

This Prospectus has been seen and approved by the Directors and Promoters of Aikbee Resources Berhad ("Aikbee") and the Offerors and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statements herein false or misleading.

The Adviser and Managing Underwriter acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the public offering and are satisfied that the profit forecast (for which the Directors of Aikbee are fully responsible) prepared for inclusion in the prospectus has been stated by the Directors after due and careful enquiry and has been duly reviewed by the Reporting Accountants.

The Securities Commission ("SC") has approved the issue, offer or invitation in respect of the public offering and that the approval shall not be taken to indicate that the SC recommends the public offering.

The SC shall not be liable for any material non-disclosure on the part of Aikbee and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.

The valuation approved or accepted by the SC shall only be utilised for the purpose of the corporate proposals submitted to and approved by the SC, and shall not be construed as an endorsement by the SC on the value of the subject assets for any other purposes.

The Kuala Lumpur Stock Exchange assumes no responsibility for the correctness of any of the statements made or opinions expressed in this prospectus. Admission to the Official List is not to be taken as an indication of the merits of Aikbee or of its securities.

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

TENTATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for Aikbee's entire issued and paid-up share capital of RM50,000,000 on the Second Board of the Kuala Lumpur Stock Exchange is set out below:-

Date	Event
30 March 2001	Issue of Prospectus/Opening date of the Public Issue/Offer for Sale
12 April 2001	Closing date of the Public Issue/Offer for Sale
16 April 2001	Tentative date for Balloting of Applications
3 May 2001	Tentative Listing date

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 8.00 P.M. ON 12 APRIL 2000 OR SUCH FURTHER PERIOD OR PERIODS AS THE DIRECTORS AND/OR PROMOTERS OF AIKBEE TOGETHER WITH THE UNDERWRITERS MAY DECIDE.

DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Prospectus: -

ABSabah	- Aikbee Timbers (Sabah) Sdn Bhd (205559-H), a wholly-owned subsidiary of Aikbee
ABSarawak	- Aikbee Timbers (Sarawak) Sdn Bhd (227966-T), a wholly-owned subsidiary of Aikbee
ABSawmill	- Aikbee Sawmill Sdn Bhd (4022-X), a wholly-owned subsidiary of Aikbee
Acquisition of ABSabah	- Acquisition by Aikbee of the entire issued and paid-up share capital of ABSabah comprising 3,931,200 Shares for a purchase consideration of RM22,744,804 satisfied by the issuance of 15,686,073 Shares in Aikbee at an issue price of RM1.45 per Share credited as fully paid-up which was completed on 20 December 2000
Acquisition of ABSarawak	- Acquisition by Aikbee of the entire issued and paid-up share capital of ABSarawak comprising 3,000,000 Shares for a purchase consideration of RM15,573,103 satisfied by the issuance of 10,740,071 Shares in Aikbee at an issue price of RM1.45 per Share credited as fully paid-up which was completed on 20 December 2000
Acquisition of ABSawmill	- Acquisition by Aikbee of the entire issued and paid-up share capital of ABSawmill comprising 604,800 Shares for a purchase consideration of RM16,374,691 satisfied by the issuance of 11,292,890 Shares in Aikbee at an issue price of RM1.45 per Share credited as fully paid-up which was completed on 20 December 2000
Acquisitions	- Acquisition of ABSabah, ABSarawak and ABSawmill collectively
Act	- Companies Act, 1965
ADA	- Authorised Depository Agent
ADA Code	- ADA (Broker) Code
Aikbee or the Company	- Aikbee Resources Berhad (428890-D)
Aikbee Group or the Group	- Aikbee and its subsidiaries
Application	- Refers to application for the IPO Shares by way of Application Forms or by way of Electronic Share Application
Application Form	- Application for IPO Shares by way of a printed Application Form
Arab-Malaysian	- Arab-Malaysian Merchant Bank Berhad (23742-V)

DEFINITIONS (Cont'd)

ATM	- Automated Teller Machine
CDS	- Central Depository System
EBIDTA	- Earnings before interest, depreciation, taxation and amortisation
Electronic Share Application	- Application for IPO Shares through a Participating Financial Institution's ATM
EPS	- Earnings Per Share
FIC	- Foreign Investment Committee
GDP	- Gross Domestic Product
Initial Public Offering or IPO	- Public Issue and Offer for Sale collectively
IPO Shares	- Public Issue Shares and Offer Shares collectively
KLSE	- Kuala Lumpur Stock Exchange
Listing	- Admission to the Official List and the listing of and quotation for the entire issued and paid-up share capital of Aikbee of RM50,000,000 comprising 50,000,000 Shares on the Second Board of the KLSE
MCD or Central Depository	- Malaysian Central Depository Sdn Bhd
MIH or Issuing House	- Malaysian Issuing House Sdn Bhd
MITI	- Ministry of International Trade and Industry
NTA	- Net Tangible Assets
Offer for Sale or Offer	- Offer for Sale of 4,600,000 Shares in Aikbee at an offer price of RM2.10 per share by the Offerors to Bumiputera investors approved by MITI and to the Malaysian public as follows: -

	No. of Shares
Bumiputera investors approved by MITI	3,200,000
Malaysian Public	1,400,000
Total	4,600,000

DEFINITIONS (Cont'd)

Offer Shares - The 4,600,000 Shares in Aikbee, which are the subject of the Offer for Sale.

Offerors - The offerors of the Offer Shares and the respective number of Aikbee Shares offered for sale are as follows: -

Name	No. of Shares
Aikbee Timbers Sdn Bhd	459,683
Lim Yen Siew @Tan Sit Seng	437,933
Yap Kin Thai	22,774
Tan Aik Hooi	195,198
Tan Aik Hong	195,198
Tan Cheng Laye	193,558
Tan Aik Thor	193,558
Yap Keat Choon	71,427
Low Chee Hock	17,873
Sit Seng & Sons Realty Sdn Bhd	608,833
Astaka Budi Sdn Bhd	1,240,684
Kamal Bin Abu	413,165
Mohd Nor Bin Hussain	137,529
Harun Bin Abdul Samad	137,529
Halimah Binti Hashim	137,529
Mohd Raini Bin Mohamed Junus	137,529
TOTAL	4,600,000

Participating Financial Institution(s) - Refers to the Participating Financial Institutions for Electronic Share Application as listed in Section 12.9 of this Prospectus

PAT - Profit After Tax

PBT - Profit Before Tax

PE Multiple - Price Earnings Multiple

Public Issue - Public Issue of 8,000,000 new Shares in Aikbee at an issue price of RM2.10 per Share to eligible employees, Directors, business associates (which includes the suppliers, contractors, agents and customers) of the Group, Bumiputera investors approved by MITI and the Malaysian public as follows :-

	No. of Shares
Eligible employees, Directors and business associates of Aikbee	2,500,000
Bumiputera investors approved by MITI	1,650,000
Malaysian Public	3,850,000
Total	8,000,000

Public Issue Shares - The 8,000,000 Shares in Aikbee, which are the subject of the Public Issue

DEFINITIONS *(Cont'd)*

R&D	- Research and development
Rights Issue	- Rights Issue of 4,280,964 new Shares in Aikbee at an issue price of RM1.60 per Share on the basis of approximately 1 Share for every 8.81 Shares held after the Acquisitions
RM and sen	- Ringgit Malaysia and sen respectively
SC	- Securities Commission
Share(s)	- Ordinary share(s) of RM1.00 each

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Name	Address	Occupation	Nationality
Dato' Mohd Nor Bin Abdul Wahid	No 86 Jalan G 3 Taman Melawati 53100 Kuala Lumpur	Chairman and Independent Non- Executive Director	Malaysian
Lim Yen Siew @ Tan Sit Seng	7 Jalan 10 Overseas Union Garden 5th Mile, Jalan Kelang Lama 58200 Kuala Lumpur	Deputy Chairman and Executive Director	Malaysian
Tan Aik Hong	7 Jalan 10 Overseas Union Garden 5th Mile, Jalan Kelang Lama 58200 Kuala Lumpur	Managing Director	Malaysian
Tan Aik Hooi	7 Jalan 10 Overseas Union Garden 5th Mile, Jalan Kelang Lama 58200 Kuala Lumpur	Non-Executive Director	Malaysian
Yap Keat Choon	1 st Floor Lot 3 Taman Wemin Shophouse WDT 75 PPJU Batu 11/2 90309 Sandakan, Sabah	Executive Director	Malaysian
Low Chee Hock	473 Jalan 1/115A Taman Kuchai Jaya Jalan Kuchai Lama 58200 Kuala Lumpur	Executive Director	Malaysian
Mohd Zaki Bin Hamzah	15, Jalan Sri Hartamas 4 Sri Hartamas 50482 Kuala Lumpur	Executive Director	Malaysian
Kamal Bin Abu	KN 245 74 Jalan Nakhoda Tengah Kampung Nakhoda Batu Caves 68100 Kuala Lumpur	Executive Director	Malaysian
Li Lim Shiu @ Lee Chee Chow	145 Lorong Maarof Bangsar Park 59000 Kuala Lumpur	Independent Non- Executive Director	Malaysian

AUDIT COMMITTEE

Name	Responsibility	Directorship
Dato' Mohd Nor Bin Abdul Wahid	Chairman	Chairman and Independent Non-Executive Director
Tan Aik Hong	Member	Managing Director
Li Lim Shiu @ Lee Chee Chow	Member	Independent Non-Executive Director

CORPORATE INFORMATION *(Cont'd)*

COMPANY SECRETARY

Liew Woon Lee (MAICSA No: 7022612)
Management Advisory Services Sdn Bhd (44198-U)
B-8-7 Megan Phileo Promenade
189 Jalan Tun Razak
50400 Kuala Lumpur

REGISTERED OFFICE

B-8-7 Megan Phileo Promenade
189 Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03 – 2161 6322
Fax: 03 – 2161 0501

HEAD OFFICE

3rd Floor, Pearl Point Shopping Mall
5th Mile, Jalan Kelang Lama
58000 Kuala Lumpur
Tel: 03 781 3333/03 783 3311
Fax:03 781 5566
E-Mail:aikbee@tm.net.my

REGISTRARS & TRANSFER OFFICE

PFA Registration Services Sdn Bhd (19234-W)
Level 13 Uptown 1
No 1 Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan

ADVISER AND MANAGING UNDERWRITER

Arab-Malaysian Merchant Bank Berhad (23742-V)
22nd Floor, Bangunan Arab-Malaysian
55 Jalan Raja Chulan
50200 Kuala Lumpur

UNDERWRITERS

Arab-Malaysian Merchant Bank Berhad (23742-V)
22nd Floor, Bangunan Arab-Malaysian
55 Jalan Raja Chulan
50200 Kuala Lumpur

Arab-Malaysian Securities Sdn Bhd (92977-U)
15th Floor, Bangunan Arab-Malaysian
55 Jalan Raja Chulan
50200 Kuala Lumpur

SBB Securities Sdn Bhd (100518-M)
51-53 Persiaran Greenhill
30450 Ipoh
Perak Darul Ridzuan

AUDITORS & REPORTING ACCOUNTANTS

Folks DFK & Co. (AF 0502)
Public Accountants
Suite 4024, 4th Floor
President House
Jalan Sultan Ismail
50250 Kuala Lumpur

CORPORATE INFORMATION *(Cont'd)*

SOLICITORS FOR IPO

Manjit Singh Sachdev, Mohammad Radzi & Partners
Advocates and Solicitors
No 79, 1st & 2nd Floors
SS15/8A
47500 Subang Jaya
Selangor Darul Ehsan

ISSUING HOUSE

Malaysian Issuing House Sdn Bhd (258345-X)
27th Floor, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur

PRINCIPAL BANKERS

Bangkok Bank Berhad (299740-W)
105 Jalan Tun H S Lee
50000 Kuala Lumpur

Southern Bank Berhad (5303-W)
6055 Jalan Jambu Gajus
Jinjang Selatan
52000 Kuala Lumpur

Southern Bank Berhad (5303-W)
Block B Lot No.2
Bandar Ramai-Ramai
Jalan Leila, Sandakan
90000 Sabah

HSBC Bank Malaysia Berhad (127776-V)
No 1 Jalan Pelabuhan/Leboh 3
Sandakan
90000 Sabah

Bumiputra-Commerce Bank Berhad (13491-P)
(formerly known as Bank of Commerce (M) Bhd)
Lower Floor Lot 1205 & 1208
Block 36 Jalan Masjid
96100 Sarikei
Sarawak

VALUER

Rahim and Co. (Sel) Sdn Bhd (123157-K)
36 Jalan Yong Shook Lin
Section 52, 46200 Petaling Jaya
Selangor Darul Ehsan

LISTING SOUGHT

Second Board of the KLSE

AIKBEE RESOURCES BERHAD

(Company No.428890-D)
(Incorporated in Malaysia under the Companies Act, 1965)

THE FOLLOWING INFORMATION SUMMARY IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE AIKBEE GROUP, AND INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST.

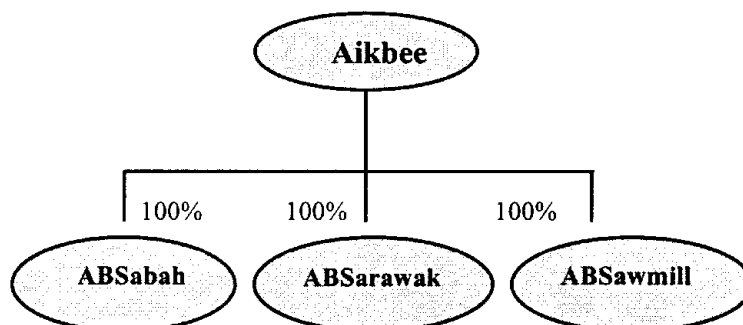
1. INFORMATION SUMMARY

1.1 History and Business

Aikbee was incorporated in Malaysia on 25 April 1997 under the Companies Act, 1965 by the name of Natoriental Terrace (M) Sdn Bhd. On 9 September 1997, it changed its name to Aikbee Resources Sdn Bhd. On 17 September 1997, it was converted to a public limited company and assumed its present name, Aikbee Resources Berhad. Aikbee is an investment holding company.

The Aikbee Group is principally involved in the logging and/or sawmilling business in the states of Sabah, Sarawak, Wilayah Persekutuan and Pahang in Malaysia. It is also involved in the production of downstream products such as railway sleepers, truck bodies, truck bolsters, finger-joints, building materials such as architraves, door and window frames, wheelbarrow handles, timber skirting, cornices, floor strips and other wooden finished products. The Group is headed by one of the promoters, Mr. Lim Yen Siew @ Tan Sit Seng together with the Directors and senior management of Aikbee.

The Group's corporate structure is set out below:-



1. INFORMATION SUMMARY (Cont'd)

The principal activities of its subsidiaries are as follows:-

Company	Date and Place of Incorporation	Issued and paid-up share capital RM	Equity Interest %	Principal Activities
ABSabah	5.10.1990 Malaysia	3,931,200	100	Manufacturing of moulding timber, merchant and sawmilling of timber, log extraction sub-contractor, replanting and plantation management
ABSarawak	30.10.1991 Malaysia	3,000,000	100	Timber sawmilling and manufacturing of moulding timber
ABSawmill	20.12.1960 Malaysia	604,800	100	Sub-contractor and merchant of logs, timber operation, and property investment

ABSabah is principally involved in log extraction, sawmilling, downstream manufacturing activities and plantation management. ABSabah sources its logs from concessionaires, brokers and agents. It has set up a kiln-drying, timber tanalising and moulding plant which commenced operations in October 1997. The company now manufactures products such as finger joints, architraves, timber skirting, timber cornices, door and window frames, tanalised timber, railway sleepers, truckboard, bolders and finger joints.

ABSarawak was incorporated on 30 October 1991 and commenced business in 1995 in Sarawak. The company purchases from the log concessionaires to produce sawn timber, railway sleepers, truck bodies and truck bolsters. The sawmill is located in Tanjung Manis, identified by the Sarawak Timber Development Council as the State Timber Development Zone. The sawmill has a dock of its own by Sungei Rejang near South China Sea to transport goods for shipment with barges.

ABSawmill is primarily involved in the business of logging. It sources its logs from Pahang and thereafter sells the logs to ABSabah for processing in a sawmill in Kepong. Since 1994, the company has been harvesting logs from the land held by various Bumiputera concessionaires under short-term contracts. Its current logging agreements have a predetermined purchase price agreed upon by both the concessionaire and the company.

The information on the Aikbee Group is detailed in Section 4.

1. INFORMATION SUMMARY (Cont'd)

1.2 Promoters, Major Shareholders, Directors and Key Management of Aikbee

No. of ordinary shares held after Public Issue and Offer For Sale					
	Designation / Principal Activities	Direct *		Indirect	
		No. of shares	%	No. of shares	%
Dato' Mohd Nor Abdul Wahid	Chairman & Independent Non-Executive Director	-	-	-	-
Aikbee Timbers Sdn Bhd	Promoter/Property Development & Investment Holding	6,476,552	12.95	-	-
Lim Yen Siew @ Tan Sit Seng	Promoter, Deputy Chairman & Executive Director and substantial shareholder	3,560,590	7.12	21,882,976#	43.77
Yap Kin Thai	Promoter & substantial shareholder	185,151	0.37	25,258,415#	50.52
Tan Aik Hooi	Promoter, Non-Executive Director & substantial shareholder	1,597,045^	3.19	23,846,521#	47.69
Tan Aik Hong	Promoter, Managing Director & substantial shareholder	1,587,045	3.17	23,856,521#	47.71
Tan Cheng Laye	Promoter & substantial shareholder	1,573,715	3.15	23,869,851#	47.74
Tan Aik Thor	Promoter & substantial shareholder	1,573,715	3.15	23,869,851#	47.74
Tan Aik Kiong	Promoter & substantial shareholder	-	-	25,443,566#	50.89
Tan Aik Chong	Promoter & substantial shareholder	-	-	25,443,566#	50.89
Yap Keat Choon	Promoter, Executive Director & substantial shareholder	590,732^	1.18	24,852,834#	49.70
Low Chee Hock	Promoter & Executive Director	155,314^	0.31	-	-
Sit Seng & Sons Realty Sdn Bhd	Promoter/Investment Holding	8,299,021	16.60	6,476,552	12.95
Kamal Bin Abu	Promoter/Executive Director	3,369,212^	6.72	-	-
Astaka Budi Sdn Bhd	Promoter/Investment Holding	3,999,230	8.0	-	-
Siti Hapzah Binti Ali	Promoter & substantial shareholder	-	-	3,999,230@	8.0
Dato' Seri Utama Tan Sri Abdul Samad Bin Idris	Promoter & substantial shareholder	-	-	3,999,230@	8.0
Mohd Zaki bin Hamzah	Executive Director	10,000^	0.02	-	-
Li Lim Shiu @ Lee Chee Chow	Independent Non-executive Director	10,000^	0.02	-	-
<u>Key Management of Aikbee*</u>					
Lim Chong Kee	Group Export Manager	10,000^	0.02	-	-
Chan Si Hing	Group Finance Manager	10,000^	0.02	-	-
Choo Kow Boon	Group Administration & Personnel Manager	10,000^	0.02	-	-
Tan Kek Chuan	Group Forestry Manager	10,000^	0.02	-	-
Kang Ah Peng	Sawmill Manager of ABSarawak	10,000^	0.02	-	-
Soo Theaw Chee	Director & Chief Accountant of ABSawmill	10,000^	0.02	-	-
Tan Teong Choon	Director of ABSabah	10,000^	0.02	-	-

1. INFORMATION SUMMARY (Cont'd)

- # Deemed interested by virtue of his/her and his/her family shareholdings in Sit Seng & Sons Realty Sdn Bhd and Aikbee Timbers Sdn Bhd and his/her family shareholdings
- * There are no shareholding in Aikbee, direct or indirect, held by any key management personnel (except for their pink form allocation pursuant to the IPO, as indicated above).
- ^ Including the pink form allocation pursuant to the IPO
- @ Deemed interested by virtue of his/her shareholdings in Astaka Budi Sdn Bhd

The information of the Promoters, Substantial Shareholders and Directors of Aikbee Group are detailed in Section 5.1, 5.2 and 5.4 respectively.

1.3 Financial Statistics

The following table which has been extracted from the Accountants' Report in Section 10 of this Prospectus and should be read in conjunction with the notes and assumptions thereto, sets out a summary of the proforma consolidated audited results of the Aikbee Group for the past five (5) financial years ended 31 December 1999 and 9 months ended 30 September 2000 and unaudited results for the financial year ended 31 December 2000. It has been prepared for illustrative purposes only based on the audited accounts of Aikbee Group and the assumption that the current structure of the Group has been in existence throughout the periods under review:-

	Audited					9 months ended 30.9.2000 RM'000	Unaudited 12 months ended 31.12.2000 RM'000
	Financial Year Ended 31 December						
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000		
Turnover	32,117	55,241	62,680	78,300	99,272	82,419	113,480
EBIDTA	6,724	13,387	15,913	18,256	20,073	14,142	20,232
Interest expense	(766)	(2,784)	(3,612)	(5,540)	(3,853)	(2,372)	(3,182)
Depreciation	(1,212)	(1,606)	(2,317)	(2,384)	(2,502)	(1,663)	(2,976)
Amortisation	-	-	-	-	-	-	-
Operating profit	4,746	8,997	9,984	10,332	13,718	10,107	14,074
Exceptional item	-	-	-	-	(1,418)	(147)	(202)
PBT	4,746	8,997	9,984	10,332	12,300	9,960	13,872
Taxation	(1,501)	(2,775)	(2,855)	(3,076)	(8)	(2,968)	(4,302)
PAT	3,245	6,222	7,129	7,256	12,292	6,992	9,570
No. of Shares assumed to be in issue #	37,719	37,719	37,719	37,719	37,719	37,719	37,719
Gross EPS (sen)	12.58	23.85	26.47	27.39	32.61	35.0*	36.8
Net EPS (sen)	8.60	16.50	18.90	19.24	32.59	25.0*	25.4
Dividend rate (%)	-	-	-	-	-	-	-

Notes:-

- * annualised.
- # Assuming that the Acquisitions had taken effect throughout the years and the share capital of the Aikbee Group is 37,719,036 shares.
- i) The PBT for 1999 and financial period/year ended 30 September 2000 and 31 December 2000 were stated after charging tax penalties in respect of tax liabilities of prior years. Other than as stated, there were no extraordinary items and exceptional items in all the financial years under review
- ii) All the accounts were reported on without any qualifications throughout the relevant periods under review.

The financial information of the Aikbee Group are detailed in Section 7.

1. INFORMATION SUMMARY (Cont'd)

1.4 Proforma Consolidated Balance Sheets of Aikbee as at 30 September 2000

	Audited Balance Sheet of Aikbee as at 30 September 2000 RM	Proforma I RM	Proforma II RM	Proforma III RM	Proforma IV RM
PROPERTY, PLANT AND EQUIPMENT	-	52,888,989	52,888,989	52,888,989	54,888,989
CURRENT ASSETS					
Inventories	-	26,052,900	26,052,900	26,052,900	26,052,900
Trade debtors	-	18,018,916	18,018,916	18,018,916	18,018,916
Other debtors, deposit and prepayments	-	32,331,315	32,331,315	32,331,315	32,331,315
Deposits, cash and bank balances	-	503,918	7,353,460	22,653,460	8,653,460
	-	76,907,049	83,756,591	99,056,591	85,056,591
CURRENT LIABILITIES					
Trade creditors	-	6,895,271	6,895,271	6,895,271	6,895,271
Other creditors and accruals	669,567	7,442,784	7,442,784	6,773,215	6,773,215
Hire purchase creditors	-	510,598	510,598	510,598	510,598
Amount owing to directors	-	555,507	555,507	555,507	555,507
Bank borrowings	-	32,946,905	32,946,905	32,946,905	20,946,905
Taxation	-	12,262,861	12,262,861	12,262,861	12,262,861
	669,567	60,613,926	60,613,926	59,944,357	47,944,357
NET CURRENT (LIABILITIES) / ASSETS	(669,567)	16,293,123	23,142,665	39,112,234	37,112,234
Deferred Expenditure	669,569	669,569	669,569	-	-
	2	69,851,681	76,701,223	92,001,223	92,001,223
<i>Financed by :</i>					
Share Capital	2	37,719,036	42,000,000	50,000,000	50,000,000
Reserve on Consolidation	-	6,991,753	6,991,753	6,991,753	6,991,753
Share Premium	-	16,973,564	19,542,142	26,842,142	26,842,142
SHAREHOLDERS' FUNDS	2	61,684,353	68,533,895	83,833,895	83,833,895
LONG TERM AND DEFERRED LIABILITIES					
Hire purchase and lease creditors	-	366,532	366,532	366,532	366,532
Term loans (secured)	-	7,271,996	7,271,996	7,271,996	7,271,996
Deferred taxation	-	528,800	528,800	528,800	528,800
	2	69,851,681	76,701,223	92,001,223	92,001,223
NTA per share (RM)	(334,784)	1.62	1.62	1.68	1.68

The notes to the proforma consolidated balance sheets as at 30 September 2000 and the Reporting Accountants' letter are set out in Section 7 of this Prospectus.

Notes:-

Proforma I – Based on the assumption that the revaluation surplus amounting to RM24,907,051 have been incorporated and that the acquisition of the entire issued and paid-up capital of ABSawmill, ABSabah and ABSarawak by Aikbee have been effected.

1. INFORMATION SUMMARY (Cont'd)

Proforma II – Incorporates Proforma I and the Rights Issue of 4,280,964 new Shares at an issue price of RM1.60 on basis of approximately one new ordinary share for every 8.81 existing ordinary shares held after the acquisition of ABSabah, ABSarawak and ABSawmill.

Proforma III – Incorporates Proforma I and II and the Public Issue of 8.0 million new Shares at an issue price of RM2.10 per Share and after adjustment for estimated listing expenses of RM1.5 million against the Share Premium account.

Proforma IV – Incorporates Proforma I, II and III and the proposed utilisation of proceeds from the Rights Issue and Public Issue of shares.

The Proforma Consolidated Balance Sheets of Aikbee as at 30 September 2000 and the Reporting Accountants' letter are contained in Section 7.9 and 7.10.

1.5 Risk Factors

The following is a list of some of the main investment considerations (which may not be exhaustive) as extracted from Section 3 of this Prospectus which applicants for the IPO Shares should carefully consider in addition to other information contained elsewhere in this Prospectus before applying for the IPO Shares:-

- (i) Sensitivity to Political and Economic Risks – As in any other business, Aikbee is subject to risks inherent in the timber and export industry. The timber and timber related industry could in turn be sensitive to the economic downturn as it is primarily reliant on consumer demand and the construction industry.
- (ii) Supply of Logs – The long term viability of the timber industry is dependent on the availability of consistent and sustainable logs supply.
- (iii) Fluctuation in Log Prices - With logs as the predominant raw material, log price fluctuation has a significant influence to the Group's profitability.
- (iv) Fluctuation in Product Prices – Fluctuation in the selling price of timber products is an inherent risk.
- (v) Foreign Exchange Fluctuations – Predominantly an export-oriented company, Aikbee's exports to overseas markets subject the Group to foreign exchange fluctuations.
- (vi) Sabah Operations on Land with Temporary Occupancy Licence – The current Sabah sawmill operation is located on a piece of land with temporary licence issued by the Pegawai Perhutanan Telupid.
- (vii) Competition – The products of the Aikbee Group might face competition from both the local and foreign timber producers such as Indonesia, Cambodia and Myanmar.

1. INFORMATION SUMMARY *(Cont'd)*

- (viii) No Prior Market for Aikbee Shares – There can be no assurance of an active market for Aikbee shares upon its listing on the Second Board of the KLSE.
- (ix) Control by Substantial Shareholders – After the IPO, the Tan family will collectively own 50.84% of the Company's issued and paid-up share capital both directly and indirectly. They will effectively control the outcome of certain matters requiring voting of shareholders.
- (x) Continued Experience Management and Technical Expertise – The loss of any key members of the Company may adversely affect the Company's continued ability to perform.
- (xi) Achievability of Forecasts – There can be no assurance that the forecasts contained herein will be realised and investors will be deemed to have read and understood the assumptions and uncertainties underlying the forecasts that are contained herein.
- (xii) Business Risk - Apart from the log supply availability, fluctuation in log prices, fluctuation in product prices and foreign exchange fluctuations highlighted above, other business risks include risk of over expansion, labour supply shortage, increase in labour and overhead costs, demand for timber products and collectibility of debts.

Details of the risk factors are set out in Section 3 of this Prospectus.

1.6 *Principal Statistics Relating to the Public Issue and Offer For Sale*

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

AUTHORISED SHARE CAPITAL	
· 100,000,000 ordinary shares of RM1.00 each	RM 100,000,000
ISSUED AND FULLY PAID UP SHARE CAPITAL :	
· Existing 42,000,000 ordinary shares of RM1.00 each	RM42,000,000
TO BE ISSUED PURSUANT TO THE PUBLIC ISSUE:	
· 8,000,000 ordinary shares of RM1.00 each	RM8,000,000
	<u>RM50,000,000</u>
TO BE OFFERED PURSUANT TO THE OFFER FOR SALE :	
· 4,600,000 ordinary shares of RM1.00 each	RM4,600,000
IPO PRICE PER SHARE	RM2.10

1.7 *Proforma Consolidated NTA and NTA Per Share*

Proforma Consolidated NTA as at 30 September 2000 (after taking into account the Acquisitions, Rights Issue, Public Issue and estimated listing expenses of RM1,500,000)	RM83,833,895
Proforma Consolidated NTA per Share	RM1.68

Detailed calculations of the Proforma Consolidated NTA are set out in Section 7.9 of this prospectus.

1. INFORMATION SUMMARY (Cont'd)

1.8 Highlights of the Consolidated Profit Forecast**Financial Year Ending 31 December 2001**

Consolidated PBT (RM'000)	17,312
Consolidated PAT (RM'000)	11,768
No. of shares in issue ('000)	50,000
Gross EPS (sen)*	34.6
Net EPS (sen) *	23.5
Gross PE based on the IPO price of RM2.10 per Share (times)	6.1
Net PE based on the IPO price of RM2.10 per Share (times)	8.9

* Based on enlarged share capital of 50.0 million.

DIVIDEND FORECAST**Financial Year Ending 31 December 2001**

Gross dividend per ordinary share (%)	5.0
Net dividend per ordinary share (%)	3.6
Gross dividend yield based on the IPO price of RM2.10 per share (%)	2.4
Net dividend yield based on the IPO price of RM2.10 per share (%)	1.7
Net dividend cover (times)	6.5

The details of the IPO are contained in Section 2.

1.9 Basis of Arriving at the Issue / Offer Price

The IPO price of RM2.10 per Share was determined and agreed upon by the Company and Arab-Malaysian as Adviser and Managing Underwriter based on various factors including the following:-

- i) the proforma forecast net PE multiples of approximately 8.9 times based on the proforma forecast net EPS of 23.5 sen;
- ii) the future plans and prospects of the Aikbee Group as outlined in Section 4.9 of this Prospectus; and
- iii) the proforma consolidated NTA per Share of Aikbee as at 30 September 2000 of RM1.68.

The Directors of Aikbee and Arab-Malaysian are of the opinion that the IPO Price is fair and reasonable after careful consideration of the abovementioned factors.

However, shareholders should also note that the market price of Aikbee shares upon listing on the KLSE are subject to the vagaries of the market forces and other uncertainties which may affect the price of Aikbee shares being traded.

1. INFORMATION SUMMARY (Cont'd)

1.10 Utilisation of Proceeds from the Rights Issue, Public Issue and Offer for Sale

All proceeds from the Rights Issue and Public Issue after deducting the relevant listing expenses will accrue to Aikbee. The gross proceeds of the Rights Issue and the Public Issue are approximately RM6.85 million and RM16.8 million respectively. Aikbee will bear all expenses incidental to the listing of and quotation for Aikbee's Shares on the Second Board of the KLSE which include underwriting commission, brokerage, registration fee, professional fees, SC fees, advertising, listing expenses and other fees, the aggregate of which is estimated to be approximately RM1.5 million. The proceeds from the Rights Issue and the Public Issue will be utilised as follows:-

	RM'000
Capital Expenditure	2,000
Repayment of bank borrowings	12,000
Specific working capital - purchase of logs	1,000
Working capital	7,150
Listing expenses	1,500
TOTAL	23,650

Detailed utilisation of proceeds is set out in Section 2.5 of this Prospectus.

The Offer for Sale will raise gross proceeds of approximately RM9.66 million. This amount shall accrue to the Offerors and no part of the proceeds is receivable by Aikbee. The Offerors shall bear all expenses, including underwriting commission, brokerage, registration and transfer fees relating to the Offer Shares.

1.11 Material Litigation, Commitments and Contingent Liabilities

As at 20 March 2001, (being the last practicable date prior to the printing of this Prospectus):-

- a) the Group has no contingent liabilities;
- b) the Group has no capital commitments; and
- c) the Group is not engaged in any litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Group, 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 Group.