
12. DIRECTORS' REPORT
(Prepared for inclusion in this Prospectus)

27 June 2000

The Shareholders of
Supermax Corporation Berhad
Level 14, Uptown 1
No. 1 Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan

Dear Sir/Madam

On behalf of the Board of Supermax Corporation Berhad, I report after due inquiry that during the period from 31 December 1999 (being the date to which the last audited accounts of the Company and its subsidiaries have been made up) to 22 June 2000 (being a date not earlier than fourteen(14) days before the issue of this Prospectus) that :

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

Yours faithfully
On Behalf of the Board of Directors of
SUPERMAX CORPORATION BERHAD

THAI KIM SIM, STANLEY
Chief Executive Officer cum Group Managing Director

13. VALUERS' LETTER
(Prepared for inclusion in this Prospectus)



(Proprietor : Singham Sulaiman Sdn. Bhd.)
(Company No: 78217-X)

Chartered Surveyors
International Property Consultants
Registered Valuers Property Managers
Real Estate Agents

8th Floor, Bangunan Getah Asli (Menara)
148, Jalan Ampang,
50450 Kuala Lumpur.

Tel : (03) 21612522
Fax : (03) 21618060
e-mail: realest@jlw.po.my

27 June 2000

The Board of Directors
Supermax Corporation Berhad
Lot 42, Putra Industrial Park
Bukit Rahman Putra
47000 Sungai Buloh
SELANGOR DARUL EHSAN

Dear Sir

- SUPERMAX CORPORATION BERHAD ("SUPERMAX" OR THE "COMPANY")**
- **PROSPECTUS IN RELATION TO THE PUBLIC ISSUE OF 6,100,000 NEW ORDINARY SHARES OF RM 1.00 EACH AND THE OFFER FOR SALE OF 4,000,000 ORDINARY SHARES OF RM 1.00 EACH AT AN ISSUE/OFFER PRICE OF RM 2.00 PER ORDINARY SHARE**
 - **VALUATION OF PROPERTIES TO BE ACQUIRED BY SUPERMAX ("PROPERTIES")**

This letter has been prepared for inclusion in the Prospectus to be dated 30 June 2000 in connection with the Public Issue of 6,100,000 new Shares at RM2.00 per ordinary share and Offer for Sale of 4,000,000 Shares at RM2.00 per ordinary share in Supermax Corporation Berhad ("Supermax").

In accordance with your instructions, we have assessed the Market Values of the Properties set out below in conjunction with the restructuring and listing of Supermax on the Second Board of the Kuala Lumpur Stock Exchange. We have valued the Properties vide our valuation reports bearing the reference numbers in the tables set out below. Further details of the valuations of the Properties are set out in our Valuation Reports.

The basis of the valuation is Market Value based on the Guidelines on Asset Valuation for Submission to the Securities Commission and the Manual Of Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

The term Market Value is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Penang:

2nd Floor,
Standard Chartered Bank Chambers,
No. 2, Lebuhr Pantai,
10300 Pulau Pinang.
Tel: (04) 2612353
Fax: (04) 2627878

Johor Bahru

Unit 8.01, Level 8,
Wisma LKN,
No. 49, Jalan Wong Ah Fook,
80000 Johor Bahru.
Tel: (07) 2249937
Fax: (07) 2249936

Singapore ■ Jakarta ■ Bangkok ■ HongKong ■ China ■ Tokyo ■
Yangon ■ Ho Chi Minh City ■ Manila ■ Australia ■ New Zealand ■
London ■ Birmingham ■ Leeds ■ Manchester ■ Scotland ■
Rep. of Ireland ■ Luxembourg ■ Sweden ■ Hungary ■ Belgium ■
France ■ Germany ■ Netherlands ■ Spain ■ Romania ■ Italy ■ Czech
Republic ■ Poland ■ Austria ■ Russia ■ Israel ■ USA ■ Canada ■

13. **VALUERS' LETTER...cont'd**
(Prepared for inclusion in this Prospectus)

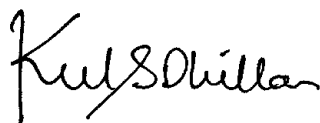


Our opinion the Market Values of the Properties subject to the properties being free from all encumbrances are set out in the schedule attached.

The summary of our valuations are as follows:-

Category	Total Market Values
Properties Held For Owner Occupation	RM17,000,000
Properties Held As Investment/For Future Development	RM11,700,000

Yours faithfully,
JONES LANG WOOTTON (Company No. 78217- X)
(Proprietor : Singham Sulaiman Sdn Bhd)



KULJEET SINGH, MISM
REGISTERED VALUER (REG. NO. V-431)

13. VALUERS' LETTER...cont'd
(Prepared for inclusion in this Prospectus)



Jones Lang Wootton

(Proprietor : Singham Sulaiman Sdn. Bhd.)

(Company No. 78217-X)

PROPERTIES HELD FOR OWNER OCCUPATION

Particulars of Property	Valuation Report Reference Number	Tenure	Description/ Existing Use	Method of Valuation	Land Area/ (Built-Up Area)	Market Value / Valuation date
Lot 42, Jalan BRP 9/2B, Putra Industrial Park, Bukit Rahman Putra, Sungai Buloh, Selangor Darul Ehsan	V/041(A)/99/SC	Interest In Perpetuity	An Industrial Premises	Comparison Method, Summation (Cost) Method and Investment Method	1.5 acres / (36,600 square feet)	RM4,000,000 (Ringgit Malaysia Four Million Only) 15/06/1999
Lot 6070, Mukim of Kapar, District of Kelang, Selangor Darul Ehsan	V/041(E)/99/SC	Interest In Perpetuity	An Industrial Premises	Comparison Method, Summation (Cost) Method and Investment Method	5.0063 acres/ (127,861 square feet)	RM13,000,000 (Ringgit Malaysia Thirteen Million Only) 15/06/1999

13. VALUERS' LETTER...cont'd
(Prepared for inclusion in this Prospectus)



PROPERTIES HELD AS INVESTMENT/FOR FUTURE DEVELOPMENT

Particulars of Property	Valuation Report Reference Number	Tenure	Description/ Existing Use	Method of Valuation	Land Area/ (Built-Up Area)	Market Value / Valuation date
Suite No. 708, 6 th Floor (Level 7), Menara Atlas (Tower A), Plaza Pantai, Off Jalan Pantai Baru, Kuala Lumpur	V/041(B)/99/SC	Interest In Perpetuity	A Stratified Office Lot Located On The Sixth Floor Of A Twenty Storey Office Building	Comparison Method and Investment Method	Floor Area: 1,235 square feet	RM400,000 (Ringgit Malaysia Four Hundred Thousand Only) 15/06/1999
Lot 5128 Mukim of Kapar, District of Kelang, Selangor Darul Ehsan	V/041(C)/99/SC	Interest In Perpetuity	A Parcel Of Industrial Land	Comparison Method	4.6875 acres	RM2,200,000 (Ringgit Malaysia Two Million And Two Hundred Thousand Only) 15/06/1999
Lots 512 And 1784, Mukim of Ijok, District of Kuala Selangor, Selangor Darul Ehsan	V/041(D)/99/SC	Lot 512 – Interest In Perpetuity Lot 1784 – Leasehold interest for a term of 99 years, expiring on 3 rd August 2057	Two Contiguous Parcels Of Development Land	Comparison Method	Lot 512 – 3.8438 acres Lot 1784 – 1.9800 acres	RM600,000 (Ringgit Malaysia Six Hundred Thousand Only) 15/06/1999
Developer's Plot 38, Putra Industrial Park, Bukit Rahman Putra, Sungai Buloh, Selangor Darul Ehsan	V/041(F)/99/SC	Interest In Perpetuity	A Parcel Of Industrial Land	Comparison Method	5.6337 acres	RM4,800,000 (Ringgit Malaysia Four Million Eight Hundred Thousand Only) 15/06/1999
Lot 6068, Mukim of Kapar, District of Kelang, Selangor Darul Ehsan	V/007/00/SC	Interest In Perpetuity	A Parcel Of Industrial land	Comparison Method	5.00625 acres	RM3,700,000 (Ringgit Malaysia Three Million Seven Hundred Thousand Only) 15/01/2000

14. FURTHER STATUTORY AND OTHER GENERAL INFORMATION

SHARE CAPITAL

1. No Shares will be allotted on the basis of this Prospectus later than six(6) months after the date of this Prospectus.
2. There are no founder, management or deferred shares in the Company. As at the date of this Prospectus there is only one class of shares in the Company, namely ordinary shares of RM1.00 each, all of which rank pari passu with one another.
3. Save for the Shares reserved for Directors, eligible employees and business associates of the Group as disclosed in Section 5.2 of this Prospectus, no person has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of the Company or its subsidiaries.
4. The promoters namely Thai Kim Sim, Stanley and Tan Bee Geok, Cheryl are not allowed to sell, transfer or assign their shareholdings amounting to 45% or the nominal issued and paid up share capital for one(1) year from the date of admission of the Company to the KLSE. Thereafter, the promoters are allowed to sell, transfer or assign only up to a maximum of one third per annum (on a straight line basis) of their respective shareholdings under moratorium.

ARTICLES OF ASSOCIATION

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

5. Transfer of Securities

The provisions in the Company's Article of Association, the Second Board Listing Requirements of the KLSE, the Companies Act, 1965 and Rules of the MCD in respect of the arrangements for transfer of the securities and restrictions on their free transferability are as follows:-

Articles of Association of the Company**Article 19**

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

Second Board Listing Requirements**Clause 9.5(A) – Transfer of Securities**

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

14. FURTHER STATUTORY AND OTHER GENERAL INFORMATION... cont'd

Clause 9.5(B) – Transmission of Securities from Foreign Register
(1) Where:-

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

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

- (i) there shall be no change in the ownership of such securities; and
 - (ii) the transmission shall be executed by causing such securities to be credited directly into the securities account of such securities holder.
- (2) For the avoidance of doubt, no company which fulfills the requirements of paragraph (a) and (b) of Clause 9.5(b)(1) shall allow any transmission of securities from the Malaysian Register in to the Foreign Register.

Companies Act, 1965
Section 103(1)

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

Section 103(1A)

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

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

14. FURTHER STATUTORY AND OTHER GENERAL INFORMATION... cont'd

Section 107C(1)

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

Section 107C(2)

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

Rules of the MCD**Section 8.01(2)**

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

Section 8.05A

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

Section 9.03(2)

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

- (a) the prescribed Form FTF010 (request for ordinary transfer of securities form) or Form FTF015 (request for express transfer of securities form) fully and properly completed in triplicate;
- (b) the Transferring Depositor has executed the Transferor portion of the said form duly witnessed by another person (other than the Depositor's spouse);
- (c) the Transferring Depositor has stated his reason for the transfer and that the reason is or are amongst any of the approved reasons as stated herein below:-
 - (i) transmission of securities arising from the provisions of any written law or an order of the court of competent jurisdiction;
 - (ii) rectification of errors;

14. FURTHER STATUTORY AND OTHER GENERAL INFORMATION... cont'd

- (iii) pledge, charge or mortgage;
 - (iv) mandatory offer pursuant to the provisions of the Malaysian Code on Takeovers and Mergers, 1987; and
 - (v) any other circumstances as deemed fit by the Central Depository after consultation with the Securities Commission.
- (d) documents to support the reason for the transfer;
 - (e) such other accompanying documents duly processed in such manner as the Central Depository may from time to time determine in its Procedures Manual.

6. Remuneration of Directors

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

Article 69

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

14. FURTHER STATUTORY AND OTHER GENERAL INFORMATION

7. Voting and Borrowing Power of Directors

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

Article 81

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

Article 82

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

Article 83

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

Article 84

The Directors may borrow or raise any such money as by the issue or sale of any bonds, debentures, debenture stock, or securities, and upon such terms as to time of repayment, rate of interest, price of issue or sale, payment of premium or bonus upon redemption or repayment or otherwise as they may think proper. The Company may in general meeting grant a right for the holders of bonds, debentures, debenture stock or securities to exchange the same for shares in the Company or any class authorised to be issued.

14. FURTHER STATUTORY AND OTHER GENERAL INFORMATION... *cont'd*

Article 85

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

Article 86

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

Article 87

The Director shall cause a proper register to be called "Register of Charges" to be kept in accordance with the provision of the Act, of all mortgages and charges especially affecting the property of the Company and a sum of RM1.00 shall be payable for each inspection of the Register of Charges.

Article 104

(1) A Director who is in any way, whether directly or indirectly interested in a contract or proposed contract with the Company shall declare the nature of his interest in accordance with the provisions of the Act. Save as by the next following paragraph of this Article otherwise provided, a Director shall not vote in respect of any contract or arrangement in which he is has interest (and if he shall do so his vote shall not be counted), nor shall he be counted for the purpose of any resolution regarding the same in the quorum present at the meeting, but this Article shall not apply to:-

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

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

(b) A Director notwithstanding his interest may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company, (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or whereat the Directors resolve to enter into or make any arrangements with him or on his behalf pursuant to Article 104 (1) of these Articles, or whereat the terms of any such appointment or arrangements as hereinbefore mentioned are considered, and he may vote on any such matter other than in respect of the appointment of or arrangements with himself or the fixing of the terms thereof.

14. FURTHER STATUTORY AND OTHER GENERAL INFORMATION... cont'd

- (c) Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as auditor of the Company.
- (3) A general notice that a Director, alternate Director or Managing Director is a member of or has interest in any specified firm or corporation with whom any contract is proposed to be entered into in relation to the affairs of the Company and is to be regarded as interested in all transactions with such firm or corporation shall be a sufficient disclosure under this clause as regards such Director and the said transaction and after such general notice it shall not be necessary for such Director to give any special notice relating to any particular transaction with such firm or corporation.

8. Changes in Capital or Variation of Class Rights

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

Article 35

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

Article 36

- (1) Subject to any direction to the contrary that may be given by the Company in general meeting any original shares for the time being unissued and any new shares from time to time to be created, shall before they are issued, be offered to the Members in proportion as nearly as may be to the number of shares held by them. Such offer shall be made by notice specifying the number of shares offered and limiting a time within which the offer if not accepted or renounced will be deemed to be declined, and after the expiration of such time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered the Directors may, subject to these Articles, dispose of the same in such manner as they think most beneficial to the Company. The Directors may in like manner dispose of any such new or original shares as aforesaid which, by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in manner herein before provided.
- (2) Notwithstanding the foregoing and subject to the Act, the Company may apply to the Stock Exchange for waiver of convening an extraordinary general meeting to obtain shareholders approval for further issue of shares (other than bonus or rights issue) where the aggregate issues of which in any one financial year do not exceed ten per centum (10%) of the issued capital and where in accordance with the provisions of Section 132D of the Companies Act, 1965 there is still in effect a resolution approving the issue of shares by the Company.

14. FURTHER STATUTORY AND OTHER GENERAL INFORMATION... cont'd

Article 37

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

Article 38

The Company may by ordinary resolution:

- (a) Consolidate and divide all of its share capital into shares of larger amounts than its existing shares
- (b)
 - (i) Cancel any shares which at the date of the passing of the resolution have not been taken, or agreed to be taken, by any person or which have been forfeited and diminish the amount of its capital by the amount of shares so cancelled.
 - (ii) Cancel any shares that have been purchased by the Company and extinguish all rights attaching to the shares including suspended rights in accordance with section 67A of the Act and the Guidelines.
- c) Sub-divide shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Act) and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred special rights, or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

Article 39

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

Article 40

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

14. FURTHER STATUTORY AND OTHER GENERAL INFORMATION... cont'dArticle 41

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

DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

9. The names, addresses and occupation of the Directors are set out in Section 2 of this Prospectus.
10. No Director, senior executive officer or person nominated to become a Director or senior executive officer is or was involved in the following events:-
- a petition under bankruptcy laws filed against such person or any partnership in which he was or is a partner or any corporation of which he was or is an executive officer;
 - a conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
 - the subject of any order, judgement or ruling of any court, tribunal or governmental body of competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, Director or employee of a financial institution or engaging in any type of business activity or practice.
11. There are no existing or proposed service contracts between the Directors and the Company or its subsidiaries excluding contracts expiring, or terminable by the employing company without payments or compensation (other than statutory compensation) within one(1) year.
12. For the financial year ended 31 December 1999, the remuneration paid to the Directors of the Company and its current subsidiaries amounted to RM942,000. For the current financial year ending 31 December 2000, the remuneration payable to the Directors is estimated to amount to RM988,000.
13. According to the Register of Directors of Supermax as at 22 June 2000, the beneficial interests of the Directors in the shares of the Company are as follows:-

	BEFORE THE INITIAL PUBLIC OFFERING				AFTER THE INITIAL PUBLIC OFFERING			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Thai Kim Sim, Stanley (a)	14,118,630	41.65	11,781,368	34.75	11,948,146	29.87	9,971,852	24.93
Tan Bee Geok, Cheryl (b)	11,781,368	34.75	14,118,630	41.65	9,971,852	24.93	11,948,146	29.87
Y.M. Dr Raja Lope bin Raja Shahrome (c)	1,200,000	3.53	-	-	1,210,000	3.03	-	-
Dr Tan Joo Chai	-	-	-	-	10,000	0.03	-	-
Ting Heng Peng	-	-	-	-	10,000	0.03	-	-
Tan Geok Swee @ Tan Chin Huat	-	-	-	-	10,000	0.03	-	-
Captain Dato' Mohamed Johan bin Dato Mohd Yusof	-	-	-	-	10,000	0.03	-	-
Zait bin Md Isa	-	-	-	-	10,000	0.03	-	-

Notes:

- (a) Deemed interested by virtue of the substantial shareholdings held by his wife Tan Bee Geok, Cheryl

14. FURTHER STATUTORY AND OTHER GENERAL INFORMATION... cont'd

- (b) *Deemed interested by virtue of the substantial shareholdings held by her spouse Thai Kim Sim, Stanley*
- (c) *Y. M. Dr. Raja Lope bin Raja Shahrome is also an Executive Director of Arab-Malaysian Bank Berhad, which is a related company of Arab-Malaysian, the adviser of the Company for the IPO, by virtue of the common holding company, AMMB Holdings Berhad.*
- * *The above interests includes the 10,000 shares allocated to each of the Directors of Supermax as part of the pink form allocation*

14. According to the Register of Substantial Shareholders of Supermax as at 22 June 2000, the substantial shareholders of Supermax and their respective direct and indirect interests in the shares of the Company are as follows:-

	BEFORE THE INITIAL PUBLIC OFFERING				AFTER THE INITIAL PUBLIC OFFERING			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Thai Kim Sim, Stanley (a)	14,118,630	41.65	11,781,368	34.75	11,948,146	29.87	9,971,852	24.93
Tan Bee Geok, Cheryl (b)	11,781,368	34.75	14,118,630	41.65	9,971,852	24.93	11,948,146	29.87
PNB	-	-	-	-	4,000,000	10.0	-	-
Lembaga Tabung Haji	4,800,000	14.2	-	-	4,800,000	12.0	-	-
Lembaga Tabung Angkatan Tentera	2,000,000	5.9	-	-	2,000,000	5.0	-	-
Y.M. Dr Raja Lope bin Raja Shahrome	1,200,000	3.5	-	-	1,210,000	3.0	-	-

Notes :

- (a) *Deemed interested by virtue of the substantial shareholdings held by his spouse Tan Bee Geok, Cheryl*
- (b) *Deemed interested by virtue of the substantial shareholdings held by her spouse Thai Kim Sim, Stanley*
- * *The above includes the 10,000 shares allocated to each of the Directors of Supermax as part of the pink form's allocation*

Information on the Offerors

Name	Address	Nationality	Occupation
Thai Kim Sim, Stanley	No. 3 Jalan USJ 2/1, Subang Jaya 47600 Petaling Jaya Selangor Darul Ehsan	Malaysian	Director
Tan Bee Geok, Cheryl	No. 3 Jalan USJ 2/1, Subang Jaya 47600 Petaling Jaya Selangor Darul Ehsan	Malaysian	Director

15. None of the Directors or current substantial shareholders of the Company has any interest, direct or indirect, in any business carrying on a similar trade as the Company or its subsidiaries and which is not quoted on a recognized stock exchange save as disclosed in Section 10 of this Prospectus.
16. Save as disclosed below, none of the Directors or substantial shareholders has any interest, direct or indirect, in the promotion of or in any assets which have, within the two(2) preceding years of the date of this Prospectus been acquired or disposed of by or leased to the Company and its subsidiaries, or are proposed to be acquired, disposed of by or leased to the Company and its subsidiaries or any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company and its subsidiaries as a whole.

14. FURTHER STATUTORY AND OTHER GENERAL INFORMATION... cont'd

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

SGM (Acquisition of SGM)	
Director / Substantial shareholder	Nature of interest
Thai Kim Sim, Stanley	Director and substantial shareholder of SGM
Tan Bee Geok, Cheryl	Director and substantial shareholder of SGM

MGM (Acquisition of MGM)	
Director / Substantial shareholder	Nature of interest
Thai Kim Sim, Stanley	Director and substantial shareholder of MGM
Tan Bee Geok, Cheryl	Director and substantial shareholder of MGM
Y.M. Dr Raja Lope bin Raja Shahrome	Director of MGM

SLP (Acquisition of SLP)	
Director / Substantial shareholder	Nature of interest
Thai Kim Sim, Stanley	Director and substantial shareholder of SLP
Tan Bee Geok, Cheryl	Director and substantial shareholder of SLP

GENERAL

17. The nature of the Company's business and the names of all corporations which are deemed related to the Company by virtue of Section 6 of the Companies Act, 1965 are disclosed in Section 6.7 of this Prospectus.
18. The time of the opening of the Application List is set out in Section 15 of this Prospectus.
19. The amount payable in full on application to the Company/Offerors is RM2.00 per Share.
20. Save as disclosed in Section 6.2, 6.3 and 6.7 of this Prospectus, no Shares or debentures of the Company and its subsidiaries have been issued or proposed to be issued as fully or partly paid-up for cash or otherwise than in cash within the two(2) preceding years of the date of this Prospectus.
21. As at the date of this Prospectus, neither the Company nor its subsidiaries have any convertible debt securities.
22.
 - a) Underwriting commission is payable to the Underwriters at the rate of 2.25% the issue price of RM2.00 per Share on the Public Issue Shares being underwritten which form the subject of this Prospectus together with the Offer For Sale Shares;
 - b) Management fees of 0.25% is payable to the Managing Underwriter;
 - c) Brokerage will be paid at the rate of 1% of the Public Issue of RM2.00 per Share to the parties in the circumstances specified in Section 5.8 of this Prospectus;
 - d) Fees incidental to the listing of and quotation for the entire issued and paid-up share capital of the Company on the Second Board of the KLSE amounting to RM1.2 million will be borne by the Company; and
23. Save as disclosed in paragraph 22, no commission, discount, brokerages or other special terms have been paid or granted within the two preceding years of the date of this Prospectus or is payable by the Company and its subsidiaries within the two(2) years immediately preceding the date of this Prospectus for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Shares in or debentures of the Company and its subsidiaries and no Director or proposed Director or promoter or expert is entitled to receive any such payment.

14. FURTHER STATUTORY AND OTHER GENERAL INFORMATION... *cont'd*

24. No amount or benefit has been paid or given within the two(2) years preceding the date hereof, nor is it intended to be paid or given, in his/her capacity as a Promoter.
25. The name and address of the Auditors are set out in Section 2 of this Prospectus.
26. Save as disclosed in Section 3 of this Prospectus, the Directors of the Company and its subsidiaries are not aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Company and its subsidiaries.
27. Save as disclosed in Section 3 of this Prospectus, the Directors of the Company and its subsidiaries are of the view that the financial conditions and operations of the Company and its subsidiaries are not affected by any of the following:-
- a) Known trends or known demands, commitments, events or uncertainties that will result in or are reasonable likely to result in the Company's liquidity increasing or decreasing in any material way;
 - b) Material commitments for capital expenditure;
 - c) Unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from operations; and
 - d) Known trends or uncertainties that have had or that the Company reasonably expects will have a material favourable or unfavourable impact on revenues or operating income.
28. With the exception of the Public Issue, there is no present intention on the part of the Directors of the Company to issue any part of the authorised but unissued share capital of the Company.
29. During the last financial year and the current financial year, there were:-
- a) no public takeover offers by third parties in respect of the Company's shares; and
 - b) no public takeover offers by the Company in respect of other companies' shares.
30. Other than the 2,000,000 shares reserved for Directors, eligible employees and business associates of Supermax Group pursuant to this Prospectus, there are at present no other schemes involving the staff, the Directors and business associates in the capital of the Company and its subsidiaries as at the date of this Prospectus.
31. The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 15 of this Prospectus.

MATERIAL CONTRACTS, LITIGATION AND CONTINGENT LIABILITIES

32. Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by the Company and its subsidiaries within the two(2) years preceding the date of this Prospectus:-
- a) Sale and Purchase Agreements dated 9 August 1999 between Supermax and Thai Kim Sim, Stanley and Ms Tan Bee Geok, Cheryl for the Acquisitions of SGM, MGM and SLP for a purchase consideration of RM5,941,630, RM6,244,862 and RM4,807,844 respectively to be satisfied by the issuance of Shares in Supermax at an issue price of approximately RM1.05 per Share;

14. FURTHER STATUTORY AND OTHER GENERAL INFORMATION... cont'd

- b) Underwriting Agreement dated 22 June 2000 between Supermax and the Underwriters for the underwriting of shares in Supermax pursuant to the Public Issue for an underwriting commission of 2.25% of the issue price of RM2.00 per Share to the Underwriters;
 - c) Agreement dated 28 October 1998 between MGM and Tan Loong & Sons Construction Sdn. Bhd for the construction of the proposed latex glove manufacturing facility at Lot 5128, Off Jalan Kenangan, 6th Mile, Off Jalan Meru, Klang, Selangor for a total contract sum of RM1,150,000 payable in cash;
 - d) Sale and Purchase Agreement dated 6 May 1999 between SGM and Landvest Sdn Bhd for the acquisition of the piece of land identified as Developer Plot No.38, Rahman Putra Industrial Park, Mukim of Rawang, Gombak District, Selangor for a cash consideration of RM4,000,000; and
 - e) Sale and Purchase Agreement dated 19 January 2000 between MGM and Teng Swee Kim & Sons Sdn Bhd for the acquisition of a piece of vacant industrial land held under C T 20876, Lot No 6068 Mukim Kapar Daerah Klang, Negeri Selangor for a cash consideration of RM3,707,000.
33. The Company and its subsidiaries are not engaged in any litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Company and its subsidiaries and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and/or adversely affect the position or business of the Company and its subsidiaries.
34. As at the date of this Prospectus, the Company and its subsidiaries do not have outstanding contingent liabilities.

CONSENTS

35. The consent of the Adviser and Managing Underwriter, Underwriters, Solicitors, Principal Bankers, Registrars and Issuing House to the inclusion in this Prospectus of their names in the context and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
36. The consent of the Reporting Accountants for the inclusion in this Prospectus of their name, letter on the Profit Forecast, letter on the Proforma Consolidated Balance Sheets and Accountants' Report in the manner and form in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
37. The consent of the Valuers for the inclusion in this Prospectus of their name and their letter on Supermax's properties in the manner and form in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
38. The consent of Vital Factor Consulting Sdn Bhd for the inclusion in this Prospectus of their name and Industry Assessment Report dated 9 August 1999 and Update Letter on the Industry Assessment dated 26 June 2000 on the industry and economic statistics in the manner and form in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

14. FURTHER STATUTORY AND OTHER GENERAL INFORMATION... *cont'd*

DOCUMENTS FOR INSPECTION

39. Copies of the following documents may be inspected at the registered office of the Company during office hours for a period of six(6) months from the date of the Prospectus :
- (a) Memorandum and Articles of Association of Supermax and its subsidiaries;
 - (b) Directors' Report, Accountants' Report and Valuers' Letter as included herein;
 - (c) Auditors' Letters relating to the Consolidated Profit Forecast and Proforma Consolidated Balance Sheets as included herein;
 - (d) Audited accounts of SGM for the three(3) financial years ended 30 June 1995 till 1997, six(6) months ended 31 December 1997 and two(2) financial years ended 31 December 1999;
 - (e) Audited accounts of MGM for the three(3) financial years ended 30 April 1995 till 1997, eight(8) months ended 31 December 1997 and two(2) financial years ended 31 December 1999;
 - (f) Audited accounts of SLP for the five(5) financial years ended 31 December 1999;
 - (g) The material contracts referred to under the Section "Material Contracts, Litigation and Contingent Liabilities"; and
 - (h) The letters of consent referred to under the Section "Consents" of this Prospectus.

RESPONSIBILITY

40. Arab-Malaysian Merchant Bank Berhad acknowledges that, to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts about the IPO and the Supermax Group, and is satisfied that the consolidated profit forecast which has been reviewed by the Reporting Accountants (for which the Directors of the Company are solely responsible) have been stated by the Directors of the Company after due and careful inquiry.
41. This Prospectus has been seen and approved by the Directors of the Company and the Offerors, and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable inquiries and to the best of their knowledge and belief, there are no other material facts the omission of which would make any statement herein misleading.