordinary share (sen)	“3.00
Tax-exempt dividend yield (%)	⁽²⁾ 2.00
Tax-exempt dividend cover (times)	4.89

Notes:-

⁽¹⁾ Based on the enlarged issued and paid-up share capital of RM40,000,000 comprising 40,000,000 ordinary shares of RM1.00 each.

⁽²⁾ Based on the issue price of RM1.50 per New Share.

IX. FINANCIAL INFORMATION *(Cont'd)*

6. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2000

The proforma consolidated balance sheets are provided for illustrative purposes only to show the effects of the Acquisition, Transfers, Rights Issue and Public Issue on the assumption that these transactions were completed on 31 March 2000:-

	Audited Balance Sheet as at 31 March 2000 RM'000	Proforma I After the Acquisition and Transfers RM'000	Proforma II After Proforma I and Rights Issue RM'000	Proforma III After Proforma II and Public Issue RM'000
Fixed assets		16,045	16,045	20,545
CURRENT ASSETS				
Stocks	-	8,198	8,198	8,198
Trade debtors	-	18,906	18,906	18,906
Other debtors, deposits and prepayments	-	4,183	4,183	4,183
Deposits with a licensed bank	-	272	272	272
Cash and bank balances	*	2,108	6,332	9,532
	*	33,667	37,891	41,091
CURRENT LIABILITIES				
Trade creditors	-	2,506	2,506	2,506
Other creditors and accrued liabilities	173	3,563	3,563	3,563
Hire-purchase creditors	-	300	300	300
Bank borrowings	-	6,070	-	-
Proposed dividend	-	520	520	520
Taxation	-	1,540	1,540	1,540
	173	14,499	8,429	8,429
NET CURRENT (LIABILITIES)/ASSETS	(173)	19,168	29,462	32,662
DEFERRED EXPENDITURE	173	173	173	173
	*	35,386	45,680	53,380
CAPITAL AND RESERVES				
Share capital	*	17,932	34,000	40,000
Share premium		5,338	5,338	7,038
Reserve on consolidation	-	5,604	5,604	5,604
SHAREHOLDERS' FUNDS	*	28,874	44,942	52,642
DEFERRED AND LONG TERM LIABILITIES				
Bank borrowings		2,174	-	-
Deferred taxation	-	618	618	618
Amount owing to a Director	-	3,600	-	-
Hire-purchase creditors	-	120	120	120
	*	35,386	45,680	53,380
Net Liabilities ("NL")/NTA (NL)/NTA per share (RM)	(173) (86,500)	28,701 1.60	44,769 1.32	52,469 1.31

* **This represents RM2.00.**

NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS

1. Basis of preparation
- 1.1 The proforma consolidated balance sheets of the GPAH Group have been prepared for illustrative purposes only to show the effects of the Acquisition and Transfers and Rights Issue and Public Issue on the assumption that they had been effected on 31 March 2000.
- 1.2 The GPAH Group structure is after the restructuring exercise as follows:
- (a) Acquisition and Transfers
- GPAH acquired 5,200,000 ordinary shares of RM1.00 each representing 100% equity interest in GPA for a total purchase consideration of RM23,269,977 satisfied by the issuance of 17,931,708 new GPAH shares at an issue price of approximately RM1.30 per share.
- Upon completion of the Acquisition, GPAH implemented an internal restructuring exercise involving GPA and its subsidiaries, namely, GPM, GPP, KPI and KPI's subsidiary, LVC, whereby the entire equity interest in GPM, KPI and GPP were transferred from GPA to GPAH for a total cash consideration of RM1,200,002.
- The above Acquisition and Transfers were completed on 30 May 2000.
- (b) Rights Issue
- GPAH implemented a rights issue of 16,068,290 new GPAH shares at par on the basis of approximately eight hundred and ninety-six (896) new GPAH shares for every one thousand (1,000) GPAH shares held subsequent to the Acquisition and Transfers. The above Rights Issue was completed on 31 May 2000.
- (c) Public Issue
- GPAH will effect a public issue of 6,000,000 new ordinary shares at the issue price of RM1.50 each.
- 1.3 The proforma consolidated balance sheets of the GPAH Group have been prepared on the basis that GPA, GPM, GPP, KPI and KPI's subsidiary, LVC, will be consolidated under the acquisition method of consolidation, Inter-company transactions are eliminated on consolidation and the proforma consolidated balance sheets reflect external transactions only.
- 1.4 The proforma consolidated balance sheets are prepared on a basis consistent with the accounting policies normally adopted by the GPAH Group,

IX. FINANCIAL INFORMATION (Cont'd)

2. Effects of proforma consolidated balance sheets

The proforma consolidated balance sheets have been presented on the following bases:

- (i) Proforma I incorporates effects of the Acquisition and Transfers as detailed in paragraph 1.2 (a).
- (ii) Proforma II incorporates the effects of Proforma I and the Rights Issue as detailed in paragraph 1.2 (b).
- (iii) **Proforma III** incorporates the effects of Proforma II and the following:
 - (a) Public Issue as detailed in paragraph 1.2(c); and
 - (b) the estimated listing expenses of RMI ,300,000 are written off against the share premium account.

3. Share capital

The movements of the issued and paid-up share capital of GPAH after taking into account the restructuring exercise as detailed in paragraph 1.2 above are as follows:

	RM'000,
At date of incorporation	*
Acquisition and Transfers	17,932
Proforma I	<u>17,932</u>
Rights Issue	16,068
Proforma II	<u>34,000</u>
Public Issue	6,000
Proforma III	<u><u>40,000</u></u>

* ***This represents RM2.00***

4. Share premium

The movements of the share premium account after taking into account the restructuring exercise as detailed in paragraph 1.2 above are as follows:-

	RM'000
As at the date of incorporation	
Premium arising from the Acquisition and Transfers	5,338
Rights Issue	-
Proforma I and II	<u>5,338</u>
Premium arising from the Public Issue	3,000
Listing expenses written off	<u>(1,300)</u>
Proforma III	<u><u>7,038</u></u>

5. Utilisation

The cash proceeds of **RM16.07** million and RM9 million arising from the Rights Issue and Public Issue respectively will be received by August 2000 and utilised for the purposes as approved by the authorities as stated herein.

IX. FINANCIAL INFORMATION (*Cont'd*)

7. REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED
BALANCE SHEETS
(*Prepared for inclusion in this Prospectus*)

PricewaterhouseCoopers
Public Accountant
1 lth Floor, Wisma Sime Darby
Jalan Raja Laut
P.O. Box 10192
50706 Kuala Lumpur

The Board of Directors
GPA Holdings Berhad
8-3, Jalan Segambut
5 1200 Kuala Lumpur

19 June 2000

GPA HOLDINGS BERHAD ("GPAH")
AND ITS SUBSIDIARY COMPANIES ("GPAH GROUP")
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2000

Dear Sirs,

We have reviewed the Proforma Consolidated Balance Sheets of the GPAH Group as at 31 March 2000, together with the notes thereon, for which the Directors of GPAH are solely responsible, as set out in the Prospectus to be dated 27 June 2000 in connection with the listing of and quotation for the entire enlarged issued and paid up share capital of GPAH on the Second Board of the Kuala Lumpur Stock Exchange.

Based on the results of our review, we **confirm** that the Proforma Consolidated Balance Sheets of the GPAH Group as at 31 March 2000, which are provided for illustrative purposes only, have been properly compiled on the bases set out in the notes to the Proforma Consolidated Balance Sheets.

Yours faithfully,

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Public Accountants

Kuala Lumpur