

RESPONSIBILITY STATEMENTS

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF CENTURY LOGISTICS HOLDINGS BERHAD (424341-A) ("CLH" OR "THE COMPANY") AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF ALL INFORMATION GIVEN AND CONFIRM THAT, AFTER HAVING MADE ALL ENQUIRIES WHICH ARE REASONABLE, 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 STATEMENT HEREIN FALSE OR MISLEADING.

ASEAMBANKERS MALAYSIA BERHAD (15938-H) ("ASEAMBANKERS") BEING 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 ISSUE AND SPECIAL ISSUE, THE COMPANY AND THE GROUP. ASEAMBANKERS HAS SATISFIED ITSELF THAT THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST FOR THE FINANCIAL YEARS ENDED/ENDING 31 DECEMBER 2000 AND 2001 (FOR WHICH THE DIRECTORS OF CLH ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THE PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS OF CLH AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

STATEMENTS OF DISCLAIMER

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE PUBLIC ISSUE AND SPECIAL ISSUE AND THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE PUBLIC ISSUE AND SPECIAL ISSUE WHICH ARE THE SUBJECT OF THE PROSPECTUS. THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY 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 KUALA LUMPUR STOCK EXCHANGE 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 KUALA LUMPUR STOCK EXCHANGE IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF CLH OR ITS ORDINARY SHARES.

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.

TIME TABLE

MILESTONES		DATE
OPENING DATE	:	30 March 2001
CLOSING DATE	:	13 April 2001
TENTATIVE BALLOTING DATE	:	Mid April 2001
TENTATIVE ALLOTMENT DATE	:	Early May 2001
TENTATIVE LISTING DATE	:	Mid May 2001

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DEFINITIONS

In this Prospectus, unless otherwise indicated, the following words and abbreviations shall have the following meanings:

“Acquisition of BP”	:	Acquisition by CLH of the entire issued and paid up share capital of BP comprising 550,000 ordinary shares of RM1.00 each for a purchase consideration of RM6,300,000 to be satisfied by the issuance of 6,300,000 new ordinary shares in CLH at an issue price of RM1.00 each
“ADA”	:	Authorised Depository Agent
“ADA Code”	:	ADA (Broker) Code
“Aseambankers”	:	Aseambankers Malaysia Berhad (15938-H)
“BH”	:	Best Heritage Sdn Bhd (504181-X), a wholly-owned subsidiary of CLH
“Bonus Issue”	:	The bonus issue of 2,816,671 new ordinary shares of RM1.00 each on the basis of approximately one (1) new ordinary share for every six (6) existing CLH ordinary shares held by capitalising RM2,816,671 from the adjusted proforma audited CLH’s retained earnings as at 30 September 2000 after incorporating the dividends declared by CLS to CLH
“BP”	:	Brilliant Pattern Sdn Bhd (321075-U), a wholly-owned subsidiary of CLH
“CD”	:	Century Distribution Sdn Bhd (419234-V), a wholly owned subsidiary of CLS
“CDS”	:	Central Depository System
“CFS”	:	Century Freight Services Sdn Bhd (372465-D), a wholly owned subsidiary of CLH
“CHM”	:	Century Haulage & Movers Sdn Bhd (188375-T), a wholly owned subsidiary of CLS
“CLH” or “the Company”	:	Century Logistics Holdings Berhad (424341-A)
“CLH Group” or “the Group”	:	CLH and its subsidiary companies
“CLJ”	:	Century Logistics (Johore) Sdn Bhd (422021-U), a 70% subsidiary of CLH
“CLS”	:	Century Logistics Sdn Bhd (32594-T), a wholly owned subsidiary of CLH
“Conversion of Advances”	:	The conversion of the advances amounting to RM4,100,000 by Lim Seng Chee & Sons Sdn Bhd and Phua Sin Mo to 3,727,273 new ordinary shares of RM1.00 each in CLH at a conversion price of RM1.10 per share
“Declaration of Dividends”	:	The declaration of dividends of RM6.678 million by CLS to CLH
“DFR”	:	Damaria Freight Sdn Bhd (125731-T), a 70% subsidiary of CLH
“EGM”	:	Extraordinary General Meeting
“EPS”	:	Earnings per share
“FIC”	:	Foreign Investment Committee

DEFINITIONS (*Cont'd*)

“Issues”	: Public Issue and Special Issue, collectively
“Issues Shares”	: The 14,700,000 new ordinary shares of RM1.00 each in CLH being the subject of the Issues
“KLSE”	: Kuala Lumpur Stock Exchange (30632-P)
“Managing Underwriter”	: Aseambankers
“MCD”	: Malaysian Central Depository Sdn Bhd (165570-W), a subsidiary of KLSE
“MIDFCCS” or “Issuing House”	: MIDF Consultancy and Corporate Services Sendirian Berhad (11324-H)
“MITI”	: Ministry of International Trade and Industry
“NTA”	: Net tangible assets
“NTL”	: Net tangible liabilities
“PE Multiple”	: Price earnings multiple
“Property”	: Two (2) contiguous pieces of leasehold industrial land, together with a factory/warehouse situated at Lot No. HS (D) 20946 P.T. No. 8540 and HS (D) 20947 P.T. No. 8539, Mukim of Kapar, District of Klang, Selangor Darul Ehsan
“Proposed Listing”	: Admission to the Official List and listing of and quotation for the entire issued and paid-up capital of CLH comprising 44,443,969 ordinary shares of RM1.00 each on the Second Board of the KLSE
“Public Issue”	: The public issue of 6,700,000 new ordinary shares of RM1.00 each in CLH at an issue price of RM1.80 per share by CLH to the Malaysian public and eligible employees and Directors of the Group, subject to the terms and conditions of the Prospectus
“ROC”	: Registrar of Companies, Malaysia
“RM” and “sen”	: Ringgit Malaysia and sen respectively
“SC”	: Securities Commission
“SM”	: Storewell (M) Sdn Bhd (210630-A), a wholly owned subsidiary of CLH
“Special Issue”	: The special issue of 8,000,000 new ordinary shares of RM1.00 each in CLH at an issue price of RM1.80 per share by CLH to the Bumiputera investors approved by the MITI, subject to the terms and conditions of the Prospectus
“SR”	: Storewell Realty Sdn Bhd (62740-A), a wholly owned subsidiary of SM
“Sq.ft”	: Square feet
“Taylor Nelson”	: Taylor Nelson Sofres Malaysia Sdn Bhd (19285-V), an independent market research consultant

DEFINITIONS (*Cont'd*)

“Underwriters”	:	Aseambankers and Mayban Securities Sendirian Berhad (165630-M)
“Underwriting Agreement”	:	Underwriting Agreement dated 15 February 2001 between the CLH Group and the underwriters for the underwriting of 4,700,000 ordinary shares of RM1.00 each to be made available to the Malaysian public and 1,000,000 ordinary shares of RM1.00 each allocated to the eligible employees and Directors of the Group under the Public Issue for an underwriting commission of 1.5% of the issue price of RM1.80 per ordinary share
“Vigers” or “Valuers”	:	Vigers (KL) Sdn Bhd (192837-V), an independent valuer

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Nationality	Designation	Address	Occupation
Datuk Syed Ahmad Khalid bin Syed Mohammed	Malaysian	Chairman	2, Jalan Laksamana 12/1, Seksyen 12, 40000 Shah Alam, Selangor Darul Ehsan	Director
Phua Sin Mo	Malaysian	Executive Deputy Chairman	Lot 2-7-2, Sri Permata Condominium, Jalan Sultan Salahuddin Abdul Aziz Shah 9/6, Seksyen 9, 40100 Shah Alam, Selangor Darul Ehsan	Director
Teow Choo Hing	Malaysian	Managing Director	11, Lorong PJU 3/28G, Sunway Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan	Director
Mohamed Amin bin Mohd Kassim	Malaysian	Deputy Managing Director	40, Jalan SS17/1B, Subang Jaya, 47500 Petaling Jaya, Selangor Darul Ehsan	Director
Jaafar bin Mohamad	Malaysian	Executive Director	18, Jalan Suria Utama, Taman Suria, 81100 Johor Bahru, Johor Darul Takzim	Director
Teow Choo Chuan	Malaysian	Executive Director	1, Jalan Anggerik Oncidium 31/78D, Kota Kemuning, Seksyen 31, 40640 Shah Alam, Selangor Darul Ehsan	Director
Dato' Azhar bin Hashim	Malaysian	Independent Non Executive Director	1, Jalan 5/21, 46000 Petaling Jaya, Selangor Darul Ehsan	Director
Lee Choon Wan	Malaysian	Independent Non Executive Director	12, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur	Lawyer

AUDIT COMMITTEE

Name	Designation	Directorship
Dato' Azhar bin Hashim	Chairman	Independent Non-Executive Director
Mohamed Amin bin Mohd Kassim	Member	Deputy Managing Director
Lee Choon Wan	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY (Cont'd)

COMPANY SECRETARY	: Chua Siew Chuan (MAICSA 0777689) Securities Services (Holdings) Sdn Bhd (36869-T) Level 22, Menara Milenium Jalan Damanlela Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur
REGISTERED OFFICE	: Level 22, Menara Milenium Jalan Damanlela Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur Tel No. : 03 – 255 7077 Fax No. : 03 – 255 0292/254 9940
WEB SITE	: www.century.com.my
HEAD/MANAGEMENT OFFICE	: Lot 4, Solok Sultan Hishamuddin 8 Kawasan 20, Perusahaan SKU P.O. Box 93 42008 Port Klang Selangor Darul Ehsan Tel No. : 03 – 3176 4955 Fax No. : 03 – 3176 4081 E-mail : info@century.com.my
AUDITORS AND REPORTING ACCOUNTANTS	: Arthur Andersen & Co. Public Accountants Level 23A, Menara Milenium Jalan Damanlela, Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur
SOLICITORS FOR THE ISSUES	: Lee Choon Wan & Co. Advocate & Solicitors No. 12, Lorong Dungun Damansara Heights 50490 Kuala Lumpur
PRINCIPAL BANKERS	: RHB Bank Berhad (6171-M) Unit 1, Ground Floor Bangunan Cheong Wing Chan 41-51, Jalan Maharajalela 50150 Kuala Lumpur : Malayan Banking Berhad (3813-K) 58 – 64, Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan

2. CORPORATE DIRECTORY (Cont'd)

ISSUING HOUSE	: MIDF Consultancy & Corporate Services Sdn Bhd (11324-H) 12 th Floor, Bangunan MIDF 195A, Jalan Tun Razak 50400 Kuala Lumpur
REGISTRAR	: Securities Services (Holdings) Sdn Bhd (36869-T) Level 22, Menara Milenium Jalan Damanela Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur
ADVISER & MANAGING UNDERWRITER	: Aseambankers Malaysia Berhad (15938-H) 33rd Floor, Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur
UNDERWRITERS	: Aseambankers Malaysia Berhad (15938-H) 33rd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur
	: Mayban Securities Sendirian Berhad (165630-M) 30th Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur
VALUERS	: Vigers (KL) Sdn Bhd (192837-V) Suite 17.01, 17 th Floor Central Plaza Jalan Sultan Ismail 50250 Kuala Lumpur
INDEPENDENT MARKET RESEARCH CONSULTANT	: Taylor Nelson Sofres Malaysia Sdn Bhd (19285-V) 26 th Floor, Menara TA One 22, Jalan P. Ramlee 50250 Kuala Lumpur
LISTING SOUGHT	: Second Board of the Kuala Lumpur Stock Exchange

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2. SUMMARY INFORMATION

The Summary Information set out below is only a summary of the salient information about the CLH Group derived from this Prospectus and investors should read and understand the whole of this Prospectus prior to deciding whether to invest.

The following information is derived from this Prospectus and should be read in conjunction with the full text of this Prospectus.

2.1 History and Business

CLH was incorporated in Malaysia on 24 March 1997 under the Companies Act, 1965 as a private limited company under the name of Century Logistics Holdings Sdn Bhd. It was subsequently converted into a public limited company and assumed its present name on 20 March 2000.

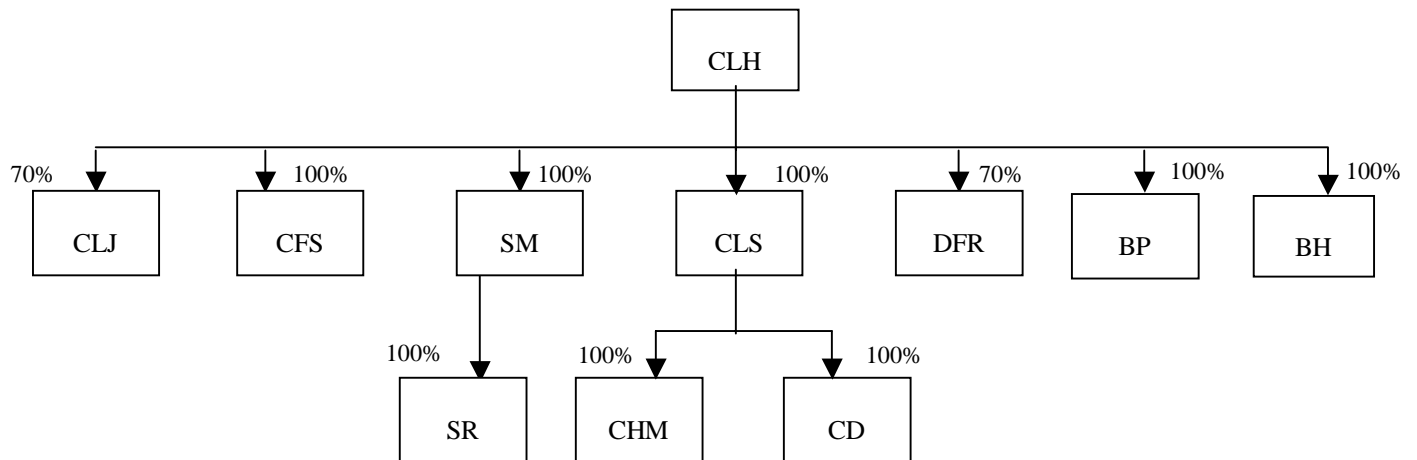
CLH is principally an investment holding company while the principal activities of its subsidiary companies are as follows:

Subsidiary Companies	Place of Incorporation	Effective Equity Interest %	Principal Activities
CLS	Malaysia	100	Freight forwarding, warehousing and container haulage
CD	Malaysia	100	Distribution services
CHM	Malaysia	100	Transportation and open yard storage
SM	Malaysia	100	General, bonded and free commercial zone warehousing
SR	Malaysia	100	Property holding company
CFS	Malaysia	100	International air and sea freight forwarding
DFR	Malaysia	70	Freight forwarding and shipping agency
CLJ	Malaysia	70	Freight forwarding, shipping agency and warehousing
BP	Malaysia	100	Value added services including international procurement, assembly, quality control repackaging and distribution
BH	Malaysia	100	Intended to be a property holding company

Detailed information on the history and business of the subsidiary companies of CLH is set out in Section 5.5 of this Prospectus.

2. SUMMARY INFORMATION (Cont'd)

The structure of the CLH Group is set out below:



2.2 Description of Promoters, Major Shareholders, Directors and Key Management

The promoters, major shareholders, directors and key management of the CLH Group are as follows:

(a) Promoters

Name	Nationality	Designation	After the Issues			
			Direct No. of Ordinary Shares	%	Indirect No. of Ordinary Shares	%
Datuk Syed Ahmad Khalid bin Syed Mohammed	Malaysian	Chairman	2,541,552 ⁽⁵⁾	5.72	-	-
Phua Sin Mo	Malaysian	Executive Deputy Chairman	12,050,841 ⁽⁴⁾	27.11	6,209,792 ⁽¹⁾	13.97
Teow Choo Hing	Malaysian	Managing Director	3,702,722 ⁽⁴⁾	8.33	14,557,911 ⁽²⁾	32.76
Mohamed Amin bin Mohd Kassim	Malaysian	Deputy Managing Director	4,099,826 ⁽⁵⁾	9.22	-	-
Teow Choo Chuan	Malaysian	Executive Director	2,507,070 ⁽⁴⁾	5.64	15,753,563 ⁽³⁾	35.45

Notes:

(1) Deemed interested through his nephews, Teow Choo Hing and Teow Choo Chuan

(2) Deemed interested through his uncle (Phua Sin Mo) and brother (Teow Choo Chuan)

(3) Deemed interested through his uncle (Phua Sin Mo) and brother (Teow Choo Hing)

(4) Including allotment under allocations to eligible Directors and employees of the CLH Group

(5) Including allotment under allocations for the Special Issue and to eligible Directors and employees of the CLH Group

Further details on the Promoters are set out in Section 6.1.1 of the Prospectus.

2. SUMMARY INFORMATION (Cont'd)**(b) Major Shareholders**

Name	Nationality/ County of Incorporation	Designation	After the Issues			
			Direct		Indirect	
			No. Of Ordinary Shares	%	No. Of Ordinary Shares	%
Phua Sin Mo	Malaysian	Executive Deputy Chairman	12,050,841 ⁽⁴⁾	27.11	6,209,792 ⁽¹⁾	13.97
Mohamed Amin bin Mohd Kassim	Malaysian	Deputy Managing Director	4,099,826 ⁽⁵⁾	9.22	-	-
Lim Seng Chee & Sons Sdn Bhd	Malaysia	Shareholder	3,976,515	8.95	-	-
Teow Choo Hing	Malaysian	Managing Director	3,702,722 ⁽⁴⁾	8.33	14,557,911 ⁽²⁾	32.76
Datuk Syed Ahmad Khalid bin Syed Mohammed	Malaysian	Chairman	2,541,552 ⁽⁵⁾	5.72	-	-
Teow Choo Chuan	Malaysian	Executive Director	2,507,070 ⁽⁴⁾	5.64	15,753,563 ⁽³⁾	35.45
Jaafar bin Mohamad	Malaysian	Executive Director	2,276,777 ⁽⁵⁾	5.12	-	-

*Notes:**(1) Deemed interested through his nephews, Teow Choo Hing and Teow Choo Chuan**(2) Deemed interested through his uncle (Phua Sin Mo) and his brother (Teow Choo Chuan)**(3) Deemed interested through his uncle (Phua Sin Mo) and his brother (Teow Choo Hing)**(4) Including allotment under allocations to eligible Directors and employees of the CLH Group**(5) Including allotment under allocations for the Special Issue and to eligible Directors and employees of the CLH Group*

Further details on the major shareholders are set out in Section 6.1.1 of the Prospectus.

(c) Directors

Name	Nationality	Designation	After the Issues			
			Direct		Indirect	
			No. of Ordinary Shares	%	No. of Ordinary Shares	%
Datuk Syed Ahmad Khalid bin Syed Mohammed	Malaysian	Chairman	2,541,552 ⁽⁵⁾	5.72	-	-
Phua Sin Mo	Malaysian	Executive Deputy Chairman	12,050,841 ⁽⁴⁾	27.11	6,209,792 ⁽¹⁾	13.97
Teow Choo Hing	Malaysian	Managing Director	3,702,722 ⁽⁴⁾	8.33	14,557,911 ⁽²⁾	32.76
Mohamed Amin bin Mohd Kassim	Malaysian	Deputy Managing Director	4,099,826 ⁽⁵⁾	9.22	-	-
Teow Choo Chuan	Malaysian	Executive Director	2,507,070 ⁽⁴⁾	5.64	15,753,563 ⁽³⁾	35.45
Jaafar bin Mohamad	Malaysian	Executive Director	2,276,777 ⁽⁵⁾	5.12	-	-
Dato' Azhar bin Hashim	Malaysian	Independent Non Executive Director	10,000 ⁽⁴⁾	0.02	-	-
Lee Choon Wan	Malaysian	Independent Non Executive Director	10,000 ⁽⁴⁾	0.02	-	-

2. SUMMARY INFORMATION (Cont'd)

Notes:

- (1) Deemed interested through his nephews, Teow Choo Hing and Teow Choo Chuan
 (2) Deemed interested through his uncle (Phua Sin Mo) and brother (Teow Choo Chuan)
 (3) Deemed interested through his uncle (Phua Sin Mo) and brother (Teow Choo Hing)
 (4) Including allotment under allocations to eligible Directors and employees of the CLH Group
 (5) Including allotment under allocations for the Special Issue and to eligible Directors and employees of the CLH Group

Further details on the Directors are set out in Section 6.2.1 of the Prospectus.

(d) Key Management Team

Name	Nationality	Designation	After the Issues			
			Direct No. of Ordinary Shares	%	Indirect No. of Ordinary Shares	%
Wan Ahmad bin Wan Abdullah	Malaysian	Director, SM and DFR	10,000 ⁽¹⁾	0.02	-	-
Yeow Kong Sang	Malaysian	Chief Executive Officer, CHM	404,722 ⁽¹⁾	0.91	311,389 ⁽²⁾	0.70
Lim King Ann	Malaysian	Chief Executive Officer, CLS	66,000 ⁽¹⁾	0.15	-	-
Abdul Majid bin Abdul Karim	Malaysian	Chief Executive Officer, CD	10,000 ⁽¹⁾	0.02	-	-
Lau Kam Fong	Malaysian	Chief Executive Officer, SM	10,000 ⁽¹⁾	0.02	-	-
Tan Siew Ping	Malaysian	General Manager, Logistics Administration	155,111 ⁽¹⁾	0.35	-	-
Yeap Khoo Soon Edwin	Malaysian	General Manager, Corporate Finance	10,000 ⁽¹⁾	0.02	-	-
Charles E.L Sebastian	Malaysian	General Manager, CFS	10,000 ⁽¹⁾	0.02	-	-
Heng Mon Sing	Malaysian	General Manager, BP	640,000 ⁽¹⁾	1.44	-	-
Liow Eng Hwa	Malaysian	General Manager, CHM	311,389 ⁽¹⁾	0.70	643,888 ⁽³⁾	1.45
Cheong Wai Pong	Malaysian	Manager, Finance	9,000 ⁽¹⁾	0.02	-	-
Too Wei Kong	Malaysian	Manager, Information Technology	10,000 ⁽¹⁾	0.02	-	-

Notes:

- (1) Including allotment under allocations to eligible Directors and employees of the CLH Group
 (2) Deemed interested through his brother-in-law (Liow Eng Hwa)
 (3) Deemed interested through his sister (Liow Poh Geok) and brother-in-law (Yeow Kong Sang)

Further details on the key management team are set out in Section 6.2.3 of the Prospectus.

2. SUMMARY INFORMATION (Cont'd)

2.3 Financial Statistics

The following table sets out a summary of the proforma consolidated results of the CLH Group for the past five (5) financial years ended 31 December 1999 and nine (9) months period ended 30 September 2000 which is based on the **assumption that the Group has been in existence throughout the period under review.**

The table should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set out in Section 10 of this Prospectus.

	<----- Years Ended 31 December ----->					9 months period ended 30 September 2000
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000
Revenue	14,306	22,064	38,145	51,346	68,634	76,003
Profit before interest, depreciation and taxation	4,061	4,722	6,612	7,759	11,696	11,210
Net finance costs	(747)	(1,109)	(1,796)	(2,649)	(2,059)	(1,738)
Depreciation	(541)	(825)	(1,292)	(1,604)	(2,031)	(2,372)
Profit before taxation	2,773	2,788	3,524	3,506	7,606	7,100
Taxation	(903)	(1,117)	(1,104)	(1,072)	(27)	(2,353)
Profit after taxation before minority interests	1,870	1,671	2,420	2,434	7,579	4,747
Minority interests	1	1	(23)	(21)	(36)	26
Profit after taxation and minority interests	1,871	1,672	2,397	2,413	7,543	4,773
No. of ordinary shares in issue ('000) ⁽²⁾	21,883	22,783	23,200	23,200	23,200	23,200
No. of weighted ordinary shares in issue ('000)	21,883	22,333	22,992	23,200	23,200	23,200
Gross EPS (RM)	0.13	0.12	0.15	0.15	0.33	0.41 ⁽¹⁾
Gross EPS – fully diluted (RM) ⁽³⁾	0.13	0.12	0.15	0.15	0.33	0.41 ⁽¹⁾
Net EPS (RM)	0.09	0.07	0.11	0.10	0.33	0.27 ⁽¹⁾
Net EPS – fully diluted (RM) ⁽³⁾	0.09	0.07	0.10	0.10	0.33	0.27 ⁽¹⁾
Gross Dividend Rate (%)	-	-	-	-	-	-

Summarised explanation on the CLH Group's financial performance throughout the period under review is set out in Section 9.1.1 of the Prospectus.

Notes:

There were no exceptional or extraordinary items during the above financial years/period.

(1) Annualised

(2) The number of ordinary shares are adjusted to reflect the number of shares fully paid- up for the Proforma Group (except for 1995 and 1996 whereby certain subsidiaries have not been incorporated) and the shares issued for the Acquisition of BP

(3) Based on CLH's weighted ordinary shares in issue

2. SUMMARY INFORMATION (Cont'd)**2.4 Proforma Consolidated Balance Sheets As At 30 September 2000**

The Proforma Consolidated Balance Sheets of the CLH Group as set out below have been prepared for illustrative purposes only to show the effects of the proposed transactions described below:

	Audited as at 30 September, 2000 RM'000	Proforma I RM'000	Proforma II RM'000
CURRENT ASSETS			
Cash and bank balances	267	3,013	10,963
Deposits with licensed banks	1,485	3,967	3,967
Trade debtors	21,742	33,601	33,601
Other debtors and prepayments	2,977	3,179	3,179
Stocks	-	6,936	6,936
	<u>26,471</u>	<u>50,696</u>	<u>58,646</u>
CURRENT LIABILITIES			
Bank overdrafts	12,293	12,293	12,293
Short term borrowings	1,582	1,582	726
Trade creditors	6,621	17,830	17,830
Other creditors and accruals	1,657	10,473	9,842
Hire purchase creditors	1,255	1,344	1,344
Taxation	1,087	1,748	1,748
	<u>24,495</u>	<u>45,270</u>	<u>43,783</u>
NET CURRENT ASSETS	1,976	5,426	14,863
FIXED ASSETS	37,536	40,198	49,678
DEFERRED EXPENDITURE	631	631	-
GOODWILL ON CONSOLIDATION	393	393	393
HIRE PURCHASE CREDITORS	(1,477)	(1,544)	(1,544)
TERM LOANS	(10,574)	(6,474)	-
DEFERRED TAXATION	(610)	(681)	(681)
MINORITY INTERESTS	(164)	(164)	(164)
	<u>27,711</u>	<u>37,785</u>	<u>62,545</u>
SHAREHOLDERS' FUNDS			
Share capital	16,900	29,744	44,444
Share premium	50	423	10,483
Retained profits	10,761	7,618	7,618
	<u>27,711</u>	<u>37,785</u>	<u>62,545</u>
NTA per share (RM)	1.58	1.24	1.40

Further details of the proforma consolidated balance sheets are disclosed in Section 9.4.1 of this Prospectus.

Notes:

Proforma I: After Declaration of Dividends, Bonus Issue, Conversion of Advances and Acquisition of BP

Proforma II: After Proforma I and the Issues

2. SUMMARY INFORMATION (Cont'd)

2.5 Audit Qualifications

Since 1 January 1995 (or since incorporation, if later), the financial statements of CLH and its subsidiary companies have not been subjected to any audit qualification.

2.6 Principal Statistics Relating To The Issues

(a) Share Capital

<i>Authorised</i>	RM
Existing 50,000,000 ordinary shares of RM1.00 each	50,000,000
<i>Issued and fully paid-up</i>	RM
As at 30 September 2000	
16,900,025 ordinary shares of RM1.00 each	16,900,025
Issued pursuant to:	
Bonus Issue - 2,816,671 ordinary shares of RM1.00 each	2,816,671
Conversion of Advances - 3,727,273 ordinary shares of RM1.00 each	3,727,273
Acquisition of BP - 6,300,000 ordinary shares of RM1.00 each	6,300,000
To be issued pursuant to:	
Special Issue - 8,000,000 ordinary shares of RM1.00 each	8,000,000
Public Issue - 6,700,000 ordinary shares of RM1.00 each	6,700,000
Enlarged issued and paid-up share capital	<u>44,443,969</u>

(b) Issue Price Per Ordinary Share **RM1.80**

(c) Class of Shares

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. The 6,700,000 Public Issue Shares and 8,000,000 Special Issue Shares will rank pari passu in all respects with the other existing issued ordinary shares of the Company including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of this Prospectus.

Subject to any special rights attaching to any shares which 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 ordinary 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 its Articles of Association.

Each ordinary shareholder shall be entitled to vote at any general meeting of the Company 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.

2. SUMMARY INFORMATION (Cont'd)**2.7 Proforma Consolidated NTA**

	RM'000	NTA Per Ordinary Share RM
Audited NTA of the Group as at 30 September 2000	26,687	1.58 ⁽¹⁾
Proforma Group NTA after the Declaration of Dividends, Bonus Issue, Conversion of Advances and the Acquisition of BP	36,761	1.24 ⁽²⁾
Proforma Group NTA after the Declaration of Dividends, Bonus Issue, Conversion of Advances, Acquisition of BP, Special Issue and Public Issue	62,152	1.40 ⁽³⁾

Notes:

- (1) Based on 16,900,025 ordinary shares of RM1.00 each as at 30 September 2000
- (2) Based on the enlarged issued and paid-up share capital of 29,743,969 ordinary shares of RM1.00 each
- (3) Based on the enlarged issued and paid-up share capital of 44,443,969 ordinary shares of RM1.00 each and net of estimated listing expenses of RM1,700,000

2.8 Profit and Dividend Estimate and Forecast**2.8.1 Consolidated Profit Estimate and Forecast**

	Financial year ended/ending 31 December	
	2000	2001
Consolidated profit after taxation and minority interest (RM'000)	7,490	9,286
Weighted average issued and paid-up share capital ('000)	29,744*	40,769*
Net EPS (RM)	0.25	0.23
Net PE Multiple based on the issue price of RM1.80 per ordinary share (times)	7.15	7.90

Note:

- * Based on the weighted average number of issued and paid-up share capital after the Bonus Issue, Conversion of Advances, Acquisition of BP and assuming that the Issues are completed on 31 March 2001. Further notes and assumptions on the Consolidated Profit Estimate and Forecast for the financial years ended/ending 31 December 2000 and 2001 are set out in Section 9.2 of this Prospectus.

2. SUMMARY INFORMATION *(Cont'd)*

2.8.2 Dividend Estimate and Forecast

The Company does not expect to declare dividends for the financial year ended 31 December 2000. However barring any unforeseen circumstances, the Directors of CLH expect that the Company would be able to declare a dividend rate of 5% less 28% tax for the financial year ending 31 December 2001 based on the enlarged issued and paid-up share capital of CLH of RM44,443,969.

Financial Year Ending 31 December 2001

Gross dividend per ordinary share (sen)	5.00
Net dividend per ordinary share (sen)	3.60
Gross dividend yield based on the issue price of RM1.80 per ordinary share (%)	2.78
Net dividend yield based on the issue price of RM1.80 per ordinary share (%)	2.00
Net dividend cover (times)	5.80

Details of the dividend estimate and forecast are set out in Section 9.3 of this Prospectus.

2.9 Utilisation of Proceeds

The total gross proceeds arising from the Issues are estimated to be approximately RM26.46 million and would be utilised by the Group in the following manner:

	RM'000	Estimated Completion Date
(a) Repayment of bank borrowings	7,330	December 2001
(b) Working capital	7,950	June 2001
(c) Acquisition of land for warehouse	3,000	June 2002
(d) Purchase of prime movers and trailers	2,980	June 2002
(e) Investment in branches	2,000	June 2002
(f) Estimated listing expenses	1,700	June 2001
(g) Upgrading of computer systems	1,500	June 2002
Total Utilisation	26,460	

Further details on the utilisation of proceeds are set out in Section 3.7 of this Prospectus.

2. SUMMARY INFORMATION (Cont'd)

2.10 Capital Commitments, Contingent Liabilities and Material Litigation**(i) Capital Commitments**

As at 17 March 2001 (being the latest practicable date of which such amounts could be calculated prior to the printing of this Prospectus), the Group does not have any material capital commitments, save and except for the proposed acquisition of the Property for a cash consideration of RM8,968,976, of this sum, an amount of RM896,897.60 has been paid as initial deposit pursuant to the proposed acquisition of the Property.

(ii) Contingent Liabilities

As at 17 March 2001 (being the latest practicable date of which such amounts could be calculated prior to the printing of this Prospectus), neither CLH nor its subsidiaries has any material contingent liabilities.

(iii) Material Litigation

Save as disclosed in Section 12.7 of the Prospectus, the CLH Group is presently not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the business/financial position of the CLH 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 adversely affect the position or business of the Group.

2.11 Risk Factors

Prospective investors should consider carefully all the relevant information contained in this Prospectus, including, inter alia, the following “investment considerations”. The details of the risk factors are disclosed in Section 4 of this Prospectus.

a) Availability of Resources

Since 1995, the Group had achieved an enviable growth with new customers utilising their services. As a result, the requirements for resources like equipment and storage capacity increased at a fast rate.

b) Dependence on Customers and Suppliers

Most companies in the industry rely on a few major customers for their main business. Similarly most of the logistics companies rely heavily on equipment and infrastructure from other suppliers.

c) Market Risk

The CLH Group will certainly be subjected to the inherent risks within the logistics industry, which include the rapid changes in technology, increase in capital investment required as well as the general economic and business fluctuations.

2. SUMMARY INFORMATION *(Cont'd)*

d) Globalisation

A major challenge is globalisation, where only the fittest will be able to compete with the major players, especially multinational logistics companies, with all their added expertise in the logistics industry and strong financial backing, to sustain their position in the borderless world.

e) Dependence on Key Personnel and Availability of Human Resources

The CLH Group believes that its continued success will depend significantly on the abilities and continued efforts of its existing Directors and senior management.

f) Dependence on Basic Computer Systems

Currently, the complexities of the Group's operations are dependent on basic computer systems.

g) Marketability of CLH's Shares

Prior to the Issues, there has been no public market for CLH's shares.

h) Control By Certain Major Shareholders

Upon completion of the Issues, certain of the major shareholders are involved in the management of the CLH Group, including Datuk Syed Ahmad Khalid bin Syed Mohammed, Phua Sin Mo, Teow Choo Hing, Mohamed Amin bin Mohd Kassim, Teow Choo Chuan and Jaafar bin Mohamad.

i) Order Backlog for Containers

Over the last few years, the CLH Group was not spared the general difficulties faced by the industry where container deliveries were slow during festival holiday season, particularly during year-end and beginning of the year.

j) Competitive Conditions

The logistics industry is considered fairly competitive.

k) Material Research and Development

Although research and development is not crucial to the CLH Group, nevertheless sufficient investments have to be made to develop new products, particularly in light of the future globalisation trend.

l) Profit Forecast

This Prospectus contains the profit forecast for the CLH Group that is based on assumptions, which the Directors deem to be reasonable, but which nevertheless are subject to uncertainties and contingencies.

2. SUMMARY INFORMATION *(Cont'd)*

m) **Reliance on Integration with Other Operators**

The Group is dependent on other operators, including the following:

- providers of additional container haulage and conventional trucks as well as the lease of additional warehouse space
- shipping companies
- port operators

n) **Government Control of Licenses**

The CLH's Group's operating licences are governed by various Government departments, including the Royal Malaysian Customs and the Commercial Vehicles Licensing Board.

o) **Legal Uncertainties Concerning the Group's Business or Operations or Contractual Agreements**

The landed property of SR at Lot No.1, Lingkaran Sultan Mohamed 2, Kawasan 20, Bandar Sultan Sulaiman, Taiwanese Industrial Park, Port Klang, Selangor Darul Ehsan is currently being used to house a three storey office and a single storey warehouse. At present, no individual separate issue document of title has been issued and SR's interest in the Landed Property is regulated vide a Sale and Purchase Agreement dated 6 December 1991 between Perbadanan Kemajuan Negeri Selangor and N.K.P. (M) Sdn Bhd, now known as SR. The Landed Property has not been issued with an individual title of document yet and accordingly the Landed Property is not presently registered in the name of SR.

p) **Covenant under borrowing facility agreements which limits the Group's operating and financial flexibilities**

CLS, CLJ, SM, CD, DFR, CFS and BP have taken bank facilities for their business operations with various banks. There are certain common covenants found in the letters of offer.

q) **Sensitivity to economic downturn**

In general, the logistics industry is sensitive to the general health of the economy.

r) **Risk associated with borrowings**

Significant fluctuations in interest rates may pose an impact on the financial performance of the CLH Group, as some working capital requirements are met by borrowings and internally generated funds.

3. DETAILS OF THE ISSUES

An application will be made to the KLSE within three (3) market days from the date of this Prospectus for admission to the Official List and for dealing in and quotation for the entire issued and fully paid-up ordinary shares of CLH, including the Issues Shares, which are the subject of this Prospectus, on the Second Board of the KLSE. These ordinary shares will be admitted to 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.

Acceptance of the applications will be conditional upon permission being granted by the KLSE to deal in and quotation for the entire issued and paid-up share capital of the Company on the Second Board of the KLSE within six (6) weeks from the date of this Prospectus or such longer period as may be specified by the SC, provided that the Company is notified by, or on behalf of the KLSE, within the six (6) weeks or such longer period as may be specified by the SC. Monies paid in respect of any application accepted will be returned forthwith without interest if the said permission is not granted. Admission to listing is not being sought on any other stock exchange.

3.1 Opening And Closing Dates Of Application

The Application Lists will open at 10.00 a.m. on 13 April 2001 and will remain open until 8.00 p.m. on the same day or for such further period or periods as the Directors of CLH in their absolute discretion may decide.

3.2 Dates of Special Events

Opening Date	:	30 March 2001
Closing Date	:	13 April 2001
Tentative Balloting Date	:	Mid April 2001
Tentative Allotment Date	:	Early May 2001
Tentative Listing Date	:	Mid May 2001

3.3 Number and Class of Securities to be Issued

<i>Authorised</i>	RM
Existing 50,000,000 ordinary shares of RM1.00 each	50,000,000
<i>Issued and fully paid-up</i>	RM
As at 30 September 2000	
16,900,025 ordinary shares of RM1.00 each	16,900,025
Issued pursuant to:	
Bonus Issue - 2,816,671 ordinary shares of RM1.00 each	2,816,671
Conversion of Advances - 3,727,273 ordinary shares of RM1.00 each	3,727,273
Acquisition of BP - 6,300,000 ordinary shares of RM1.00 each	6,300,000
To be issued pursuant to:	
Special Issue - 8,000,000 ordinary shares of RM1.00 each	8,000,000
Public Issue - 6,700,000 ordinary shares of RM1.00 each	6,700,000
Enlarged issued and paid-up share capital	44,443,969
Issue Price Per Ordinary Share	RM1.80

3. DETAILS OF THE ISSUES (*Cont'd*)

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. The Issues Shares will rank pari passu in all respects with the other existing issued ordinary shares of the Company including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of this Prospectus.

Subject to any special rights attaching to any shares which 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 ordinary 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 its Articles of Association.

Each ordinary shareholder shall be entitled to vote at any general meeting of the Company 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.

3.4 Details Of The Issues

The Issues shall be subject to the terms and conditions of this Prospectus and upon acceptance, the Issues Shares will be allocated in the following manner:

(i) Eligible employees and Directors

2,000,000 Public Issue Shares will be reserved for eligible employees and Directors of the CLH Group; and

(ii) Malaysian Public

4,700,000 Public Issue 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.

(iii) Bumiputera Parties

8,000,000 Special Issue Shares will be made available to selected Bumiputera investors approved by the MITI, the details of which is disclosed in Section 5.3 (v) of the Prospectus.

All the ordinary shares under paragraph (ii) above and 1,000,000 ordinary shares under paragraph (i) above have been underwritten.

The ordinary shares under paragraph (iii) above are not required to be underwritten and are therefore not underwritten.

3.5 Purposes Of The Issues

The purposes of the Issues are as follows:

- (i) to provide the CLH Group with access to the capital market to raise funds to finance the future growth and expansion of the Group;
- (ii) to increase the number of Bumiputera investors into the Company; and
- (iii) to obtain a listing of and quotation for the entire issued and paid-up share capital of the Company on the Second Board of the KLSE.

3. DETAILS OF THE ISSUES (*Cont'd*)

3.6 Basis of Arriving at the Issue Price

The issue price of RM1.80 per ordinary share was determined and agreed upon by the Company and Aseambankers, as the Adviser and Managing Underwriter, based on various factors after taking into account the following:

- (i) the Group's operating and financial history and conditions as outlined in Section 5 and 9 of this Prospectus;
- (ii) the prospects of the industry in which the Group operates as outlined in Section 5 of this Prospectus;
- (iii) the estimate and forecast net PE multiples of 7.15 and 7.90 times based on the estimate and forecast net EPS of 25.2 sen and 22.8 sen, respectively;
- (iv) the proforma Group NTA per share after the Issues of RM1.40; and
- (v) the forecast gross dividend yield of 2.78%.

3.7 Proceeds Of The Issues

The Issues are expected to raise gross proceeds of approximately RM26.46 million, which shall accrue to the Company. The estimated RM1.7 million in respect of expenses and fees incidental to the listing of and quotation for the entire issued and paid-up share capital of CLH on the Second Board of the KLSE shall be borne by the Company.

The gross proceeds arising from the Issues, estimated to be approximately RM26.46 million would be utilised by the Group in the following manner:

Notes	Purpose	RM'000	Estimated Completion Date
(a)	Repayment of bank borrowings	7,330	December 2001
(b)	Working capital	7,950	June 2001
(c)	Acquisition of land for warehouse	3,000	June 2002
(d)	Purchase of prime movers and trailers	2,980	June 2002
(e)	Investment in branches	2,000	June 2002
(f)	Estimated listing expenses	1,700	June 2001
(g)	Upgrading of computer systems	1,500	June 2002
Total Utilisation		26,460	

3. DETAILS OF THE ISSUES (Cont'd)

Further details of the utilization of the proceeds are described below:

(a) Repayment of Bank Borrowings

CLH Group expects to utilise approximately RM7.33 million of the gross proceeds to repay bank borrowings. The details of the breakdown for the utilisation of proceeds for repayment of borrowings are as follows:

Name of Borrower	Name of Lender	Facility	Interest Rate	Amount outstanding as at 17.03.2001	Proposed Repayment
				RM'000	RM'000
CLS	RHB Bank Berhad	Term loan (RM4.3 Million)	1.75% p.a. + BLR	2,910	2,800
SM	Malayan Banking Berhad	Term loan (RM6.0 Million)	2.0% p.a. + BLR	4,631	4,530
Total				7,541	7,330

By utilising the proceeds to repay bank borrowings, the Group will be able to realise substantial interest savings of approximately RM633,000 per annum.

(b) Working Capital

RM7.95 million of the gross proceeds will be reserved for general working capital. The proceeds earmarked for working capital would assist in improving the liquidity of the Group in light of the expected increase in future revenue.

(c) Acquisition of Land for Warehouse

The Group intends to acquire industrial land of approximately 4 to 6 acres for further expansion of its warehouse business. This is estimated to cost approximately RM3.0 million. The management has currently identified two (2) possible locations, one in Port Klang and the other in Johor for this purpose.

Solely from an interest savings point of view, the Group will be able to realize interest savings of approximately RM249,000 per annum (based on an interest rate of 8.3%).

(d) Purchase of Prime Movers and Trailers

The Company intends to add to its existing fleet of vehicles in line with the projected increase in volume of business as well as to achieve on time delivery. In addition, the proceeds for this purpose is also to be utilised for the repayment of certain hire-purchase and leasing facilities relating to the purchase of prime movers and trailers, particularly those that are of the highest cost of borrowings.

Solely from an interest savings point of view, the Group will be able to realize interest savings of approximately RM247,000 per annum (based on an interest rate of 8.3%).

3. DETAILS OF THE ISSUES (*Cont'd*)

(e) **Investment in Branches**

Additional working capital of approximately RM2.0 million is expected to be used to capitalize further CLJ as well as the Penang branch of CLS and to set-up branches in Kuantan as well as in international logistics hubs. The international logistics hubs identified include Bangkok in Thailand.

(f) **Estimated Listing Expenses**

The details on the estimated listing expenses are disclosed in Section 3.11.

(g) **Upgrading of Computer Systems**

The existing computer systems shall be upgraded for efficiency and enhancement of customer services with a principle objective to sales. The breakdown of hardware and software to be acquired are as follows:

	RM'000
Computer Hardware (Including servers and computers)	500
Computer Software (Integrated applications for logistics industry)	1,000
Total	<u>1,500</u>

3.8 Underwriting Commission And Brokerage

The Underwriters mentioned earlier in this Prospectus have agreed to underwrite the 4,700,000 Public Issue Shares, which are made available to the Malaysian public, and 1,000,000 Public Issue Shares, which are made available to eligible employees and Directors under paragraph 3.4(i) above. Underwriting commission relating to the Public Issue Shares to be underwritten is payable by the Company at the rate of 1.5% of the issue price of RM1.80 per ordinary share.

Brokerage relating to the Public Issue is payable by the Company at the rate of 1% of the Public Issue price of RM1.80 per ordinary share in respect of successful applications which bear the stamp of Aseambankers, a member company of the KLSE, a member of the Association of Banks in Malaysia, a member of the Association of Merchant Banks in Malaysia or MIDFCCS.

3.9 Underwriters

The underwriters for the Public Issue are as follows:

Managing Underwriter	: Aseambankers
Other Underwriter	: Mayban Securities Sendirian Berhad

The underwriters may withdraw from their obligations under the said Underwriting Agreement after the opening of the offer in the event any of the warranties, representation or undertakings given by the Company is breached prior to the Listing Date and on the occurrence of any unforeseen circumstances beyond the reasonable control of the contracting parties.

3. DETAILS OF THE ISSUES (*Cont'd*)

3.10 Force Majeure Clause in the Underwriting Agreement

- (i) Notwithstanding anything contained in the Underwriting Agreement, on the occurrence of all or any of the unforeseen circumstances stated in (ii) below, on or before the Closing Date, the Underwriters acting through the Managing Underwriter may consult with the Company with a view to either defer or abort the Public Issue, and if it is mutually agreeable to abort, then the Underwriting Agreement determines.
- (ii) The occurrences and circumstances referred to in (i) above, refers to any of the following circumstances:
 - (a) any Government requisition or other occurrence of any nature whatsoever which in the opinion of the Underwriters seriously affects or will seriously affect the business of the Company or its subsidiaries; or
 - (b) any change in national or international monetary, financial, political or economic conditions or exchange control or currency exchange rates as would in the reasonable opinion of the Underwriters prejudice materially the success of the Public Issue and their distribution or sale (whether in the primary or in respect of dealings on the secondary market); or
 - (c) the occurrence of any unforeseen circumstances including but not limited to acts of God, strike, war, national disaster or any other similar cause or causes.
- (iii) Notwithstanding anything in the Underwriting Agreement, contained “Force Majeure” shall mean any event or circumstances beyond the reasonable control of the parties whose obligation it affects that renders due performance of an obligation under the Underwriting Agreement illegal or impracticable including but not limited to decree or restraints of any government, act of God, strikes, war, riots, civil commotion, national disaster or any other similar cause or causes.
- (iv) On the termination of the Underwriting Agreement pursuant to an event of Force Majeure, the Company shall bear the cost and expenses incurred under the Underwriting Agreement.

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3. DETAILS OF THE ISSUES (Cont'd)

3.11 Estimated Listing Expenses

The estimated listing expenses for the proposed listing of and quotation for the enlarged share capital of 44,443,969 ordinary shares of RM1.00 each in CLH on the Second Board of KLSE are as follows:

	To be borne by CLH RM
The KLSE's listing fee	5,000
Registration of Prospectus	5,500
SC's processing fee	53,000
Issuing house fee	100,000
Advertisement of prospectus	25,000
Printing of application forms, share certificates and prospectus	200,000
Professional advisory fees	590,000
Underwriting commission & brokerage fee	238,500
Contingencies	483,000
Total Estimated Listing Expenses	1,700,000

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4. RISK FACTORS

The CLH Group is subject to certain risks inherent in the industries its businesses are involved. Although the Group seeks to limit these risks, no assurance can be given that any changes to these factors will not have a material effect on the Group's businesses.

a) Availability of Resources

Risk

Since 1995, the Group had achieved an enviable growth with new customers utilising their services. As a result, the requirements for resources like equipment and storage capacity increased at a fast rate.

Impact

The inability to match the required resources may constrict the business growth and may result in loss of customers.

Mitigating Factors

The Group had embarked on a two-pronged strategy to mitigate this challenge. Firstly, the Group had identified the critical types and numbers of equipment including size of warehouses that will be needed to service their main customers. Secondly, the Group had established strategic alliances with independent service providers to augment and compliment the surges in demand by their customers.

b) Dependence on Customers and Suppliers

Risk

Most companies in the industry rely on a few major customers for their main business. Similarly most of the logistics companies rely heavily on equipment and infrastructure from other suppliers.

Impact

The above trend is risky as any loss in terms of customers and/or suppliers will have a negative impact on the Group's performance.

Mitigating Factors

The CLH Group has successfully secured a wide customer base representing the diversified industry groups. The Group's revenue base is not captive to a single customer or group of customers or industry. It has embarked on a marketing strategy to penetrate into recession-proof industries and export oriented customers. The major customers and suppliers lists as shown in Sections 5.9 and 5.10 below, indicate the respective contribution/share towards the Group's revenue/cost of sales during the nine (9) months period ended 30 September 2000.

It can be clearly analysed that the business is very well spread and any minor changes shall not affect the overall performance of the Group. Lastly, the Group's strategy of providing total logistics solutions enabled most of the customers to be entrenched, utilising some or all aspects of the total integrated services.

4. RISK FACTORS (*Cont'd*)

c) Market Risk

Risk

The CLH Group will certainly be subjected to the inherent risks within the logistics industry, which include the rapid changes in technology (players in the industry need from time to time to update/upgrade their computing systems and equipment as technology changes rapidly), increase in capital investment required as well as the general economic and business fluctuations.

Impact

If unattended, changes to the above factors may have a material impact on the well being of the Group's businesses.

Mitigating Factors

The CLH Group seeks to minimize these risks by emphasizing on providing total logistics solutions for the supply chain of large conglomerates and multi-national corporations.

d) Globalisation

Risk

A major challenge is globalisation, where only the fittest will be able to compete with the major players, especially multinational logistics companies, with all their added expertise in the logistics industry and strong financial backing, to sustain their position in the borderless world.

Impact

Hence, it is imperative that the CLH Group stays ahead of the challenge with innovative logistics solutions as well as expanding its operations and strengthening its strategic alliances.

Mitigating Factors

The Group has moved towards its vision of becoming a third party logistics provider with the capability to institute value added services to enhance the customers' supply chain.

The management of CLH in fact views the inception of Asean Free Trade Area ("AFTA") as an opportunity rather than a threat. With the substantial increase in inter-Association of South East Asia Nations ("ASEAN") trade, a total logistics solutions provider will be the enabler to accommodate the free movement of goods within ASEAN.

e) Dependence on Key Personnel and Availability of Human Resources

Risk

The CLH Group believes that its continued success will depend significantly on the abilities and continued efforts of its existing Directors and senior management.

Impact

The loss of any key members of the Group could adversely affect the Group's continued ability to compete.

4. RISK FACTORS (*Cont'd*)

Mitigating Factors

The Group has made efforts to train its staff and enjoy support of long-term management staff. Future success will also depend upon its ability to attract and retain skilled personnel. Measures and precautions are being taken in grooming younger members of the senior management team in assisting the more senior key personnel to operate and manage the Group's activities and to ensure the development of younger talents to take over the management in the future.

f) Dependence on Basic Computer Systems

Risk

Currently, the complexities of the Group's operations are dependent on basic computer systems.

Impact

Loss of crucial data as well as inability to keep pace with the Group's growing business may result in loss of customers' confidence.

Mitigating Factors

Although the Group has not faced any major problems, the management of CLH is in negotiations with various IT solution providers to submit their proposals towards upgrading the Group's IT capabilities.

g) Marketability of CLH's Shares

Risk

Prior to the Issues, there has been no public market for CLH's shares.

Impact

There can be no assurance regarding the future development of the market for the shares.

Mitigating Factors

The issue price of RM1.80 per ordinary share has been determined after taking into consideration a number of factors, including but not limited to the Group's financial and operating history and standing, the future prospects of the Group and the industry in which the Group is involved, the net tangible assets of the Group and the prevailing market condition prior to the issuance of this Prospectus.

h) Control By Certain Major Shareholders

Risk

Upon completion of the Issues, certain of the major shareholders are involved in the management of the CLH Group, including Datuk Syed Ahmad Khalid bin Syed Mohammed, Phua Sin Mo, Teow Choo Hing, Mohamed Amin bin Mohd Kassim, Teow Choo Chuan and Jaafar bin Mohamad.

Impact and Mitigating Factors

Collectively, they will effectively hold 61.2% of the equity interest in the Company and consequently, it is likely that they will be able to effectively influence the outcome of certain matters requiring the votes of the Company's shareholders, unless they are required to abstain from voting by law and/or the relevant authorities.

4. RISK FACTORS (Cont'd)

i) Order Backlog for Containers***Risk and Impact***

Over the last few years, the CLH Group was not spared the general difficulties faced by the industry where container deliveries were slow during festival holiday season, particularly during year-end and beginning of the year.

Mitigating Factors

The management of CLH believes that the extent of backlog faced by the CLH Group in the past is at a manageable level. This was due to the fact that there exists a strategic alliance between the CLH Group and a business unit formed by Kontena Nasional Berhad ("KNB") to provide a dedicated fleet of container haulage trucks to the CLH Group. Since February 2001, the CLH Group has commenced operating its own container haulage trucks to cater to the demands of its customers.

j) Competitive Conditions***Risk***

The logistics industry is considered fairly competitive.

Impact

As such, the most efficient players coupled with the advantage of having economies of scale should be able to maintain their competitiveness and sustain profitability.

Mitigating Factors

The CLH Group enjoys this competitive advantage since the Group is able to offer a total integrated package of logistics services with the core resources owned or operated by the Group as well.

k) Material Research and Development***Risk and Impact***

Although research and development is not crucial to the CLH Group, nevertheless sufficient investments have to be made to develop new products, particularly in light of the future globalisation trend.

Mitigating Factors

A lot of research and brainstorming was done to design new 'products' and variations to current transactions. Although the CLH Group does not have a specific budget for research and development, the CLH Group has undertaken considerable unrecorded research to come out with the marketing strategy. In this context, it must be noted that BP has sent its staff to participate in exhibitions and trade fairs overseas. In the year 2000, a team was in Korea to familiarise itself with the quality control systems applied by Lucky Goldstar.

The Group plans to create a business development unit to deal with quality systems, product development and process reengineering.

4. RISK FACTORS (*Cont'd*)

l) Profit Forecast

Risk

This Prospectus contains the profit forecast for the CLH Group that is based on assumptions, which the Directors deem to be reasonable, but which nevertheless are subject to uncertainties and contingencies.

Impact

Because of the subjective judgments and inherent uncertainties of profit forecast, and because events and circumstances frequently do not occur as expected, there can be no assurance that the profit forecast contained herein will be realised and actual results may be materially different than those shown.

Mitigating Factors

Investors will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the profit forecast that are contained herein.

m) Reliance on Integration with Other Operators

Risk and Impact

The Group is dependent on other operators, including the following:

- providers of additional container haulage and conventional trucks as well as the lease of additional warehouse space
- shipping companies
- port operators

Mitigating Factors

The CLH Group has built a range of core infrastructure and facilities. In order to cater for surges in demand, it then taps into the resources of its business alliances.

More importantly, the Group's focus on value added services and providing solutions to their customers' supply chain management shall alleviate the Group strategically to lead any services agreement and coordinate with other logistics providers for certain aspects of physical handling along the value-chain. However, the Group will have to depend on their global network of agents for international freight forwarding and door-to-door assignments.

n) Government Control of Licenses

Risk and Impact

The CLH's Group's operating licences are governed by various Government departments, including the Royal Malaysian Customs and the Commercial Vehicles Licensing Board. Please refer to Section 5.7 for details of the major licences operated by the CLH Group.

Mitigating Factors

The management of CLH views that the renewal of these licences should not be a problem, particularly in view of the Government's liberalization policies.

4. RISK FACTORS (*Cont'd*)

o) Legal Uncertainties Concerning the Group's Business or Operations or Contractual Agreements

Risk and Impact

The landed property of SR at Lot No.1, Lingkaran Sultan Mohamed 2, Kawasan 20, Bandar Sultan Sulaiman, Taiwanese Industrial Park, Port Klang, Selangor Darul Ehsan ("the Landed Property") is currently being used to house a three storey office and a single storey warehouse. At present, no individual separate issue document of title has been issued and SR's interest in the Landed Property is regulated vide a Sale and Purchase Agreement dated 6 December 1991 between Perbadanan Kemajuan Negeri Selangor ("PKNS") and N.K.P. (M) Sdn Bhd, now known as SR. The Landed Property has not been issued with an individual title of document yet and accordingly the Landed Property is not presently registered in the name of SR.

The purchase of the Landed Property is subject to restrictions in interest and special conditions imposed under the Sale and Purchase Agreement which SR is in compliance with.

Mitigating Factors

Accordingly, CLH is of the view that the possibility of non-registration of the Landed Property in the name of SR is minimal.

p) Covenant under Borrowing Facility Agreements which Limits the Group's Operating and Financial Flexibilities

Risk and Impact

CLS, CLJ, SM, CD, DFR, CFS and BP have taken bank facilities for their business operations with various banks. The common covenants found in the letters of offer are, inter alia, that the respective companies shall not, without prior written consent from the respective banks:

- i) change the structure or management of the company;
- ii) change the share-holding structure (especially its majority shareholders);
- iii) save and except for the existing encumbrances, create or permit to subsist any charge, lien, pledge or any other security interests on or over any of its present or future assets;
- iv) lend or advance money (except in the ordinary course of business) to any person;
- v) reduce the paid up share capital; and
- vi) dispose or lease all or a substantial part of its assets or undertaking except in the ordinary course of business.

Mitigating Factors

As CLH and its subsidiaries have no intention in the foreseeable future to reduce their share capital, dispose or lease a substantial part of their assets or lend or advance money other than in the normal course of business, the risks relating to financial restraints in respect of covenants present in banking facilities which would restrict the Group's operating and financial flexibilities would be minimal.

4. RISK FACTORS (Cont'd)

q) Sensitivity to economic downturn

Risk

In general, the logistics industry is sensitive to the general health of the economy.

Impact

If unattended, a downturn of the economy may have a material impact on the Group's businesses.

Mitigating Factors

This risk can be mitigated through increasing exposure in the logistics requirements of export-oriented businesses and recession-proof industries like food and petroleum.

r) Risk associated with borrowings

Risk and Impact

Significant fluctuations in interest rates may pose an impact on the financial performance of the CLH Group, as some working capital requirements are met by borrowings and internally generated funds.

Mitigating Factors

The CLH Group has proposed to utilise part of the proceeds from the Issues to reduce their borrowings by a total of approximately RM7.33 million. By utilising the proceeds to reduce bank borrowings, the gearing of the Group would likewise be reduced, thereby mitigating any risk associated with borrowings.

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5. INFORMATION ON THE CLH GROUP

5.1 History and Principal Activities

The Company was incorporated in Malaysia on 24 March 1997 under the Companies Act, 1965 as a private limited company under the name of Century Logistics Holdings Sdn Bhd. It was subsequently converted into a public limited company and assumed its present name on 20 March 2000.

CLH is principally an investment holding company. The Group is a total logistics solutions provider with services ranging from port and customs clearances to international freight forwarding by sea and air; comprehensive warehousing facilities and inventory management; container haulage, transport and distribution to project cargo handling; from procurement to shipping agency and transshipment; and from assembly to value added services.

5.2 Changes In Share Capital

The present authorised share capital of CLH is RM50,000,000 divided into 50,000,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital is RM29,743,969 comprising 29,743,969 ordinary shares of RM1.00 each. Details of 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 Allotted	Par Value RM	Consideration	Resultant Issued And Paid-Up Share Capital RM
24.03.1997	2	1.00	Subscribers' Shares	2
19.07.1997	13,881,776	1.00	Share exchange for the acquisitions of CLS and SM	13,881,778
16.12.1997	1,313,245	1.00	Consideration for acquisition of Kancil Prima Sdn Bhd, Seaswift Forwarding and Shipping Sdn Bhd and Seaswift Freight System (M) Sdn Bhd	15,195,023
03.12.1998	180,000	1.00	Consideration for acquisition of Century Distribution Sdn Bhd	15,375,023
25.08.1999	1,025,002	1.00	Rights issue	16,400,025
27.08.1999	500,000	1.00	Restricted issue to certain creditors	16,900,025
31.12.2000	2,816,671	1.00	Bonus Issue on the basis of 1 new share for every six (6) existing shares	19,716,696
31.12.2000	3,727,273	1.00	Consideration for the Conversion of Advances	23,443,969
31.12.2000	6,300,000	1.00	Consideration for the Acquisition of BP	29,743,969
To be Allotted	8,000,000	1.00	To be issued pursuant to the Special Issue	37,743,969
To be Allotted	6,700,000	1.00	To be issued pursuant to the Public Issue	44,443,969

5. INFORMATION ON THE CLH GROUP (Cont'd)

5.3 The Restructuring Scheme

In conjunction with the listing of CLH's shares on the Second Board of the KLSE, the Company undertook a restructuring exercise which was approved by the FIC, MITI and SC on 6 June 2000, 16 June 2000 and 3 November 2000 respectively.

The details of the restructuring and listing scheme are as follows:

(i) Declaration of Dividends

For the purpose of the Bonus Issue, on 31 December 2000, CLS declared dividends of RM6.678 million from its retained earnings for the financial period ended 30 September 2000 as follows:

Financial period ended 30 September 2000	RM'000
Share capital	300
Capital reserves	5,612
Retained profits	11,008
<i>Less : Declaration of Dividends (net of tax)</i>	<u>(4,808)</u>
Adjusted shareholders' funds	<u>12,112</u>

Messrs Arthur Andersen & Co., the auditors of the CLH Group, has provided its opinion that CLS has sufficient tax credit to frank the above dividend payment pursuant to Section 108 of the Income Tax Act.

(ii) Bonus Issue

On 31 December 2000, CLH had undertaken a bonus issue of 2,816,671 new ordinary shares of RM1.00 each on the basis of approximately one (1) new ordinary share for every six (6) existing CLH ordinary shares held by capitalizing RM2,816,671 from the adjusted proforma audited CLH's retained earnings after incorporating the Declaration of Dividends.

Following from the above Declaration of Dividends, the proforma CLH and Group level retained earnings as at 30 September 2000 have been adjusted as such:

<i>As per audited accounts as at 30 September 2000</i>	Company RM'000	Group RM'000
Retained Earnings	197	10,761
Add: Dividend income from CLS	4,808	-
Adjusted reserves	<u>5,005</u>	<u>10,761</u>
Less: Amount capitalized for the Bonus Issue	<u>(2,817)</u>	<u>(2,817)</u>
Balance of retained earnings	<u>2,188</u>	<u>7,944</u>

5. INFORMATION ON THE CLH GROUP (Cont'd)

(iii) Conversion of Advances

Following the Bonus Issue, CLH had on 31 December 2000 converted the advances of RM4,100,000 by Lim Seng Chee & Sons Sdn Bhd and Phua Sin Mo to 3,727,273 new ordinary shares of RM1.00 each in CLH at a conversion price of RM1.10 per share.

(iv) Acquisition of BP

On 14 April 2000, CLH entered into a Conditional Sale And Purchase Agreement to acquire the entire issued and paid-up share capital of BP comprising 550,000 ordinary shares of RM1.00 each for a purchase consideration of RM6,300,000 to be satisfied by the issue and allotment of 6,300,000 new ordinary shares in CLH at an issue price of RM1.00 each.

The purchase consideration of RM6.3 million was arrived at on a willing buyer willing seller basis after taking into consideration the forecast NTA of BP as at 31 December 2000 of approximately RM6.5 million.

The vendors of the shares in BP are as follows:

Vendors	Shareholdings in BP		No. of new CLH shares issued as consideration
	No. of shares	%	
Phua Sin Mo	165,000	30.0	1,890,000
Teow Choo Hing	165,000	30.0	1,890,000
Teow Choo Chuan	165,000	30.0	1,890,000
Heng Mon Sing	55,000	10.0	630,000
Total	550,000	100.0	6,300,000

The Acquisition of BP was completed on 31 December 2000.

NTA Warranty

Pursuant to the Acquisition of BP, the Vendors of BP had jointly and severally warranted that BP shall achieve not less than the NTA Warranty of RM6.5 million provided always that the aggregate liability of all the Vendors shall not exceed the NTA Warranty.

As the accounts of BP as at 31 December 2000 has yet to be audited, the NTA Warranty has not been called upon.

(v) Special Issue

To facilitate the listing of and quotation for CLH on the Second Board of the KLSE, the Company will undertake a Special Issue of 8,000,000 ordinary shares of RM1.00 each at an issue price of RM1.80 per ordinary share to certain Bumiputera parties approved by the MITI.

All the new ordinary shares to be issued pursuant to the Special Issue will, upon issue and allotment, rank pari passu in all respects with the then existing ordinary shares of CLH, save and except that they will not be entitled to any dividends, rights, allotments or other distributions declared prior to the date of allotment of the Special Issue Shares.

5. INFORMATION ON THE CLH GROUP (Cont'd)

The 8,000,000 new ordinary shares, pursuant to the Special Issue, has been allotted for issuance to the following Bumiputera parties:

	No. of shares
Datuk Syed Ahmad Khalid bin Syed Mohammed	500,000
Mohamed Amin bin Mohd Kassim	1,556,000
Jaafar bin Mohamad	1,500,000
Other Bumiputera investor(s) approved by the MITI	4,444,000
Total	<u>8,000,000</u>

(vi) Public Issue

In addition, the Company will undertake a public issue of 6,700,000 new ordinary shares of RM1.00 each representing 15.08% of the enlarged issued and paid up share capital of CLH at an issue price of RM1.80 per ordinary share to eligible employees and Directors of the CLH Group as well as to the Malaysian public for application.

All the new ordinary shares to be issued pursuant to the Public Issue will, upon issue and allotment, rank pari passu in all respects with the then existing ordinary shares of CLH, save and except that they will not be entitled to any dividends, rights, allotments or other distributions declared prior to the date of allotment of the Public Issue Shares.

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5. INFORMATION ON THE CLH GROUP (*Cont'd*)

5.4 Business Overview of the CLH Group

5.4.1 Services Provided By The CLH Group

The CLH Group offers a comprehensive range of logistics management services known as total logistics solutions. The services provided include logistics project management, port and custom clearances, cargo handling, inventory management, distribution centers, warehousing, transshipment, ship husbanding and chartering, depot operations, fleet management, international freight forwarding by air and sea and integrated multi-modal transportation systems, including container haulage.

As part of the Issues, CLH acquired the entire equity interest in BP whose principal activities are in the repackaging, international procurement of parts, assembly and quality assurance before redistribution. This acquisition would enable the CLH Group to provide value added services akin to the global trend of providing total logistics solutions.

One-stop total logistics solutions providers are much sought after by manufacturers and distributors worldwide where outsourcing to competent third party logistics (3PL) providers have proven to add efficiency, reduction in costs and improves value, which invariably enhances the growth of ports and terminals and the economy in general.

As a whole, the total logistics services provided by the CLH Group can be broadly segregated into the following:

- Freight forwarding
- Transportation (including container haulage) and Distribution
- Warehousing
- Value added services

Value added services

Value added services are an integral component of supply chain management. These services include sorting and packaging, labeling, bar coding, assembling, quality control and redistribution. Another important factor in this context is the procurement of parts and components duty free and exporting them to other countries. The Government is encouraging the formation of international procurement centres (IPC) that will facilitate such transshipment hubs to be developed.

The current trend is towards the global or multinational company that is involved in the multilocation manufacturing and the distribution of goods. With the cyber information technology, experience and shift in consumer purchase patterns; warehouse and distribution facilities are increasing their value added services (functions) to their products and operations.

The trend for warehouse and distribution segments in the channel of distribution is to increase the number of facilities and value added activities of pick and pack, price mark or ticket, product repair and service, assembly and quality assurance, repackaging, returned goods handling, customer pick-up, across the dock distribution and telemarketing.

All the value added activities plus the effective management of information, order processing and procurement shall lessen the time and cost for product flow through the channels of distribution to the final customers. In essence, this is known as supply chain.

5. INFORMATION ON THE CLH GROUP (*Cont'd*)

5.4.2 Viability

(i) Product diversity and quality

One main issue in respect of viability is in respect of the product itself – in terms of its quality and diversity. In the logistics industry, the extent to which the service provided can range from traditional customs brokerage, provision of multi-modal door-to-door service and ultimately customer supply chain management. In this context, the services offered by the CLH Group are wide ranging and are not limited to a few areas. These diverse services conveniently enable large clients to access their varying logistics needs, thereby removing dependency on several providers.

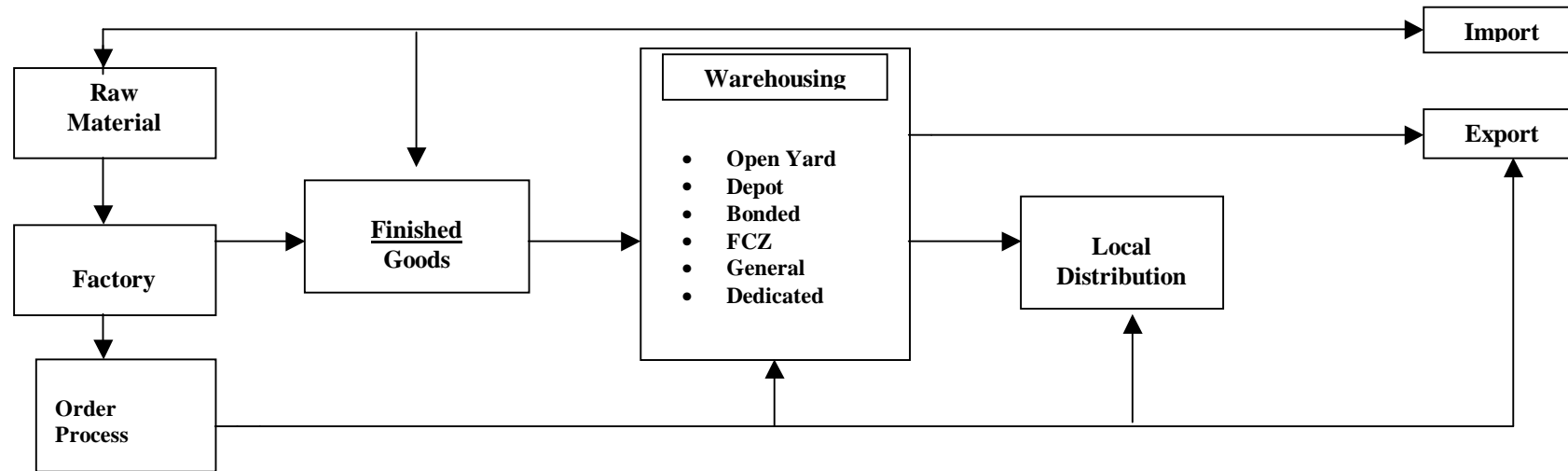
Achieving long-term profitability in today's turbulent environment depends to a large degree on an organisation's ability to anticipate and adapt to change in a planned manner. To meet this challenge effectively, the organization must creatively manage all its resources to develop and maintain a competitive edge.

Logistics management's role is to help reduce uncertainty by ensuring that the organisation's logistics resources and capabilities are compatible with the demands currently being made, or likely to be made by customers in the future. Achieving this in a cost-effective manner requires both a comprehensive and integrated view of the whole of the logistics function and a clear understanding of the implications where logistics interfaces with other organizational functions.

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5. INFORMATION ON THE CLH GROUP (Cont'd)

The diagram below depicts the services offered by a third party logistics provider:



.....***SUPPLY CHAIN MANAGEMENT***.....

Value Added Services	Storage & Handling	Transportation	International Freight Forwarder
<ul style="list-style-type: none"> • Assembly • Procurement • Quality Control • Repackaging 	<ul style="list-style-type: none"> • Inventory Management • Volumetric load • Material handling equipment • Labeling and Palletizing • Container stuffing and unstuffing • Quality Control • Reworking & Maintenance • Order Processing • Management information 	<ul style="list-style-type: none"> • Fleet Management • Heavy Lifts • Shunting Services • Dedicated deliveries • Cross Border delivery to Thailand and Singapore • Container Haulage 	<ul style="list-style-type: none"> • Air and Sea Freight • Port Clearance • Custom Brokerage • Project Management • Transshipment • Ship Chartering • Door to door services • Insurance • Shipping Agency

5. INFORMATION ON THE CLH GROUP (Cont'd)

(ii) Competitive advantage

The competitive advantage of the CLH Group is that it is in a position to provide total logistics solutions. It also has a broad customer base and therefore risks have been spread widely. Of course, these are also the advantages of the larger players with whom the Group has to compete. However, the inclusion of BP in the Group has given it a distinct advantage in that it is able to provide value added services which are an essential part of supply chain management of clients.

(iii) Market share/reputation

With more than 2,000 players in the industry providing a wide range of logistics and non-logistics services, market share is something not practical to measure.

However, according to the management of CLH, the Group boasts the following:

- (a) Currently one of the market leaders servicing the metal industry, achieving about 450,000 tonnes per annum;
- (b) The leader in servicing paper products like paper rolls and waste paper; and
- (c) Among the top five providing value-added logistics for electrical and electronic appliances like refrigerators, washing machines, cellular phones and copiers.

5.4.3 Principal Markets, End-users And Demand For The Services

Fortunately, the logistics services can be described as an essential element in trade, which provides essential logistics support to other industries. History has proven that the movements of goods are an irreplaceable economic activity. Greater sophistication in trading transactions only increases the physical movements of goods.

With more than twenty (20) years of experience with numerous clientele, the CLH Group's experience and expertise in providing total logistics services now cover a wide range of industries including metal, newsprint, electronics and electrical products and fast moving consumer goods.

5.4.4 Methods Of Distribution

The CLH Group relies greatly on direct marketing of its services which are focused in Port Klang, Penang and Johor Bahru where the management team is directly involved with business development.

In line with this policy, the concept of 'business partnerships' was developed and undertaken by its senior management. All customer service personnels' responsibilities are to look into securing further businesses through continuous improvement.

In addition, the network of agents throughout the world also contributes to business and development by way of nominations and sales leads.

5. INFORMATION ON THE CLH GROUP (Cont'd)

5.4.5 Interruption/Disruption in Business

The Group did not experience any disruption in business having significant effect on its operations for the past twelve (12) months prior to the date of this Prospectus. It must be emphasised that the Group maintains very cordial relationship with its employees.

5.4.6 Production/Operating Capacities and Output

Within the CLH Group, only BP carries out assembly and quality control activities, of which it has approximately 70 production staff operating on two (2) to (3) shifts based on the products assembled. The production capacities and output of main items assembled by BP are as follows:

Items	Maximum capacity (units per annum)	Average output (units per annum)
Washing Machine	70,000	50,000
Refrigerator	50,000	40,000
Mobile Phone	250,000	200,000

Source: Management of CLH

5.4.7 Sources And Availability Of Raw Materials

The CLH Group prides itself in owning and operating core resources such as warehouses, trucks, cargo handling equipment and computer hardware and software.

(i) Warehouse/ Open Yard Space

The total storage space operated by the Group, which amounts to approximately 1.33 million square feet, is as follows:

CLH Group: Space Operated as at 17 March 2001

COVERED STORAGE		OPEN YARD	
	Sq. Ft.		Sq. Ft.
Bonded	102,000	North Port	370,000
General	294,000		
Distribution	77,000	West Port	330,000
Free Commercial Zone	42,000		
Dedicated	118,000		
Total	633,000		700,000

Source: Management of CLH

5. INFORMATION ON THE CLH GROUP (Cont'd)**(ii) Capital Equipment**

The logistics industry is moderately capital intensive for the major players where it is a requisite to have a high investment in capital equipment. The CLH Group operates the following capital equipment:

CLH Group: Capital Equipment Operated, as at 17 March 2001

Transportation : Conventional Trucks*	Qty	Transportation: Container Haulage**	Qty
Double Axle	31	Prime-Movers	20
Single Axle	4	Side-Loaders	4
20-tonne Curtain Siders	14	Trailers (40 footer)	72
8-tonne Curtain Siders	4	Trailers (20 footer)	30
Low-Loaders	8		
10-tonne Trucks	1		
3-tonne Box Vans	9		

Types of Equipment	Qty	Types of Attachment	Qty
Forklifts	16	Roll Clamp	4
Heavy Forklifts	8	Drum Handler	2
Reach Trucks	6		
Lifting Cranes (20 tons)	1		
Digital weighbridge	1		

Notes:

* Includes the use of certain dedicated vehicles (12 double axle and 6 low-loaders trucks) provided by certain transport operators

** Licence to operate a further ten (10) Prime-Movers together with 70 trailers

Source: Management of CLH

(iii) Computerisation

Computerisation is used in the CLH Group's warehouse management, freight forwarding activities and accounting & finance departments. The existing computer system shall be upgraded to increase efficiency and enhancement of customer services with a principle objective to sales and to keep pace with the rapid changes in technology within the logistics industry by utilising part of the proceeds from the Issues as mentioned in Section 3.7 (g) of the Prospectus.

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5. INFORMATION ON THE CLH GROUP (Cont'd)

(iv) Additional vehicles

In addition to the resources described above, the Group maintains strategic alliances with other transport operators to provide additional vehicles to service the customers. This enables the Group to optimise the utilisation of their own fleet of vehicles and yet is able to address any increase in demand by having access to at least 80 vehicles through a panel of independent transport operators.

The Group had in September 2000, obtained its inaugural container haulage licence from the Ministry of Entrepreneur Development. The licence enables the Group to operate 20 container haulage prime movers together with up to 140 trailers. In addition, the Group had in December 2000 obtained another container haulage licence from the Ministry of Entrepreneur Development to operate a further 10 prime-movers together with up to 70 trailers. With the container haulage operations, the total logistics chain of the Group can be deemed as complete.

Nevertheless, the Group had also established a strong business partnership with Kontena Nasional Berhad ("KNB") for the last 30 years. The management of CLH believes that the Group is able to provide above par services because of its own strengths and the strong support from their alliances.

(v) Workforce

The CLH Group has a pool of skilled, semi-skilled and dedicated workforce, which on average, has worked for two and a half years in the Group, as illustrated in the table below:

Total Employment of the CLH Group as at 17 March 2001

Position	Personnel
Management and Professional	86
Technical and Supervisory	58
Clerical and General Workers	304
TOTAL	448

In addition, the training development programme of the Company is based on the concept of self-regulation whereby it places the responsibility to ensure the safety and health of workers in workplace besides upgrading the skills and competency of its employees.

On average, every staff is entitled to undergo a continuous training either external or internal on-job training. The training includes upgrading of technical skills, quality, productivity and computer related skills and supervisory skills.

The CLH Group currently provides a credible amount for its employees training programmes and is considering participating in the Human Resources Development Fund (under supervision of the Ministry of Human Resources). The allocation may be reimbursable from the Human Resource Development Fund where each employee contributes monthly from his or her salary.

5. INFORMATION ON THE CLH GROUP (Cont'd)**5.5 Subsidiaries and Associated Companies**

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

Subsidiary Companies	Date & Place of Incorporation	Issued and Paid-Up Capital (RM)	Effective Equity Interest %	Principal Activities
CLS	29.04.1977 Malaysia	300,012	100	Freight forwarding, warehousing and container haulage
CD	03.02.1997 Malaysia	300,000	100	Distribution services
CHM	21.10.1989 Malaysia	50,000	100	Transportation and open yard storage
SM	07.01.1991 Malaysia	800,000	100	General, bonded and free commercial zone warehousing
SR	25.09.1980 Malaysia	900,000	100	Property holding company
CFS	03.01.1996 Malaysia	600,000	100	International air and sea freight forwarding
DFR	23.08.1984 Malaysia	250,000	70	Freight forwarding and shipping agency
CLJ	07.03.1997 Malaysia	300,000	70	Freight forwarding, shipping agency and warehousing
BP	25.10.1994 Malaysia	550,000	100	Value added services including international procurement, assembly, quality control repackaging and distribution
BH	28.01.2000 Malaysia	2	100	Intended to be a property holding company

CLH does not have any associated companies.

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5. INFORMATION ON THE CLH GROUP (Cont'd)

Further details of the subsidiaries of CLH are as follows:

5.5.1 CLS

(i) History and Business

CLS was incorporated on 29 April 1977 as a private limited company under the Companies Act, 1965 under the name of Century Forwarding & Shipping Sdn Bhd, which was subsequently changed to Century Logistic Sdn Bhd on 17 January 1996. On 29 October 1996 the company assumed its present name.

The principal activities of the company are freight forwarding, warehousing and container haulage. The company commenced its operations on 1 June 1977. As at 17 March 2001, CLS has a total workforce of 122 employees.

(ii) Share Capital

The existing authorised share capital of CLS is RM350,000 divided into 350,000 ordinary shares of RM1.00 each of which RM300,012 comprising 300,012 ordinary shares of RM1.00 each have been issued and fully paid-up.

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

Date of Allotment	No. Of Ordinary Shares Allotted	Par Value RM	Consideration	Total Issued And Paid-up Share Capital RM
29.04.1977	2	1.00	Subscribers' shares	2
15.06.1977	50,000	1.00	Acquisition of business partly satisfied by shares	50,002
02.03.1983	250,010	1.00	Bonus issue of 5 new shares for every 1 existing share	300,012

(iii) Subsidiary and Associated Companies

As at the date of this Prospectus, CLS has two subsidiary companies, namely CHM and CD. Presently, CLS does not have any associated company.

5.5.2 CD

(i) History and Business

CD was incorporated in Malaysia under the Companies Act, 1965 on 3 February 1997 as a private limited company under the name of Damaria Forwarding Sdn Bhd. The company changed to its present name on 20 December 1999.

CD is principally engaged in the business of distribution services. As at 17 March 2001, CD has a total workforce of 9 employees.

(ii) Share Capital

The present authorised share capital of CD is RM500,000 divided into 500,000 ordinary shares of RM1.00 each of which RM300,000 comprising 300,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

5. INFORMATION ON THE CLH GROUP (Cont'd)

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

Date of Allotment	No. Of Ordinary Shares Allotted	Par Value RM	Consideration	Total Issued And Paid-up Share Capital RM
03.02.1997	100	1.00	Subscribers' shares	100
23.04.1997	299,900	1.00	Cash	300,000

(iii) Subsidiary and Associated Companies

Presently, CD does not have any subsidiary or associated company.

5.5.3 CHM

(i) History and Business

CHM was incorporated in Malaysia under the Companies Act, 1965 on 21 October 1989 as a private limited company under the name of Prima Jati Sdn Bhd. On 3 November 1998, the company assumed its present name.

CHM is principally engaged in the operations of transportation. As at 17 March 2001, CHM has a total workforce of 118 employees.

(ii) Share Capital

The present authorised share capital of CHM is RM100,000 divided into 100,000 ordinary shares of RM1.00 each of which RM50,000 comprising 50,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

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

Date of Allotment	No. Of Ordinary Shares Allotted	Par Value RM	Consideration	Total Issued And Paid-up Share Capital RM
21.10.1989	2	1.00	Subscribers' shares	2
05.12.1990	49,998	1.00	Cash	50,000

(iii) Subsidiary and Associated Companies

Presently, CHM does not have any subsidiary or associated company.

5. INFORMATION ON THE CLH GROUP (Cont'd)

5.5.4 SM

(i) History and Business

SM was incorporated in Malaysia under the Companies Act, 1965 on 7 January 1991 as a private limited company under its present name.

SM is principally engaged in the operations of general, bonded and free commercial zone warehousing. As at 17 March 2001, SM has a total workforce of 30 employees.

(ii) Share Capital

The present authorised share capital of SM is RM1,000,000 divided into 1,000,000 ordinary shares of RM1.00 each of which RM800,000 comprising 800,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

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

Date of Allotment	No. Of Ordinary Shares Allotted	Par Value RM	Consideration	Total Issued And Paid-up Share Capital RM
07.01.1991	2	1.00	Subscribers' shares	2
22.03.1991	9,998	1.00	Cash	10,000
26.07.1991	90,000	1.00	Cash	100,000
27.05.1992	100,000	1.00	Cash	200,000
31.01.1994	170,000	1.00	Cash	370,000
15.04.1996	430,000	1.00	Cash	800,000

(iii) Subsidiary and Associated Companies

As at the date of this Prospectus, SM has a subsidiary, which is SR. Presently, SM does not have any associated company.

5.5.5 SR

(i) History and Business

SR was incorporated in Malaysia under the Companies Act, 1965 on 25 September 1980 as a private limited company under the name of N.K.P. (M) Sdn. Bhd. The company changed to its present name on 22 August 1997.

SR is principally a property holding company. As at 17 March 2001, SR has no workforce.

5. INFORMATION ON THE CLH GROUP (Cont'd)

(ii) Share Capital

The present authorised share capital of SR is RM1,000,000 divided into 1,000,000 ordinary shares of RM1.00 each of which RM900,000 comprising 900,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

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

Date of Allotment	No. Of Ordinary Shares Allotted	Par Value RM	Consideration	Total Issued And Paid-up Share Capital RM
25.09.1980	2	1.00	Subscribers' shares	2
27.07.1982	29,998	1.00	Cash	30,000
01.10.1991	270,000	1.00	Cash	300,000
01.11.1995	600,000	1.00	Bonus issue of 4 new shares for every 2 existing shares	900,000

(iii) Subsidiary and Associated Companies

Presently, SR does not have any subsidiary or associated company.

5.5.6 CFS

i) History and Business

CFS was incorporated in Malaysia under the Companies Act, 1965 on 3 January 1996 as a private limited company under the name of Multiple Quest Sdn Bhd, which was subsequently changed to Damaria Logistic Sdn Bhd and Damaria Logistics Sdn Bhd on 9 April 1996 and 11 October 1996 respectively. On 23 May 1997, the company assumed its present name.

CFS is principally engaged in the business of international air and sea freight forwarding. As at 17 March 2001, CFS has a total workforce of 19 employees.

ii) Share Capital

The present authorised share capital of CFS is RM1,000,000 divided into 1,000,000 ordinary shares of RM1.00 each of which RM600,000 comprising 600,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

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

Date of Allotment	No. Of Ordinary Shares Allotted	Par Value RM	Consideration	Total Issued and Paid-up Share Capital RM
03.01.1996	2	1.00	Subscribers' shares	2
07.06.1996	99,998	1.00	Cash	100,000
10.07.1998	500,000	1.00	Cash	600,000

5. INFORMATION ON THE CLH GROUP (Cont'd)

iii) Subsidiaries and Associated Companies

Presently, CFS does not have any subsidiary or associated company.

5.5.7 DFR

(i) History and Business

DFR was incorporated in Malaysia under the Companies Act, 1965 on 23 August 1984 as a private limited company. It was initially known as Mastap Sdn Bhd. It later changed its name to Century Warehousing Sdn Bhd on 30 October 1987 and consequently to DFR on 11 November 1988.

DFR is presently a 70% subsidiary of CLH whilst the remaining 30% equity interest is held by Mohamed Amin bin Mohd Kassim, the Deputy Managing Director of CLH.

DFR is principally engaged in the business of freight forwarding and shipping agency. As at 17 March 2001, DFR has a total workforce of 11 employees.

(ii) Share Capital

The present authorised share capital of DFR is RM5,000,000 divided into 5,000,000 ordinary shares of RM1.00 each of which RM250,000 comprising 250,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

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

Date of Allotment	No. Of Ordinary Shares Allotted	Par Value RM	Consideration	Total Issued And Paid-up Share Capital RM
23.08.1984	2	1.00	Subscribers' shares	2
07.11.1984	99,998	1.00	Cash	100,000
23.01.1998	150,000	1.00	Cash	250,000

(iii) Subsidiary and Associated Companies

Presently, DFR does not have any subsidiary or associated company.

5.5.8 CLJ

(i) History and Business

CLJ was incorporated in Malaysia under the Companies Act, 1965 on 7 March 1997 as a private limited company under the name of Nuspear Resources Sdn Bhd. The company changed to its present name on 12 May 1997.

CLJ is presently a 70% subsidiary of CLH whilst the remaining 30% equity interest is held by Jaafar bin Mohamad, the Chief Executive Officer of CLJ and an Executive Director of CLH.

CLJ is principally engaged in the business of shipping agency, freight forwarding and warehousing. As at 17 March 2001, CLJ has a total workforce of 27 employees.

5. INFORMATION ON THE CLH GROUP (Cont'd)

(ii) Share Capital

The present authorised share capital of CLJ is RM500,000 divided into 500,000 ordinary shares of RM1.00 each of which RM300,000 comprising 300,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

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

Date of Allotment	No. Of Ordinary Shares Allotted	Par Value RM	Consideration	Total Issued And Paid-up Share Capital RM
07.03.1997	2	1.00	Subscribers' shares	2
19.06.1997	99,998	1.00	Cash	100,000
29.12.1998	200,000	1.00	Cash	300,000

(iii) Subsidiary and Associated Companies

Presently, CLJ does not have any subsidiary or associated company.

5.5.9 BP

(i) History and Business

BP was incorporated in Malaysia under the Companies Act, 1965 on 25 October 1994 as a private limited company under its present name.

BP is principally engaged in the business of providing value added services supporting the logistics operations, including international procurement, assembly, quality control and repackaging before re-distribution, some of the products handled include electrical and electronic appliances, office automation equipment, telecommunications and its related products. As at 17 March 2001, BP has a total workforce of 92 employees.

(ii) Share Capital

The present authorised share capital of BP is RM1,000,000 divided into 1,000,000 ordinary shares of RM1.00 each of which RM550,000 comprising 550,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

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

Date of Allotment	No. Of Ordinary Shares Allotted	Par Value RM	Consideration	Total Issued And Paid-up Share Capital RM
25.10.1994	2	1.00	Subscribers' shares	2
15.06.1995	99,998	1.00	Cash	100,000
18.06.1997	150,000	1.00	Cash	250,000
13.08.1998	300,000	1.00	Cash	550,000

5. INFORMATION ON THE CLH GROUP (Cont'd)

(iii) Subsidiary and Associated Companies

Presently, BP does not have any subsidiary or associated company.

5.5.10 BH**(i) History and Business**

BH was incorporated in Malaysia under the Companies Act, 1965 on 28 January 2000 as a private limited company under its present name.

BH is currently a dormant company. Upon the completion of the acquisition of the Property, described in Section 5.6 below, BH will become a property holding company. As at 17 March 2001, BH does not have any employee.

(ii) Share Capital

The present authorised share capital of BH is RM100,000 divided into 100,000 ordinary shares of RM1.00 each of which RM2 comprising 2 ordinary shares of RM1.00 each have been issued and fully paid-up.

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

Date of Allotment	No. Of Ordinary Shares Allotted	Par Value RM	Consideration	Total Issued And Paid-up Share Capital RM
28.01.2000	2	1.00	Subscribers' shares	2

(iii) Subsidiary and Associated Companies

Presently, BH does not have any subsidiary or associated company.

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5. INFORMATION ON THE CLH GROUP (Cont'd)

5.6 Landed Properties

The landed properties of the CLH Group as at the date of the Prospectus are as follows:

Registered owner/ Location	Existing use	Approximate Age	Land Area (sq. feet)	Built-up Area (sq. feet)	Tenure	Net Book Value as at 30 September 2000 RM	Open market value ⁽²⁾ RM
CLS							
HS (M) 18515 Lot No. PT 3756, Mukim of Kapar, District of Klang, State of Selangor Darul Ehsan	Double storey office and a single storey warehouse	9 years (4 years for the extension)	174,240	103,556	Leasehold for a period of 99 years expiring on 30 July 2086	10,312,062	11,500,000
SR							
Lot No 1, Lingkaran Sultan Mohamed 2, Kawasan 20, Bandar Sultan Sulaiman, Taiwanese Industrial Park, Port Klang, Selangor Darul Ehsan	Three storey office and a single storey warehouse	8 years (3 years for the extension)	152,385	88,950	Leasehold for a period of 99 years ⁽¹⁾	10,316,500	10,500,000
Total						20,628,562	22,000,000

Notes:

⁽¹⁾ Document of title has not been issued by the relevant land office

⁽²⁾ The open market values of the landed properties were not approved by the SC

The open market valuation of the above properties was based on the investment and comparison methods of valuation carried out by a firm of professional valuers, Vigers (KL) Sdn Bhd on 8 March 2000 (CLS's property) and 17 March 2000 (SR's property). All the revaluation surpluses have not and will not be incorporated into the books of the respective companies.

The purpose of the valuation is to reflect the overall market value of the landed properties owned by the CLH Group via CLS and SR.

In addition to the above, BH had on 16 November 2000, entered into a Conditional Sale and Purchase Agreement with PKNS-Federal Furniture International (M) Sdn Bhd ("PIFURN") for the proposed acquisition by BH of the Property for a cash consideration of RM8,968,976.

The Property, which measure approximately 558,647 square feet in total, comprise of two (2) contiguous pieces of leasehold industrial land, together with a factory/warehouse erected thereon and situated at Lot No. HS (D) 20946 P.T. No. 8540 and HS (D) 20947 P.T. No. 8539, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.

Both the aforesaid lands have a leasehold tenure of 99 years expiring on 29 March 2087. The current warehouse built up area is approximately 104,599 square feet. A valuation was carried out by Messrs. Khong & Jaafar Sdn Bhd on the said Property, details of which are given below:

5. INFORMATION ON THE CLH GROUP (Cont'd)

(i)	Date of valuation	:	10 May 2000
(ii)	Market valuation	:	RM13,500,000
(iii)	Valuation method	:	Cost and comparison methods
(iv)	Forced sale value	:	RM9,450,000

Furthermore, pursuant to the conditional sale and purchase agreement between PIFURN and BH, the Property shall be acquired by BH free from all encumbrances and with vacant possession but subject to all conditions of title whether expressed or implied.

The completion of the above is currently awaiting the draw-down of the financing obtained for the purchase of the Property. The draw-down is expected to be completed by end-April 2001, after which the document of title for the Property shall be transferred to BH. In addition, the title of the Property is still registered under PKNS and is yet to be transferred to BH.

5.7 Details of Major Licences and Permits

Licence	Date of Issuance/Expiry	Conditions	Status of Compliance
Forwarding Agency Licence at Port Klang			
CLS	3 July 2000/ 30 June 2002	Must offer thirty percent (30%) of its issued and paid-up capital to Bumiputera parties or has a scheme for Bumiputera which is approved by the Treasury	To be complied upon listing
DFR	1 December 2000/ 31 May 2001	The participation of Bumiputera in DFR in terms of the Board of Directors, management and employees must not be less than 51% to be complied at all times	Fully complied
Forwarding and Shipping Agency Licence at Pelabuhan Johor			
CLJ	7 March 2000/ 6 January 2002	Must offer thirty percent (30%) of its issued and paid-up capital to Bumiputera parties or has a scheme for Bumiputera which is approved by the Treasury	Fully complied
Bonded Warehousing Licence			
SM	30 August 2000/ 31 August 2001	Only dutiable goods which are transported from the place of import by vehicles approved by the Director General of Customs may be stored in the bonded warehouse at Port Klang	Fully complied
Container Haulage Licence			
CLS	15 September 2000/ Not applicable	20 Prime-Movers and 140 Trailers for hauling both laden and unladen containers in the Northern Zone, i.e. all the states in Peninsula Malaysia apart from Johor and Melaka	Fully complied
	19 December 2000/ Not applicable	10 Prime-Movers and 70 Trailers for hauling both laden and unladen containers in the Northern Zone, i.e. all the states in Peninsula Malaysia apart from Johor and Melaka	To be complied

5. INFORMATION ON THE CLH GROUP (Cont'd)

5.8 Industry Overview of the CLH Group

5.8.1 Introduction

The term “logistics” used in the context of a single production entity can refer to areas of inbound and outbound logistics in the value chain. Integrated logistics refers to integrated management of both, the entire supply chain from raw materials through distribution of finished goods. Apart from the traditional four (4) areas of logistics below, the global trend of the industry is moving towards supply chain management i.e. the entire process from order processing to end users requirement is outsourced to independent third party solutions providers.

In the context of an industry, this comprises independent third party operators who provide such logistics services to production units and trading entities. The production units here can come from various sectors including manufacturing, mining, forestry or any other industries producing goods for the market.

The activities involved in the “logistics industry” are included in the industry group “Transport, storage and communications” in the Treasury Economic Report. This however is a very wide industry covering essentially transport (passengers and goods), telecommunications, postal and couriers services, tourist services and allied activities.

Major Activities of the Logistics Industry

Major Activity	Components
1. Freight forwarding	Customs brokerage
	Port clearance
	Ship chartering and shipping agency
	Transshipment
2. Transportation	Road haulage
	Bonded trucking
	Container haulage
3. Warehousing	General warehousing
	Bonded warehousing
	Cold rooms
	Open yard depot
4. Value added services	Assembling
	Sorting/packing
	International Procurement Centre (IPC)
	Quality control

The CLH Group is involved in most of the activities shown in the table above except for cold room storage.

Distribution is the function of moving various products from the vendor’s facility or the manufacturing workstation to the company’s facility for storing the product, picking the product to the customer order requirements, and delivering to the customer’s facility or workstation in one’s manufacturing facility.

Logistics has the same meaning as distribution but encompasses all activities that are required to have controlled product and information flow between two or more locations. The first flow pattern is between the vendor location and one’s warehouse. The second flow pattern is between one’s warehouse and the customer’s location.

5. INFORMATION ON THE CLH GROUP (Cont'd)

5.8.2 Macro Growth**Overview and Outlook of the Economy of Malaysia**

The regional financial crisis, which began in July 1997, resulted in unprecedented turbulence for the Malaysian economy. The full deflationary impact of the regional financial crisis was, however, felt only in 1998. The economy experienced its sharpest decline in 1998 registering a real negative GDP growth of 7.5% compared to real positive GDP growth of 7.5% in 1997.

The severity of the economic crisis compelled the Government to take measures to minimise the social impact of the downturn and to promote economic recovery. A comprehensive set of policies consisting of expansionary fiscal and monetary policies, a fixed exchange rate, selective exchange controls and a longer-term programme of restructuring for the corporate and financial sector, were implemented.

As a result of the policies, initiated under the National Economic Action Council, and the implementation of programmes and projects set out in the National Economic Recovery Plan and strong external demand, the Malaysian economy turned around in 1999 registering strong positive real GDP growth of 5.4% higher than the earlier forecast. The performance of the economy in 1999 and the monthly indicators for the current year confirmed a V-shaped turnaround.

For the first half of 2000, Bank Negara Malaysia announced that the economy recorded a GDP growth of 10.3% compared with 1.8% for the same period in 1999. The broad-based growth was supported by strong external demand, the fiscal stimulus and the positive domestic economic and financial environment.

Recently, in the 2001 Budget Speech on 27 October 2000, the Minister of Finance announced that the Malaysian economy is expected to register a GDP growth of 7.5% for 2000. Growth is expected to be broad-based with all sectors registering positive growth. It is anticipated that the manufacturing sector, which has registered double-digit growth for 15 consecutive months to date, will continue to lead this growth.

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5. INFORMATION ON THE CLH GROUP (Cont'd)

Value-added in the manufacturing sector is envisaged to record a growth of 17% this year, while output of the export-oriented industries is estimated to expand by 22.4% (1999:10.8%), buoyed by continued strong demand in electronics products and sustained economic growth in the United States and Asia.

Aggregate domestic demand is expected to expand strongly by 16% to RM260.7 billion in the year 2000 on the back of strong growth in private sector expenditure of 17.6% (1999:3.3%) and public sector expenditure of 12.4%.

GNP per capita is forecasted to register growth of 4.7% to RM12,883 (USD3,390) from RM12,305 (USD3,238) in 1999. In terms of purchasing power parity, the country's per capital income is estimated to increase by 6% from USD7,277 in 1999 to USD7,716 this year.

The economic outlook for 2001 is expected to be favourable. The continued expansion in economic activities is expected to be achieved in an environment where external demand will continue to support aggregate domestic activities generated by a broad-based recovery. Growth is expected to be sustained by the stronger performance of the private sector which will provide the primary stimulus. Manufacturing activity will again propel growth as production is expected to grow by 12% in 2001.

The international economic environment is expected to continue to be conducive with world growth remaining strong at 4.2% (2000:4.7%). The slower growth anticipated for the United States' economy is expected to be mitigated by continued growth of Malaysia's other trading partners namely Japan and the European Union. Regional growth is expected to moderate but remain strong at 6%. Growth in the world trade is expected to continue to be robust at 7.8%.

Source: Economic Report 1998/1999; Economic Report 2000/2001; and Economics and Financial Developments in the Malaysian Economy in the Second Quarter of 2000 Bank Negara Malaysia, dated 23 August 2000

5.8.3 Overview of the Port Industry in Malaysia

Ports are the major link to Malaysia's external trade and they play a vital role in the country's economic activities and development.

The port industry in Malaysia is rather large in view of Malaysia large external trade. Malaysia's total trade expanded significantly by 24.7% to RM447.3 billion during the first eight months of 2000. Gross imports increased strongly by 31.2% to RM204.9 billion while gross exports expanded by 19.7% to RM242.4 billion. Exports accounted for 54% of the total trade while imports made up 46%.

Source: Economic Report 2000/2001

5. INFORMATION ON THE CLH GROUP (Cont'd)

Malaysia's intermediate services, which expanded by 2.2% in 1999 (1998 it fell by 2.3%) accounted for 20.1% (in 1998 it accounted for 20.8%) of the country's GDP. Growth in this sector emanated mainly from the transport, storage and communications sub-sector, particularly transportation services, underscoring the strong increase in international trade. The transport, storage and communication sub-sector, which contributed 8.0% of the country's GDP, grew by 3.8% in 1999 compared to 0.9% in 1998.

Source: Bank Negara Malaysia, Annual Report 1999

Services provided by the transport, storage and communications sub-sector is expected to increase at a higher rate of 6.7% in 2000 on account of higher contribution from air and major port services as well as from the expansion of information and communications technology and knowledge business activities.

Source: Economic Report 2000/2001.

5.8.4 Industry Life Cycle

With the changes in demand and technological developments, all industries face a life cycle. The stage of the life cycle of the industry in which a firm operates is important for the future viability of the firm.

Transportation of goods from suppliers to end-users is an activity that has been going on in Malaysia since the development of the plantation and tin mining sectors. Initially the producers themselves handled these functions but gradually independent haulage suppliers, warehouse operators and freight forwarders came into the scene. This growth accelerated with the rise of the manufacturing and the petroleum mining sectors.

Thus, currently, the logistics sector comprises a large number of small players at its base and at the higher end, there are a few large players considering themselves to be total logistics service suppliers and moving towards multimodalism. This concept of total logistics provider was developed less than a decade ago where the provision of horizontally integrated and multi-mode transport logistics services is coming out of the infancy stage and is now entering the growth stage.

The global trend in the logistics industry is to acquire the ability to adapt products (services) and various elements of the marketing mix to best satisfy customers around the world. A well articulated distribution and total logistics including value-added activities is needed to make goods and services available at the point of sale in sufficient quantity and quality. This provision of supply chain management is usually outsourced to third party logistics ("3PL") providers. This trend is still at an infancy stage in this country.

5. INFORMATION ON THE CLH GROUP (Cont'd)

5.8.5 Government Directions, Legislation, Policies and Incentives

Essentially, the two main authorities that regulate the logistics industry's activities are:

- (i) The Royal Malaysian Customs (Ministry of Finance); and
- (ii) The Commercial Vehicles Licensing Board ("CVLB") (Ministry of Entrepreneurial Development)

All forwarding companies require Royal Malaysian Customs licences to operate. The company directors need to have proven knowledge of customs procedures and have to attend an interview conducted by the Customs Department before a licence is issued.

Geographically, this regulation by the Royal Malaysian Customs is at state-level and is segregated. A forwarder at Port Klang, for instance, is not automatically licenced to be a freight forwarder at Penang Port or Johor Port and vice versa. This, it has been said, has prevented the development of door-to-door service. However, it must be noted that there is a provision for extension of the licence to another port provided that the Royal Malaysian Customs in this port has no objection.

Source: Taylor Nelson Report dated 14 April 2000

The CVLB, under the Ministry of Entrepreneur Development, controls the issuance of licences for operation of trucks, prime movers and container haulage. The issuance of these licences have recently been liberalised by the Ministry of Entrepreneur Development.

5.8.6 Capital or Labour Intensiveness of the Industry

It was noted earlier that a supplier can provide total logistics services without being capital intensive.

However, the freight forwarding industry in Malaysia is fragmented and under-capitalised. The large number of firms is a result of low entry barrier into freight forwarding and attractive short-term profits in Malaysia. Due to under-capitalisation, very few Malaysian freight forwarders are able to provide the entire range of services expected of them as representatives of the exporters and importers. Low capitalisation has limited the industry from venturing into the related down-stream activities such as warehousing and distribution.

The above view is applicable mainly to the lower end of the industry. At the higher end, there are a few players who have ventured well downstream and into total logistics service providers as noted above. Essentially, seeing from the perspective of the service sector, the logistics industry is a moderately capital-intensive industry.

Labour intensiveness is closely related to capital equipment owned and operated. Since vehicles require drivers and warehouses require maintenance and operations personnel, it can be concluded that the logistics industry is a moderately labour intensive industry. The developments in information technology could, to some extent, reduce this intensiveness in future.

Source: Taylor Nelson Report dated 14 April 2000

5. INFORMATION ON THE CLH GROUP (Cont'd)

5.8.7 Dependence on Other Industries

It was noted above that the logistics service industry is generally highly dependent on the performance of the manufacturing and trade sectors of the economy. Essentially it is the growth of production (especially manufacturing) and consumption (consumer and industrial goods) activities and infrastructure facilities (roads, ports, etc.) that are the basic drivers of the industry. A contributing factor would be public sector policies and activities.

5.8.8 Industry Dynamics
(i) Structure of the Industry

There are more than 2,000 approved customs agents in the country. The bulk of them (75-80%) are small players, little more than customs brokers or agents, handling specific activities and working in niche markets. The competitive situation here can be considered as “normal”. At the higher end, there are few players in a highly competitive environment.

Source: Taylor Nelson Report dated 14 April 2000

(ii) Ease of Entry

The relevant factors in terms of entry barriers are:

Capital requirement for entry: Essentially, to be a big and efficient player, substantial capital is required and this can be a barrier.

Expertise and skills: Lack of industry experience is another barrier to entry. Generally, the Royal Malaysian Customs interviews company directors before approving licences issued by them.

Government regulation: Government policies to regulate the industry could be considered as entry barriers by some that want to enter the industry.

Differentiation: If all players in the industry are providing similar services and there is intense competition, this could be considered an entry barrier. On the other hand, if a player can differentiate his service to provide something different and of higher value, the barrier can be broken. The provision of value added services in the logistics industry could be considered as such differentiation.

(iii) Cyclical or stability of revenues

As mentioned above, the nature of the logistics industry depends on the economy in general. Therefore, the revenues are deemed cyclical in nature, depending on the economy.

(iv) Threat of substitute products or services

There is no direct threat of substitute products or services to the logistics industry. In addition, the management is of the view that the Group has the capability to diversify.

5. INFORMATION ON THE CLH GROUP (Cont'd)

(v) Supply and demand of products/services

The supply for the logistics service industry is generally highly dependent on the performance of the manufacturing and trade sectors of the economy. Essentially, it is the growth of production (especially manufacturing) and consumption (consumer and industrial goods) activities and infrastructure facilities (roads, ports, etc.) that are the basic drivers of the industry. A contributing factor would be public sector policies and activities.

The demand within the industry is considered quite favourable due to the fact that there are very few players in the industry, which could offer total logistics services, in particular supply chain solutions providers. In addition, the improving economy in general (specifically the growth in the manufacturing and electronics sectors) is expected to lead to increased demand for logistics services.

(vi) Industry players and competition

With more than 2,000 players, the logistics industry comprises of some major players at the top and many smaller players at its base. The key players in the higher end of the industry who are listed on the KLSE are Kontena Nasional Berhad (“KNB”), Konsortium Perkapalan Berhad and Integrated Logistics Berhad, to name a few. It is safe to assume that the logistics industry is a very competitive industry. In view of such varied competition, the CLH Group would need to be innovative in offering services and products to its customers.

5.8.9 Summary Outlook

The outlook for the industry is very positive. The recovery and growth of the economy and especially the growth of the manufacturing and trade sectors and rise in consumption expenditure ensure continued and increasing demand for logistics services.

The important factors that would affect the future outlook of the industry are:

(i) Government policies

Current policies such as controlled container haulage and restricted appointments of multi-modal transport operators (MTO) to handle government projects have a limiting effect on the industry.

(ii) Entry of global players

Already the global players are operating in this country. The logistics industry is a global industry and the value-chain of activities cannot be confined within one country. Thus, the natural trend for local logistics service providers is to expand regionally and globally.

(iii) Introduction of technology advancements

In any business environment, advancements and improvements can be boosted by new technology. The evolution of technology has changed the entire landscape of the logistics industry. Service providers who invest in information technology and new engineering technology will be able to benefit from e-commerce in the near future.

5. INFORMATION ON THE CLH GROUP (Cont'd)

(iv) The development of multimodalism and customer supply chain management

If the local players cannot take over the customer's non-core activities, then the global players will overrun the business.

(v) Global trends

The logistics industry is an essential element and catalyst of growth (to certain extent) in all economies. With globalisation and intense competition, the need for efficient 3PL providers cannot be over emphasized. The industry players must be aware and initiate a more concerted effort to stay ahead of the competition.

(vi) Global customers

Satisfying global customers means the ability to adapt products and various elements of the marketing mix to best satisfy customers around the world. A well articulated distribution and logistics is needed to make goods and services available at the point of sale in sufficient quantities.

5.9 Major Customers

The table below illustrates the list of the CLH Group's major customers for the period ended 30 September 2000. It can be clearly seen that the customers for the CLH Group's core logistics services are much more diversified and widespread. This is a positive point for the CLH Group since it has a very wide customer base and is not dependent on a few large customers or customers from one industry for its business. The range of level of sales to major customers are as follows:

Major Customers of the CLH Group for the Financial Period Ended 30 September 2000

% of Turnover	Customers	Services/Products Sold	Length of Relationship Years
6% to 13%	Efektik Tulen Sdn Bhd	Electrical and electronic appliances	1
	Nestle Products Sdn Bhd	Fast moving consumer goods	2
	Sunrise Mobile Sdn Bhd	Mobile phones	1
3% to 6%	Malaysian Newsprint Industries Sdn Bhd	Paper and newsprint	2
	Moden Bestari Sdn Bhd	Electrical and electronic appliances	2
	Pioneer Touch Sdn Bhd	Mobile phones	2
	Scott & English Electronics Sdn Bhd	Electrical appliances	1
1.8% to 3%	Dimana Sdn Bhd	Metal and steel	6
	Metal Reclamation Industries Sdn Bhd	Metal and steel	15
	Plusnet Communications Sdn Bhd	Mobile phones	1
	Sifortel Solutions Sdn Bhd	Mobile phones	5
	WyWy Pacific Sdn Bhd	Mobile phones	5

Source: Management of CLH

5. INFORMATION ON THE CLH GROUP (Cont'd)**5.10 Major Suppliers**

Most of the suppliers are essentially logistics services supplier. The CLH Group is not dependent on any single supplier (i.e. none of the existing suppliers supply more than 10% of the Group's supplies). The range of the level of purchases from major suppliers are as follows:

Major Suppliers of the CLH Group for the Financial Period Ended 30 September 2000
(excluding custom duties and port charges)

% of Cost of Sales	Suppliers	Services/Products Supplied	Length of Relationship Years
4% to 9%	Jambatan Merah Forwarding Sdn Bhd	Forwarding	2
	KNB	Haulage services	30
	Scott & English Electronics Sdn Bhd	Electrical appliances	1
2% to 4%	Klang Port Management Sdn Bhd	Port services	30
	MISC Agencies Sdn Bhd	Shipping agent	2
	Zitron Enterprise (M) Sdn Bhd	Mobile phones	3
0.5% to 2%	BP Malaysia Sdn Bhd	Diesel	1
	Canon Marketing (M) Sdn Bhd	Electrical and electronic appliances	2
	Klang Multi Terminal Sdn Bhd	Port services	5
	Lam Lee Trading Transport Co	Transport services	2
	Multi Trans Sdn Bhd	Transport services	7
	Syarikat Kian Lee Trading Co	Diesel	4

Source: Management of CLH

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5. INFORMATION ON THE CLH GROUP (Cont'd)

5.11 Future Plans, Strategies and Prospects
5.11.1 Vulnerability
(i) Long-term contracts

Although it has been the industry practice where there are minimal long-term contracts that are entered into, the management of CLH is confident that the long term relationship between them and the existing customers will sustain over time.

The CLH Group is in the midst of negotiations with several parties in securing outsourcing of their logistics requirement to the Group. Among others, the CLH Group has an understanding with Cognis Oleochemicals (M) Sdn Bhd (“Cognis”) of the Henkel Group, a global chemical company based in Germany, and Nestle Products Sdn Bhd (“Nestle Products”), in fulfilling their logistics requirements.

(ii) Availability of resources

The CLH Group had established a very strong relationship with its major suppliers and/or service providers such as KNB (30 years), Klang Port Management Sdn Bhd (30 years) and Klang Container Terminal Berhad (30 years), which is evidently shown in the list of major suppliers in Section 5.10 above. Therefore, the CLH Group is assured of strong support from its suppliers and/or service providers.

(iii) Capability to diversify

The management of CLH Group has now positioned the organisation to become more agile in its ability to move with the trend and diversify into new services fairly quickly. The factors that contribute to this capability are as follows:

- (a) The main shareholders are also hands-on managers and actively participate in the management and operations of the CLH Group, hence decisions are made sooner;
- (b) The top management consists of professionals with respectable exposure and experience in the industry;
- (c) The management has chartered the direction of the organisation to be in line with the growing trends within the logistics industry in developed countries;
- (d) The Group owns core resources in terms of assets/infrastructure such as different types of vehicles, warehouses, modern cargo handling equipment, that are just sufficient to cater for their main customers’ requirements. The Group lease additional warehouses and strike strategic alliances with transporters to cater for smaller customers and surges in demand. The Group has dedicated subcontractors to undertake labour intensive jobs such as stuffing/unstuffing of containers, packing, cleaning and security; and
- (e) The Group is focused into developing ‘business partnerships’ with dynamic organisations that are less prone to recession.

5. INFORMATION ON THE CLH GROUP (Cont'd)

(iv) Market access

The logistics industry is deemed relatively moderate in term of market access based on segmented basis (i.e. transportation, shipping and warehousing). However, it must be noted that for any player to establish itself as a total logistics provider, it would require a lot of capital, manpower and experience.

(v) Marketing/promotion strategies and distribution network

The Group's strategy is channelled towards gaining market share in industries that are essentially recession proof and can be summarised as follows:

- (a) identifying in house key accounts with a view to provide dedicated service and carve a greater share of support by introducing new services;
- (b) implementing a central marketing team comprising of all heads of subsidiaries and customers service executives;
- (c) identifying potential customers, whose business are recession proof, such as:
 - export oriented customers;
 - food and grocery industry;
 - electrical and electronic industry;
 - transshipment business; and
 - bulk liquid and dry bulk business;
- (d) Introduce value-added services that will help in reducing cost and increase efficiency to in-house as well as potential customers. This is usually done by examining the customers supply chain network and proposing solutions to enhance their supply chain logistics requirements;
- (e) Re-examine and restructure the services provided by the vendors and suppliers that will enhance productivity while reducing wastage and costs. This invariably results in a positive impact to the CLH Group's customers by providing reliable and uninterrupted services;
- (f) Customising special business units (SBUs) to dedicate a host of services to special customers; and
- (g) Increasing transport capability and synergising warehouse capacities.

5. INFORMATION ON THE CLH GROUP (Cont'd)

(vii) Summary

The CLH Group will be subject to certain risks inherent in the logistics industry. The performance of the CLH Group is sensitive to the overall performance of the national economy and trade activities between major trading partners.

The presence of foreign logistic players such as TNT Holdings BV, Linfox Logistics (N.Z.) Ltd. ("Linfox") and Mayne Nickless can be a threat to the industry. Interviews conducted by Taylor Nelson with competitors, suppliers and customers on this subject resulted in two opposing views:

- (a) Some take a liberal view and look at it positively, as an opportunity to weed out the inefficient players and improve the quality of service of those remaining. They feel that this will benefit the customers as well as raise the standard of the industry.
- (b) Others take the protectionist view; they feel that government will take action to protect the industry from being overtaken by foreign players. Apparently they see them as a threat since most of the foreign players have a longer track record, wider networks and the support of multinationals.

5.11.2 Management Quality

Management quality essentially depends on expertise of the leadership of the top management team. The Chairman is Datuk Syed Ahmad Khalid bin Syed Mohamad. He also holds other directorships in the CLH Group and is a member of the boards of other private limited companies. The founder and Executive Deputy Chairman of the CLH Group is Phua Sin Mo who has three decades of experience in the logistics industry. Teow Choo Hing, the Managing Director, an engineering degree graduate, has had experience in transport and construction, trading and assembling of electrical/electronic products. He has also set-up a bonded warehouse. The Deputy Managing Director, Mohamed Amin bin Mohd Kassim, holds a professional qualification in transport. His background and 25 years experience is in shipping and freight forwarding. Teow Choo Chuan, who is a Director of CLH and the Chief Executive Officer of BP, is an electrical engineering degree graduate; he has experience in trading and marketing of electrical and electronic products. Jaafar bin Mohamad, is a Director of CLH and the Chief Executive Officer of CLJ. His background is in shipping and he is an active member of the shipping fraternity.

The above review shows that the top management of CLH Group is well qualified and has considerable experience in logistics and related activities. It is also a mixture of the "old and new" which can give a balanced leadership to the Group.

5. INFORMATION ON THE CLH GROUP (Cont'd)

5.11.3 Contribution to Economic Growth
(i) Value-added

The CLH Group is now focused on providing supply-chain solutions to large manufacturers, traders and distributors, by combining the efficiency of its logistics capabilities and value-added services. It is to the benefit of the Malaysian economy that we all become advocates of supply-chain engineering. It is not just for the third party logistics providers, but it is an industry wide challenge. Taking cost out of the system improves shareholders' value and improves the economy.

(ii) Government Policies

The efforts of the government to optimize the role of Malaysian ports and airports largely depend on the shipping lines and airlines utilising our facilities. However, the global carriers will consider utilising our ports and airports if there are sufficient cargo throughputs. Thus, it is vital for the nation to be able to attract transshipments of cargoes from other countries through our ports and terminals. This can be done if more organisations like the CLH Group can provide value-added services such as consolidation, international procurement centres, repacking and assembly. In the past, these services were provided in Singapore and Hong Kong.

(iii) Linkages and Catalyst

The CLH Group is currently in discussions with some of its multi-national customers to utilise Malaysia as the regional hub to service the neighbouring countries and beyond to Asia Pacific. Such value-added concepts and logistics capabilities will invariably become the catalyst of growth for industries and provide the linkages to other pioneer industries to be started here.

5.11.4 Prospects of the CLH Group as a Player in the Logistics Industry

The CLH Group has positioned itself to take on the complexities of managing the supply-chain of key customers. The tenacity of this direction shall ensure that the organisation will lead the industry and stand on its own beside the global players. The global trend of large corporations outsourcing their logistics will only spur CLH to realize their plans to expand regionally within the next couple of years.

5.11.5 Future Plans of the Group

To achieve its targeted growth, the CLH Group will continue with some of the successful strategies in the past, especially gaining market share in industries that are essentially recession-proof. However, for the future, the Group has identified its objective as "...to transform the Group through process evolution and strategic alliances taking cognisance of the global trend where third-party logistics (3PL) providers are able to offer one-stop integrated logistics solutions that effectively enhance the customers' supply chain". Furthermore, realising the future plans is an ongoing process.

5. INFORMATION ON THE CLH GROUP (Cont'd)

To achieve this the Group has identified the following strategies:

(i) Business Focus

To be appointed as strategic business partners locally

One-stop total logistics service providers are much sought after by manufacturers and distributors worldwide where outsourcing to competent 3PL providers have proven to add efficiency, cost reduction and improves value, which invariably enhances the growth of ports and terminals and the economy in general. The CLH Group is focussing on being appointed as strategic business partners for dynamic supply-chain focused customers. By offering one-stop total logistics solutions, the customers' supply chain will effectively be enhanced as the customers will be free of the logistics functions and can concentrate fully on their core activities.

To be appointed as strategic business partners internationally

The Group is currently exploring international expansion, particularly regionally, via the strategic business partners concept. This move to expand regionally is driven by certain existing customers who have requested that the Group provide 3PL services in the countries in which they operate. To this effect, the Group is currently planning an expansion to Bangkok in Thailand where operations are expected to commence by early 2002.

(ii) Expansion Focus

Improve the global networking with active agents overseas

The strategy identified in improving global networking is via setting up joint-venture regional offices with various international logistics partners.

Diversify into servicing new industries

This is an ongoing focus in order to diversify the income stream of the CLH Group via servicing the logistics requirements of various new industries not currently covered. The new industries identified include providing logistics services to chemicals and petroleum related companies, as well as carrying out cold room storage operations.

Open branch offices domestically and internationally

Locally, the Group intends to expand its operations to promote strategic hubs and distribution centres. Besides Port Klang, operations are also carried out in Penang, Johor Bahru as well as the Kuala Lumpur International Airport in Sepang. There are plans, by early next year, to open a new branch in Kuantan as well as setting up representative offices in Sabah and Sarawak, to tap into these growing areas. Internationally, the Group views expansion to Bangkok in Thailand as well as various other locations within the ASEAN region as potential expansion targets. The expansion to Bangkok is currently being studied and operations are expected to commence by early 2002.

5. INFORMATION ON THE CLH GROUP (Cont'd)

(iii) Information Technology Focus***Improve and invest in information technology systems***

The CLH Group recognises that, in order to manage effectively the various complexities of supply business, the existing information technology infrastructure of the Group has to be improved further. An amount of RM1.5 million has been earmarked from the proceeds of the Issues to address the short term needs of the Group. The IT team of the Group is currently working together with a software provider to devise a platform to enable key customers to access via on-line web systems that shall provide real time response and cargo tracking regionally. This platform is targeted for operations by mid-2002.

5.11.6 Conclusion

The industry's direction is to provide complete supply chain management services to production and trading units in an economy. It is a viable and necessary industry but, in its integrated form, it is in the early growth stage in Malaysia. With the recovery of the economy and the expected growth in the manufacturing sector, domestic consumption, trade activities and infrastructure development, the demands on the logistics industry will continue to be high. An efficient and farsighted participant in the industry would grow in tandem with the growth of the industry towards the direction mentioned above.

The CLH Group has emerged as a significant player in the industry. The Group has also identified areas of weakness and has developed strategies to overcome them and strengthen its position.

Some of the main strengths of the CLH Group are as follows:

(a) Total Logistics Provider

The CLH Group is a total logistics solutions provider, involved in most of the activities of the logistics industry such as freight forwarding, transportation, warehousing and value added services except for cold room storage.

In addition, the CLH Group offers a comprehensive range of logistics solutions services i.e. a total solutions 3PL provider. The CLH Group is moving towards the global trend of supply chain services i.e. one stop total logistics service provider by providing value added services.

5. INFORMATION ON THE CLH GROUP (*Cont'd*)

Value added services are an integral component of supply chain management. These services include sorting and packaging, labeling, bar coding, assembling, quality control and redistribution. Another important factor in this context is the procurement of parts and components duty free and exporting them to other countries. The Government is encouraging the formation of international procurement centres (IPC) that will facilitate such transshipment hubs to be developed.

(b) *Niche Market/Customers' Base*

The CLH Group's direction of moving towards managing the customers' supply chain and providing value-added services will enable them to secure key accounts with large revenue. This in turn shall spur the Group to expand regionally and become a regional player in a relatively short term.

(c) *Management Skills*

The management has demonstrated their ability to steer the Group to achieve an impressive growth from 1996 to 2000. Their bold directions coupled with prudent management helped the Group to ride through the turbulent years of 1997 and 1998. They are also pragmatic in their approach to take steps to remedy weaknesses as they move ahead towards the Group's objective.

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6. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

6.1 Major Shareholders and Promoters

6.1.1 Particulars and Shareholdings

Based on the Register of Major Shareholders as at 17 March 2001 (being the latest practicable date prior to the printing of this Prospectus), the major shareholders (with 5% or more shareholding, direct and indirect) of the Company before and after the Issues are as follows:

Name	Nationality/ Country of Incorporation	<----Before the Issues--->				<-----After the Issues-->			
		Direct		Indirect		Direct		Indirect	
		No. Of Ordinary Shares	%	No. Of Ordinary Shares	%	No. Of Ordinary Shares	%	No. Of Ordinary Shares	%
Phua Sin Mo (<i>Promoter</i>)	Malaysian	12,040,841	40.48	6,189,792 ⁽¹⁾	20.81	12,050,841 ⁽⁴⁾	27.11	6,209,792 ⁽¹⁾	13.97
Mohamed Amin bin Mohd Kassim (<i>Promoter</i>)	Malaysian	2,533,826	8.52	-	-	4,099,826 ⁽⁵⁾	9.22	-	-
Lim Seng Chee & Sons Sdn Bhd	Malaysia	3,976,515	13.37	-	-	3,976,515	8.95	-	-
Teow Choo Hing (<i>Promoter</i>)	Malaysian	3,692,722	12.42	14,537,911 ⁽²⁾	48.88	3,702,722 ⁽⁴⁾	8.33	14,557,911 ⁽²⁾	32.76
Datuk Syed Ahmad Khalid bin Syed Mohammed (<i>Promoter</i>)	Malaysian	2,031,552	6.83	-	-	2,541,552 ⁽⁵⁾	5.72	-	-
Teow Choo Chuan (<i>Promoter</i>)	Malaysian	2,497,070	8.40	15,733,563 ⁽³⁾	52.90	2,507,070 ⁽⁴⁾	5.64	15,753,563 ⁽³⁾	35.45
Jaafar bin Mohamad	Malaysian	766,777	2.58	-	-	2,276,777 ⁽⁵⁾	5.12	-	-

Notes:

- (1) Deemed interested through his nephews, Teow Choo Hing and Teow Choo Chuan
- (2) Deemed interested through his uncle (Phua Sin Mo) and his brother (Teow Choo Chuan)
- (3) Deemed interested through his uncle (Phua Sin Mo) and his brother (Teow Choo Hing)
- (4) Including allotment under allocations to eligible Directors and employees of the CLH Group
- (5) Including allotment under allocations for the Special Issue and to eligible Directors and employees of the CLH Group

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6. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**Information on Lim Seng Chee & Sons Sdn. Bhd. ("LSC")**

LSC was incorporated under the Companies Act, 1965 on 11 November 1988. LSC's principal activities are investment holding and general trading.

The major shareholders of LSC and their respective shareholdings are set out below:

Major Shareholders	Nationality	Direct		Indirect	
		No. Of Shares	%	No. Of Shares	%
Lim Seng Chee	Malaysian	1,500,000	30.00	3,500,000*	70.00
Lim Kiam Lam	Malaysian	1,300,000	26.00	3,700,000*	74.00
Lim Kean Pat	Malaysian	500,000	10.00	4,500,000*	90.00
Lim Kien Lip	Malaysian	500,000	10.00	4,500,000*	90.00
Lim Kian Wat	Malaysian	500,000	10.00	4,500,000*	90.00
Lim Kian Sim	Malaysian	500,000	10.00	4,500,000*	90.00
Keong Poh Im	Malaysian	200,000	4.00	4,800,000*	96.00

*Note: * Deemed interested by virtue of Section 122A of the Companies Act, 1965 in respect of the shareholders' family relationship. Lim Kiam Lam, Lim Kean Pat, Lim Kien Lip, Lim Kian Wat and Lim Kian Sim are children of Lim Seng Chee. Keong Poh Im is the wife of Lim Kiam Lam.*

The Directors of LSC and their respective shareholdings are set out below:

Directors	Nationality	Direct		Indirect	
		No. Of Shares	%	No. Of Shares	%
Lim Seng Chee	Malaysian	1,500,000	30.00	3,500,000*	70.00
Lim Kiam Lam	Malaysian	1,300,000	26.00	3,700,000*	74.00
Lim Kean Pat	Malaysian	500,000	10.00	4,500,000*	90.00
Lim Kien Lip	Malaysian	500,000	10.00	4,500,000*	90.00
Lim Kian Wat	Malaysian	500,000	10.00	4,500,000*	90.00
Lim Kian Sim	Malaysian	500,000	10.00	4,500,000*	90.00

*Note: * Deemed interested by virtue of Section 122A of the Companies Act, 1965 in respect of the shareholders' family relationship. Lim Kiam Lam, Lim Kean Pat, Lim Kien Lip, Lim Kian Wat and Lim Kian Sim are children of Lim Seng Chee.*

6. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

6.1.2 Directorship and Major Shareholdings of Major Shareholders and Promoters of CLH in Other Public Companies for the past two (2) years

Name of Major Shareholders and Promoters	Name of Company	No. of Shares Held		Indirect RM'000	%	Principal Activities
		Direct RM'000	%			
LSC	Ann Joo Resources Berhad ("AJR")	-	-	95,090 ⁽¹⁾	56.60	Manufacturing and trading in steel related sectors
	Malayawata Steel Berhad ("MYS")	-	-	64,549 ⁽²⁾	32.00	Integrated steel mill and renting of machinery
Datuk Syed Ahmad Khalid bin Syed Mohammed	United Malayan Land Berhad	-	-	-	-	Property Development

Notes:

(1) By virtue of LSC's substantial shareholding in Ann Joo Corporation Sdn Bhd ("AJC") which in return holds a substantial shareholding in AJR and AJC's substantial shareholding in United Hardware Holdings Sdn Bhd's ("UHH") which in turn holds a substantial shareholding in AJR

(2) By virtue of AJC's and AJR's substantial shareholding in MYS

Saved as disclosed above, none of the major shareholders or promoters have directorship and major shareholdings in all other public companies for the past two years.

6.2 Directors and Key Management Team

6.2.1 Board of Directors

The details of the Directors of CLH after the Issues are as follows:

Name	Nationality	Designation	After the Issues			
			Direct No. of Ordinary Shares	%	Indirect No. of Ordinary Shares	%
Datuk Syed Ahmad Khalid bin Syed Mohammed	Malaysian	Chairman	2,541,552 ⁽⁵⁾	5.72	-	-
Phua Sin Mo	Malaysian	Executive Deputy Chairman	12,050,841 ⁽⁴⁾	27.11	6,209,792 ⁽¹⁾	13.97
Teow Choo Hing	Malaysian	Managing Director	3,702,722 ⁽⁴⁾	8.33	14,557,911 ⁽²⁾	32.76
Mohamed Amin bin Mohd Kassim	Malaysian	Deputy Managing Director	4,099,826 ⁽⁵⁾	9.22	-	-
Teow Choo Chuan	Malaysian	Executive Director	2,507,070 ⁽⁴⁾	5.64	15,753,563 ⁽³⁾	35.45
Jaafar bin Mohamad	Malaysian	Executive Director	2,276,777 ⁽⁵⁾	5.12	-	-
Dato' Azhar bin Hashim	Malaysian	Independent Non Executive Director	10,000 ⁽⁴⁾	0.02	-	-
Lee Choon Wan	Malaysian	Independent Non Executive Director	10,000 ⁽⁴⁾	0.02	-	-

6. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Notes:

- (1) *Deemed interested through his nephews, Teow Choo Hing and Teow Choo Chuan*
- (2) *Deemed interested through his uncle (Phua Sin Mo) and brother (Teow Choo Chuan)*
- (3) *Deemed interested through his uncle (Phua Sin Mo) and brother (Teow Choo Hing)*
- (4) *Including allotment under allocations to eligible Directors and employees of the CLH Group*
- (5) *Including allotment under allocations for the Special Issue and to eligible Directors and employees of the CLH Group*

The further details of the directors of CLH are as follows:

(i) Datuk Syed Ahmad Khalid bin Syed Mohammed

Datuk Syed Ahmad Khalid bin Syed Mohammed, aged 51 is the Chairman of CLH. He is also a Director in SM, which he co-founded in 1991. In addition to the CLH Group, Datuk Syed Ahmad Khalid also sits on the Board of United Malayan Land Berhad, as well as several private limited companies involved in media and international commodity trading. Datuk Syed Ahmad Khalid obtained his Masters Degree majoring in Economics & International Trade and Finance from Ohio University, United States of America in 1973. From 1976 to 1978, he served as an economist with Pernas Securities Sdn Bhd, a diversified government company having interests in plantations, industrial mining and financial services. From 1978 to 1983, he was seconded to Malaysian Mining Corporation Berhad and served as General Manager of its London-based subsidiary company MMC Marketing Ltd. From 1984 to 1990, he served as the Managing Director of Berisford Malaysia Sdn Bhd, a company he co-founded with Berisford PLC of United Kingdom. Berisford Malaysia Sdn Bhd was largely an international trading company trading in major commodities such as tin, cocoa, timber, palm oil and other commodities in the international market. From 1994 to 1997, he served as Group Executive Director of Granite Industries Berhad, a public listed company involved in property and hotel operations.

(ii) Phua Sin Mo

Phua Sin Mo, aged 51, is the founder and Executive Deputy Chairman of the CLH Group. His involvement in the logistics industry started at the age of 21 when he and a partner set-up Syarikat Wakil Penghantaran & Perkapalan Century in 1970 to conduct a forwarding business. Besides logistics, he also started and diversified into several successful business ventures including telecommunications and electronics assembly, glove manufacturing, trading and construction. In addition to a busy business schedule, Phua has managed to achieve an illustrious career in bowling where he represented Malaysia for a period of 16 years. Some of the achievements included being the National Champion in 1984 and 1992, three times Inter State Champion, winning numerous Gold Medals at State and National Level. In overseas tournaments, he represented Malaysia in two Asian Games in 1986 and 1994 where he won a bronze medal at the Hiroshima Asian Games in 1994. The CLH Group's impressive growth and expansion is attributable to his vision and strong management team. His experience and reputable skills steered the CLH Group from a small establishment in to a reputable total logistics Group in Malaysia. He does not have nor has he held any major shareholding or directorships in any other public corporations for the past 2 years.

6. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

(iii) Teow Choo Hing

Teow Choo Hing, aged 41, is the Managing Director of CLH. He also holds directorships in all companies within the CLH Group. He graduated with a Bachelor and Masters degree of Science in Civil Engineering from the University of Oklahoma, United States of America (USA) in 1984 and 1986 respectively. His field of specialization was in construction management and transportation. Upon completion of his studies, he worked as a Project Engineer with LA Forge & Budd Construction, USA which is involved in an interstate highway project in the State of Oklahoma, USA. Upon returning to Malaysia, he founded a few companies involved in construction, trading and assembling of cellular phones, electrical products and peripherals. In 1991, he set-up a bonded warehouse in Port Klang with several partners and was appointed as Director of SM. In 1995, he was appointed a Director in CLS where he charted the direction and development of the company. In 1997, when CLH was formed as a holding company to consolidated the various group companies, he was appointed as the Managing Director. He does not have nor has he held any major shareholding or directorships in any other public corporations for the past 2 years.

(iv) Mohamed Amin bin Mohd Kassim

Mohamed Amin bin Mohd Kassim, aged 47, is the Deputy Managing Director of CLH. He also holds directorships in all companies (except BP) within the CLH Group. Amin obtained the Intermediate Degree of the Chartered Institute of Transport, United Kingdom ("UK") from MARA Institute of Technology in 1975. He began his shipping career as a Cadet Executive with Guthrie Boustead Shipping Agencies Sdn Bhd in 1975 and was transferred from Port Klang to Penang as the Operations Executive in 1977, when he was drafted as a member of the Penang Port Containerisation Consultative Committee. In 1980, he established the Johor Branch for Boustead Shipping Agencies Sdn Bhd and in the same year accepted an invitation by Kulim Berhad and Johor State Economic Development Corporation as the Manager in the setting up of EPASA Shipping Agency Sdn Bhd. Whilst in Johor, he served as the Vice President of the Associated Shipping Club until 1983. In 1983, he joined Kontena Nasional Sdn Bhd as the Manager of the Freight Forwarding Division. The Division expanded by establishing branches in Tokyo, Los Angeles and Bremen from its sole overseas branch in London. He was involved in the streamlining of government purchases and contracts agreement, and was appointed as the first Chairman of the Project Cargo Coordination Committee (PCCC) sponsored by Kontena Nasional Sdn Bhd, Malaysian International Shipping Corporation Berhad and Perbadanan Nasional Shipping Lines Berhad. In 1985, he became the Marketing Manager in Kontena Nasional Sdn. Bhd. and was also active as a guest lecturer in various institutions and forums. From 1987 to 1996, he serviced the Agency for Evergreen Line (then, the World's Largest containerized shipping company in Malaysia) as the General Manager. In 1991, he was one of the founding Directors of SM which operated bonded warehouse business. Together with his partners they initiated the direction and development of the CLH Group, when the Group was formed in 1997. He was the Vice Chairman of the International Ship Owners Association of Malaysia and is currently a committee member therein as well as a Director in the Board of the Light Dues Authority, Marine Department, Malaysia. He does not have nor has he held any major shareholding or directorships in any other public corporations for the past 2 years.

6. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

(v) Teow Choo Chuan

Teow Choo Chuan, aged 38, is the Chief Executive Officer (“CEO”) of BP as well as an Executive Director in CLH. He graduated with a Bachelors of Science in Electrical Engineering from the University of Oklahoma, USA in 1987. Between 1988 & 1989 he worked as a Project Engineer with Powermatic Sdn Bhd where he handled systems testing and commissioning. Between 1989 to 1991, he was the Country Manager (Technical & Marketing) with Image Coding Technology Sdn Bhd. He later became involved in Fullrange Trading Sdn Bhd, dealing with mobile telephones and accessories, from 1991 to 1996. Since 1995, he has been at the helm of BP, providing value added services such as procurement, assembly, repackaging and quality control for distributors of top brands in the electronics, electrical appliances and telecommunications industries. He has packaged the services of the CLH Group together with BP on a supply chain concept for his discerning clientele. He does not have nor has he held any major shareholding or directorships in any other public corporations for the past 2 years.

(vi) Jaafar bin Mohamad

Jaafar bin Mohamad, aged 43, is an Executive Director of CLH as well as the CEO of CLJ. He also holds directorships in CLJ and DFR. He studied in Kluang, Johor until obtaining his Malaysian Certificate of Education (MCE). He gained his shipping experience by working his way up since 1977 until he became the Operations Manager in Oriental Shipping Corporation Sdn Bhd in 1987. He joined the local agency for Evergreen Line in 1987 as Operations Manager in Port Klang and was promoted to Branch Manager, Johor in 1989. He was appointed as General Manager in 1996 and left the company a year later in order to be involved in business with CLH Group. He is an active member of the shipping fraternity and has participated in various committees involving Government authorities. He was the convenor of the International Shipowners Association-Johor Chapter from 1994 to 1996. From 1989 until 1996, he was a committee member of the Johor Port Shipping and Forwarding Association. He has been an active sportsman and was the champion of the Johor Golf & Country Club from 1997 to 2000. He was also the leader of the Asian team that won the Mercedes World Amateur Golf Tournament in 1999. He does not have nor has he held any major shareholding or directorships in any other public corporations for the past 2 years.

(vii) Dato’ Azhar bin Hashim

Dato’ Azhar bin Hashim, aged 50, is an Independent non-Executive Director of CLH. He graduated with a Bachelors of Science in Electronics and Electrical Engineering. He is currently an Executive Director of Arab Malaysian Development Berhad (“AMDB”). He commenced his career with the then National Electricity Board in 1973 as a Construction Engineer. He subsequently joined AMDB in 1981 as a General Manager of the Properties Department and is currently serving as a Director and Advisor of AMDB. He is also a director of several other public listed companies namely Pancaran Ikrab Berhad, Zecon Engineering Berhad and Country Heights Holdings Berhad.

(viii) Lee Choon Wan

Lee Choon Wan, aged 41, is an Independent non-Executive Director of CLH. He obtained his LLB and Barrister-at-law from the University of Wales and Lincoln’s Inn respectively. Between 1984 and 1989, he worked as a legal assistant in Nik Hussein and Partners and was subsequently appointed as a partner in 1989. He then became a partner of Oon Kong & Lee before setting up his own law firm in June 1992, of which he is currently the Managing Partner. He does not have nor has he held any major shareholding in any other public corporations for the past 2 years.

6. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

6.2.2 Directorship and Major Shareholdings of Directors of CLH in Other Public Companies for the past two (2) years

Name of directors	Name of Company	No. of Shares Held				Principal Activities
		Direct	%	Indirect	%	
Datuk Syed Ahmad Khalid bin Syed Mohammed	See Section 6.1.2					
Dato' Azhar bin Hashim	Arab Malaysian Development Berhad	461,000	0.08	-	-	Property Development
	Pancaran Ikrab Berhad	3,701,002	19.50	1	-	Construction
	Zecon Engineering Berhad	189,643	0.068	-	-	Civil Engineering
	Country Heights Holdings Berhad	-	-	-	-	Property Development
Lee Choon Wan	Nucleus Electronics Ltd (Incorporated in Singapore)	-	-	-	-	Distribution and Marketing of Electronic Components

Saved as disclosed above, none of the directors have directorship and major shareholdings in all other public companies for the past two years.

6.2.3 Key Management

The key management of the CLH Group are as follows:

Name	Nationality	Designation	After the Issues			
			Direct No. of Ordinary Shares	%	Indirect No. of Ordinary Shares	%
Wan Ahmad bin Wan Abdullah	Malaysian	Director, SM and DFR	10,000 ⁽¹⁾	0.02	-	-
Yeow Kong Sang	Malaysian	Chief Executive Officer, CHM	404,722 ⁽¹⁾	0.91	311,389 ⁽²⁾	0.70
Lim King Ann	Malaysian	Chief Executive Officer, CLS	66,000 ⁽¹⁾	0.15	-	-
Abdul Majid bin Abdul Karim	Malaysian	Chief Executive Officer, CD	10,000 ⁽¹⁾	0.02	-	-
Lau Kam Fong	Malaysian	Chief Executive Officer, SM	10,000 ⁽¹⁾	0.02	-	-
Tan Siew Ping	Malaysian	General Manager, Logistics Administration	155,111 ⁽¹⁾	0.35	-	-
Yeap Khoo Soon Edwin	Malaysian	General Manager, Corporate Finance	10,000 ⁽¹⁾	0.02	-	-
Charles E.L Sebastian	Malaysian	General Manager, CFS	10,000 ⁽¹⁾	0.02	-	-
Heng Mon Sing	Malaysian	General Manager, BP	640,000 ⁽¹⁾	1.44	-	-
Liow Eng Hwa	Malaysian	General Manager, CHM	311,389 ⁽¹⁾	0.70	643,888 ⁽³⁾	1.45
Cheong Wai Pong	Malaysian	Manager, Finance	9,000 ⁽¹⁾	0.02	-	-
Too Wei Kong	Malaysian	Manager, Information Technology	10,000 ⁽¹⁾	0.02	-	-

6. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Notes:

- (1) Including allotment under allocations to eligible Directors and employees of the CLH Group
- (2) Deemed interested through his brother-in-law (Liow Eng Hwa)
- (3) Deemed interested through his sister (Liow Poh Geok) and brother-in-law (Yeow Kong Sang)

Further details of the management team of CLH are as follows:

(i) Wan Ahmad bin Wan Abdullah

Wan Ahmad bin Wan Abdullah, aged 56, is a Director of SM and DFR. He retired as State Director of Customs (Kuala Lumpur) in February 2000, after attaining the Special Grade Jawatan Utama Sektor Awam (JUSA) 'C'. He acquired a Diploma in Textile Technology at Salford College, U.K. in 1981. He started his service with the Royal Customs and Excise as Assistant Superintendent at Subang Airport in 1970. Since then he had served in various departments such as Tariff and Classification, Revenue Accounting and Director of Technical Service Division. His postings include Johor Bahru, Port Klang, Kuala Lumpur and the Customs Headquarters. He has been responsible for the drafting of amendments to the Customs Act, Regulations and Orders, as well as classification of goods in accordance with the rules of the Harmonised Systems. In his capacity as the Director of the Technical Service division, he was responsible for drafting amendments to the Customs Act and Regulations on the World Trade Organisation (WTO) Customs Valuation agreements. He has participated at various conferences at the headquarters of the World Customs Organization in Brussels, WTO meeting in Geneva and Asean Free Trade Area (AFTA) Conferences with Association of South East Asian Nations (ASEAN) members. In 1995, he was awarded the 'Tokoh Maulidur Rasul'. In 1996, he was bestowed with the Kesatria Mangku Negara (KMN) by the Yang Dipertuan Agong.

(ii) Yeow Kong Sang

Yeow Kong Sang, aged 41, is the CEO of CHM and holds directorships in CHM, CLS and CD. He had his education in Port Klang and obtained the Malaysian Certificate of Education in 1977. He built his experience since 1978 and rose through the ranks from clerical, operations and to management level, involved in transportation and project cargo handling. He worked with Multi-Trans Sdn Bhd, a company specializing in road and heavy transport from 1981 to 1995. He then left and was then involved in his family business. He joined the CLH Group at the end of 1997. With more than 20 years of hands-on operational experience, he currently manages the Group's transportation business and project cargo handling.

(iii) Lim King Ann

Lim King Ann, aged 44, is the CEO and a Director in CLS. Lim gained his experience starting as an Operations Assistant in various shipping and forwarding companies in Port Klang from 1976 to 1980. He joined CLS in 1980, handling the forwarding and transport operations. He was promoted as Marketing Manager in 1990 and in 1995, he was promoted to General Manager of CLS, where he oversaw the operations and customer services function. He assumed his present position as CEO of CLS in June 2000.

6. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

(iv) Abdul Majid bin Abdul Karim

Abdul Majid bin Abdul Karim, aged 46, joined the Group in June 2000 as the CEO and Director of CD. In addition, he holds a directorship in CLS. He commenced working as a clerk in Citra Sdn Bhd in 1975. Subsequent to that, he moved to Trans Meridian Systems Pte Ltd as the Team Leader (Packing). In 1978, he joined the Commercial Department of KNB as the Assistant Supervisor. In 1983, he was promoted to Executive, handling the warehouse section of the KNB's Inland Clearance Depot in Sungai Way. In 1993, he was further promoted as the Manager, Klang Valley, where he oversaw the overall container haulage section, Pandamaran Container Depot and the Inland Clearance Depot in Sungai Way until June 2000. He is currently responsible for the overall business and operations of CD as well as heading the container haulage operations of the CLH Group.

(v) Lau Kam Fong

Lau Kam Fong, aged 51, is the CEO of SM. After completing his Higher School Certificate (HSC), he studied accounting up to London Chamber of Commerce and Industry ("LCCI") Higher Level and passed Part 2 of the Institute of Chartered Management Accountants ("ICMA") Examination. He started work as an Accounts Supervisor in UMW Industrial Power (M) Sdn Bhd in 1971 and in 1980, he moved to Jasa Kita Warehousing Sdn Bhd, handling accounts and administration. In 1981, he joined Tamadam Bonded Warehouse Bhd, where he rose through the ranks as Accounts Executive, Sales Executive, Sales Manager and Branch Manager (Penang). In 1995, he took the position of Assistant General Manager with Distrepak Logistics (M) Sdn Bhd, where he served until he left for the CLH Group in 1998. As CEO of SM, he oversees the entire warehousing function of the CLH Group.

(vi) Tan Siew Ping

Tan Siew Ping, aged 35, is the General Manager, Logistics Administration and is also a Director of SM. She is in charge of the Group's financial costing and viability studies, including business development. She obtained the LCCI Higher Diploma in Business Studies in 1984, and started her career as an Accounts Supervisor in 1988 until 1991 with Jasa Kita Warehousing Services Sdn Bhd. She joined SM in 1991 and rose up the ranks until her present appointment.

(vii) Yeap Khoo Soon Edwin

Yeap Khoo Soon Edwin, aged 30, joined CLH in June 2000 as the General Manager, Corporate Finance of the Group. He is a member of the Institute of Chartered Accountants in England & Wales and of the Malaysian Institute of Accountants. He commenced his career in the field of auditing in 1992 with a firm of accountants in London, United Kingdom. On his return to Malaysia in 1995, he joined Bumiputra Merchant Bankers Berhad in its Corporate Finance Department. At Bumiputra Merchant Bankers Berhad, he gained vast experience in the provision of corporate and financial advice on, mergers and acquisitions, divestments, fund raising exercises, initial public offerings, debt and equity restructuring, project feasibility studies as well as valuation of assets and businesses. He was directly involved in advising various public listed companies currently listed on the KLSE. Edwin is currently responsible for the corporate as well as the finance and accounting functions of the CLH Group.

6. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

(viii) Charles E.L Sebastian

Charles E.L Sebastian, aged 38, is the General Manager of CFS. He began his career in air freight forwarding in 1980 with Aik Khiaw Travel Services Sdn Bhd, leading the Operations Department until 1984. He then left to join Minolta Malaysia Sdn Bhd in its Shipping Department until 1992. During his 8 years with Minolta, he was exposed to international trade, banking, shipping and purchasing. He has had extensive travels to the USA, Thailand and Indonesia in search of new businesses and experience. In 1992 he joined New Cargo Jet Sdn Bhd, an Italian freight forwarding company as its Sales Manager. Here, he managed to create a niche market in Malaysia and the Mediterranean trade. He was then offered a job in Pacific Forwarder Sdn Bhd to be its Sea Freight and Project Manager. The company, through smart alliances initiated by Charles, began providing project forwarding for large multi-national corporations. He joined CFS as the Business Development Manager in October 1999 and was promoted to head CFS in January 2000.

(ix) Heng Mon Sing

Heng Mon Sing, aged 36, is the General Manager as well as a Director of BP. He holds a Bachelors degree in Electrical and Electronic Engineering from Universiti Teknologi Malaysia. Between 1988 to 1996, he was with Powermatic Sdn Bhd as Engineering Manager, Systems Manager, Airfield Ground Lighting Section Head and Project engineer. Principally, he was involved in the system design and project management of various public and private projects, including Kuching Airport, Malaysian Agriculture Development Authority ("MADA") and Jabatan Kerja Raya ("JKR"). Currently, he is involved in the general management of operations and production in BP. He also handles all costings for BP as well as the administration of staff in BP, product planning and new products study.

(x) Liow Eng Hwa

Liow Eng Hwa, aged 40, is the General Manager, Marketing as well as a Director of CHM. He started his career as a Forwarding Clerk with Federal Forwarding Agency Sdn Bhd from 1978 to 1980. He then joined Federal Flour Mills Berhad in 1980 as a Laboratory Assistant and was promoted to Technical Sales Executive before he left in 1993. He was then involved in his private family business. In 1998, he joined the CLH Group and has since been designated to develop the transportation business for the Group.

(xi) Cheong Wai Pong

Cheong Wai Pong, aged 30, joined CLH in June 2000 as Manager, Finance of the Group. He is a member of the Association of Certified Chartered Accountants ("ACCA"). He is responsible for the finance and accounting functions of the CLH Group. He was attached to Arthur Andersen & Co. from January 1997 to May 2000 prior to joining the CLH Group. During his tenure with Arthur Andersen, he was involved in the statutory audit of various companies, including public listed companies currently listed on the KLSE.

(xii) Too Wei Kong

Too Wei Kong, aged 31, is the Manager, Information Technology of the Group. He obtained the LCCI Higher Diploma in Business Studies in 1989 and the National Certificate in Computing ("NCC") Diploma in Computer Studies in 1990. He successfully completed Levels 1 and 2 of the ACCA examinations in 1994. He then commenced work as an Assistant Accountant with L.K. Ooi Management Sdn Bhd from 1995 to 1997. Subsequently, he was employed by CLS as an Assistant Accountant and was promoted to his present position in June 2000.

6. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**6.3 Directors' Remuneration**

For the financial period ended 30 September 2000, the remuneration and fees paid to the Directors of CLH for services to the Company and its subsidiary companies was RM485,000. For the financial years ended/ending 31 December 2000 and 2001, the amount payable to the Directors for services to the Company and its subsidiary companies is estimated and forecasted to be RM705,000 (ranging from RM85,000 per annum and RM190,000 per annum) and RM830,000 (ranging from RM12,000 per annum and RM210,000 per annum) respectively.

6.4 Audit Committee

The Audit Committee of CLH Group comprises of the following individuals:

Name	Designation	Directorship
Dato' Azhar bin Hashim	Chairman	Independent Non-Executive Director
Mohamed Amin bin Mohd Kassim	Member	Deputy Managing Director
Lee Choon Wan	Member	Independent Non-Executive Director

The main functions of the Audit Committee include the review of audit plan and audit report with the Auditors, review of Auditors' evaluation of internal accounting controls, review of the scope of internal audit procedures, review of balance sheet and profit and loss account and nomination of Auditors.

6.5 Declaration By Directors And Key Management

No Director, senior executive officer or person nominated to become a Director or senior executive officer is or has been involved in any of the following events (whether in or outside Malaysia):

- (i) a petition under any bankruptcy or insolvency 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 a Director or senior executive officer;
- (ii) a conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (iii) being the subject of any order, judgement or ruling of any court, tribunal or government 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 and engaging in any type of business practice or activity.

6.6 Family Relationship

- (i) Save for Teow Choo Hing and Teow Choo Chuan who are brothers and Phua Sin Mo who is their uncle, none of the Directors, major shareholders and promoters are related to one another.
- (ii) Save for Yeow Kong Sang and Liow Eng Hwa who are brother-in-laws, none of the members of the key management team are related to one another.

6. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**6.7 Existing Or Proposed Service Agreements**

- (a) The names, addresses and occupation of the Directors of the Company are set out under Section 1 of this Prospectus.
- (b) A Director is not required to hold any qualification shares unless otherwise so fixed by the Company in a general meeting.
- (c) Save as disclosed below, none of the existing Directors, key management and technical personnel of the Company has any existing or proposed service contracts with the Company or any of its subsidiary companies:

Personnel	Service Agreement
Phua Sin Mo	Employment contract with CLH to provide services as Executive Deputy Chairman
Teow Choo Hing	Employment contract with CLH to provide services as Managing Director
Mohamed Amin bin Mohd Kassim	Employment contract with CLH to provide services as Deputy Managing Director
Tan Siew Ping	Employment contract with CLH to provide services as General Manager (Logistics Administration) of the Group
Yeap Khoo Soon Edwin	Employment contract with CLH to provide services as General Manager (Corporate Finance) of the Group
Cheong Wai Pong	Employment contract with CLH to provide services as Finance Manager of the Group
Beh Boon Chin	Employment contract with CLH to provide services as Executive (Logistics Administration) of the Group
Lim King Ann	Employment contract with CLS to provide services as Chief Executive Officer of CLS
Woo Yew Tuck	Employment contract with CLS to provide services as Forwarding Manager of CLS
Sam Huey Min	Employment contract with CLS to provide services as Branch Manager of CLS
Lau Kam Fong	Employment contract with SM to provide services as Chief Executive Officer of SM
Lee Choy Teck	Employment contract with SM to provide services as Operations Manager of SM
Abdul Majid bin Abdul Karim	Employment contract with CD to provide services as Chief Executive Officer of CD
Charles E.L. Sebastian	Employment contract with CFS to provide services as General Manager of CFS
Philip Kee Peng Chan	Employment contract with CFS to provide services as Assistant Manager (Sea Freight) of CFS
Yeow Kong Sang	Employment contract with CHM to provide services as Chief Executive Officer of CHM
Yap Chua Ho	Employment contract with CHM to provide services as General Manager of CHM
Liow Eng Hwa	Employment contract with CHM to provide services as General Manager (Marketing) of CHM

6. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Personnel	Service Agreement
Jaafar bin Mohamad	Employment contract with CLJ to provide services as Chief Executive Officer of CLJ
Ngan Kai Meng	Employment contract with CLJ to provide services as Senior Manager of CLJ
Teow Choo Chuan	Employment contract with BP to provide services as Chief Executive Officer of BP
Heng Mon Sing	Employment contract with BP to provide services as General Manager of BP
Lee Hon Fong	Employment contract with BP to provide services as Sales and Marketing Manager BP
Heng Mong Peng	Employment contract with BP to provide services as Production Manager BP
Lim Kim San	Employment contract with BP to provide services as Production Manager BP
Looi Wei Keong	Employment contract with BP to provide services as Senior Sales and Marketing Executive BP

The common clause of the above service agreements are as follows:

It is a term in the contracts of employment between the CLH Group and its directors and key management personnel that during period of service and for thirty six (36) months, after the termination of the contract (however cause), the director or employee as the case may be shall not either on his own behalf or on behalf of any person or company:

- (i) canvass, solicit or endeavour to entice away from the Company or any of its subsidiaries any person or persons who, at any time during the thirty six (36) months prior to the termination of the contract of employment, were exclusive customers or clients of the Company or any of its subsidiaries;
- (ii) solicit, interfere with or endeavour to entice away from the Company any employee or contractor of the Company; or
- (iii) counsel, procure or otherwise assist any person to do any of the acts referred to above.

6.8 Employees

As at 17 March 2001, the CLH Group has a total of 448 employees. The employees of the CLH Group do not belong to any union and the employees' relationship with the management of the Group is cordial.

7. RELATED-PARTY TRANSACTIONS/CONFLICT OF INTEREST

7.1 Related-Party Transactions

Save as disclosed below, none of the other Directors, major shareholders and key management or key technical personnel of the Company has an interest, directly or indirectly, in any transactions entered into by the Company or its subsidiaries which involve the interest of a related party.

The following Directors and substantial shareholders of the Company have interest in the Acquisition of BP as follows:

Name	Nature Of Interest
Phua Sin Mo	A director and a substantial shareholder of BP
Teow Choo Hing	A director and a substantial shareholder of BP
Teow Choo Chuan	A director and a substantial shareholder of BP

7.2 Declaration by the Advisors

Aseambankers has given its confirmation that there is no conflict of interest in its capacity as the adviser of the Issues.

Messrs Lee Choon Wan & Co. has given its confirmation that there is no conflict of interest in its capacity as the Solicitors for the Issues.

Messrs Arthur Andersen & Co. has given its confirmation that there is no conflict of interest in its capacity as Auditors and Reporting Accountants.

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8. APPROVALS AND CONDITIONS**8.1 Approvals and Conditions Imposed by Relevant Authorities**

	Details of Conditions Imposed	Status of Compliance
FIC	<p>(i) CLH to maintain at least 30%, direct Bumiputera equity interest upon listing; and</p> <p>(ii) CLH to obtain approval of MITI on direct Bumiputera equity interest.</p>	<p>To be complied upon listing</p> <p>Met. CLH received the approval from MITI on 16 June 2000</p>
MITI	<p>(i) The existing Bumiputera equity interest in CLH is recognized by MITI;</p> <p>(ii) The 8,000,000 new ordinary shares to be allocated to Bumiputera investors shall be allocated by MITI after the approval of the SC;</p> <p>(iii) CLH to obtain approval of FIC; and</p> <p>(iv) CLH to obtain approval of SC.</p>	<p>Met</p> <p>Met</p> <p>Met. CLH received the approval from FIC on 6 June 2000</p> <p>Met. CLH received the approval from SC on 3 November 2000</p>
SC	<p>(i) Moratorium on disposal of shares imposed to 19,999,786 ordinary shares of RM1.00 each which represents 45% of the enlarged issued and paid-up capital of CLH. Further details of the moratorium is set out in Section 8.2 of this Prospectus;</p> <p>(ii) Any future transactions between the CLH Group and companies related to the promoters/ directors/ substantial shareholders of CLH must be based on commercial terms and not unfavourable to CLH. CLH's Audit Committee is required to monitor such transaction and the Board of Directors of CLH is required to report such transaction in the Annual Report of CLH every year;</p> <p>(iii) CLH is required to fully comply with the relevant conditions pertaining to the listing of companies as stipulated in the SC's policies and guidelines on issue/offer of securities, in particular chapters 7, 10 and 25 of the aforesaid guidelines;</p>	<p>To be complied. Further details on the moratorium on disposal of shares can be referred to in Section 8.2 of this Prospectus</p> <p>The promoters/ directors/ substantial shareholder/ Audit Committee of CLH have taken note and will ensure compliance with the conditions</p> <p>The promoters/ directors/ substantial shareholders of CLH have taken note and the Audit Committee will ensure compliance with the conditions</p>

8. APPROVALS AND CONDITIONS (Cont'd)

	Details of Conditions Imposed	Status of Compliance																											
	<p>(iv) Total gross proceeds of approximately RM26.46 million arising from the Issues, based on the issue price of RM1.80 per share, shall be utilized as follows:</p> <table> <tr> <th>Notes</th><th>Purpose</th><th>RM'000</th></tr> <tr> <td>(a)</td><td>Repayment of bank borrowings</td><td>7,330</td></tr> <tr> <td>(b)</td><td>Working capital</td><td>7,950</td></tr> <tr> <td>(c)</td><td>Acquisition of land for warehouse</td><td>3,000</td></tr> <tr> <td>(d)</td><td>Purchase of prime movers and trailers</td><td>2,980</td></tr> <tr> <td>(e)</td><td>Investment in branches</td><td>2,000</td></tr> <tr> <td>(f)</td><td>Estimated listing expenses</td><td>1,700</td></tr> <tr> <td>(g)</td><td>Upgrading of computer systems</td><td>1,500</td></tr> <tr> <td colspan="2">Total Utilisation</td><td><u>26,460</u></td></tr> </table>	Notes	Purpose	RM'000	(a)	Repayment of bank borrowings	7,330	(b)	Working capital	7,950	(c)	Acquisition of land for warehouse	3,000	(d)	Purchase of prime movers and trailers	2,980	(e)	Investment in branches	2,000	(f)	Estimated listing expenses	1,700	(g)	Upgrading of computer systems	1,500	Total Utilisation		<u>26,460</u>	To be met according to the details of the utilisation in Section 3.7 of the Prospectus
Notes	Purpose	RM'000																											
(a)	Repayment of bank borrowings	7,330																											
(b)	Working capital	7,950																											
(c)	Acquisition of land for warehouse	3,000																											
(d)	Purchase of prime movers and trailers	2,980																											
(e)	Investment in branches	2,000																											
(f)	Estimated listing expenses	1,700																											
(g)	Upgrading of computer systems	1,500																											
Total Utilisation		<u>26,460</u>																											
	<p>(v) CLH must obtain the approval of the SC for any variation to the original utilisation of proceeds (as disclosed in Section 3.7 of this Prospectus), if such new utilisation are for non-core business activities of the CLH Group;</p>	To be met if there is any variation to the original utilisation of proceeds as disclosed in Section 3.7 of this Prospectus																											
	<p>(vi) Any subsequent changes to the utilisation of proceeds that deviates by 25% or more from the original utilisation of proceeds require the approval of the shareholders of CLH.</p> <p>If such variation be less than 25%, the shareholders of CLH would need to be informed of the variation;</p>	To be met if there is any variation to the original utilisation of proceeds as disclosed in Section 3.7 of this Prospectus																											
	<p>(vii) Any extension of time for the utilisation of proceeds must be approved by a clear resolution by the Board of Directors of CLH and be communicated to the KLSE; and</p>	To be met if there is any variation to the original time frame for the utilisation of proceeds as disclosed in Section 3.7 of this Prospectus																											
	<p>(viii) CLH must make appropriate disclosure in the Company's Quarterly and Annual Report of the status of utilisation of proceeds until the proceeds have been fully utilised.</p>	The promoters/ directors/ substantial shareholders of CLH have taken note and will ensure compliance with the conditions																											

8. APPROVALS AND CONDITIONS (Cont'd)**8.2 Moratorium On Disposal Of Shares**

The Issues were approved by the SC on 3 November 2000. It is a condition of the SC's approval that the following substantial shareholders of CLH are not allowed to sell, transfer or assign their shareholdings amounting to 45% of the enlarged issued and paid-up capital of CLH within one (1) year from the date of admission of CLH on the Official List of the Second Board of the KLSE. The moratorium on disposal of shares by the relevant substantial shareholders are as follows:

Substantial shareholders	No. of shares of RM1.00 each held pursuant to the Issues	%	No. of shares of RM1.00 each to be placed under moratorium	%
Phua Sin Mo ⁽¹⁾	12,050,841	27.11	9,672,804	21.77
Mohamed Amin bin Mohd Kassim ⁽²⁾	4,099,826	9.22	3,320,839	7.47
Teow Choo Hing ⁽¹⁾	3,702,722	8.33	2,966,485	6.67
Datuk Syed Ahmad Khalid bin Syed Mohammed ⁽²⁾	2,541,552	5.72	2,033,679	4.58
Teow Choo Chuan ⁽¹⁾	2,507,070	5.64	2,005,979	4.51
	24,902,011	56.02	19,999,786	45.00

Notes:

(1) Including allotment under allocations to eligible Directors and employees of the CLH Group

(2) Including allotment under allocations for the Special Issue and to eligible Directors and employees of the CLH Group

Thereafter, in every subsequent year, each of the above substantial shareholders is permitted to sell, transfer or assign only up to one third per annum (on a straight line basis) of their respective shareholdings in CLH, which are placed under moratorium.

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12. ADDITIONAL INFORMATION

12.1 Share Capital

- (a) No ordinary shares will be allotted or sold on the basis of this Prospectus later than twelve (12) months after the date of issue of this Prospectus.
- (b) There are no founder, management or deferred shares in the Company.
- (c) 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.
- (d) Save for the 2,000,000 ordinary shares of RM1.00 each reserved for the eligible employees and Directors of the Group, pursuant to this Prospectus, there are at present no other schemes involving the employees in the share capital of the Company.
- (e) As at the date of this Prospectus, none of the share capital of the Company or any of its subsidiaries is under any option or agreed conditionally or unconditionally to be put under any option.
- (f) Save as disclosed in Sections 5.2 and 5.5 of this Prospectus, no shares, stocks or debentures in the Company or its subsidiaries have been issued or are proposed to be issued as partly or fully paid-up for cash or otherwise than in cash within the two (2) years preceding the date of this Prospectus.

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12. ADDITIONAL INFORMATION (Cont'd)

12.2 Articles Of Association

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

Remunerations of Directors

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

Article 86

- (a) The fees payable to the Directors shall from time to time be determined by a resolution of the Company in General Meeting provided that such fees shall not be increased except pursuant to a resolution passed at a General Meeting, where notice of the proposed increase has been given in the notice convening the meeting.
- (b) Save as provided in Article 86(a) hereof, an executive Director shall, subject to the terms of any agreement (if any) entered into in any particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine provided that salaries payable to executive Directors may not include a commission on or percentage of turnover.
- (c) Fees payable to non-executive Directors shall be a fixed sum, and not by a commission on or a percentage of profits or turnover.
- (d) Salaries payable to executive Directors may not include a commission on or a percentage of turnover.
- (e) Any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 87

The Directors may be paid such reasonable travelling, hotel and other expenses as he shall incur in attending meetings of the Directors or any committee of the Directors or General Meetings or which he may otherwise incur on or about the business of the Company.

Article 88

Any Director who serves on any committee or who devotes special attention to the business of the Company or goes or resides abroad for such purpose, or who otherwise performs services which in the opinion of the Board of Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, percentage of profits or otherwise (other than by a sum to include a commission on or percentage of turnover) as the Board of Directors may determine. Such remuneration may be either in addition to or in substitution for his share in the remuneration provided by Article 86(a). Extra fees payable to a non-executive Director shall not include a commission on or a percentage of profits or turnover.

12. ADDITIONAL INFORMATION (Cont'd)

Article 94

The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any or other salaried office or place of profit with the Company and/or any of its subsidiaries or to his widow or dependents and may make contributions to any fund and pay retirement premium for the purchase of any such gratuity, pension or allowance.

Article 104

The remuneration of a Managing Director or Managing Directors shall be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these mode but shall not include a commission on or a percentage of turnover.

Voting and Borrowing Powers of Directors

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

Article 93

The Directors may exercise the voting power conferred by the shares in any corporation held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be Directors of such corporation or voting or providing for the payment of remuneration to the Directors of such corporation) and any such Director of the Company may vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or he is about to be appointed a Director of such other corporation.

Article 96

- (1) The Directors may exercise all the powers of the Company to borrow and to mortgage or charge its undertaking, property and uncalled capital as they think necessary, or any part thereof for the purposes of the Company or its subsidiaries, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company, or its subsidiaries. But the Directors shall not borrow any money or mortgage or charge any of the Company's or subsidiaries' undertaking, property, or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.
- (2) The Directors shall cause a proper register to be kept in accordance with Section 115 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 108 of the Act in regard to the registration of mortgage and charges therein specified and otherwise.
- (3) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

12. ADDITIONAL INFORMATION (Cont'd)

Article 114

In amplification of and not in derogation of Article 92, a Director shall not vote in regard to any contract or proposed contract or arrangement in which he has directly or indirectly a personal interest.

Article 115

A Director may vote in respect of:

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

Changes in Capital and Variation of Class Rights

The provisions in the Articles of Association of the Company as to changes in capital and variation of class rights which are not less stringent than those provided in the Companies Act, 1965 are as follows:

Article 5

The authorised share capital of the Company at the date of adoption of these Articles is Ringgit Malaysia Fifty Million only (RM50,000,000) divided into 50,000,000 ordinary shares of Ringgit Malaysia One (RM1) each. The Company may from time to time by Ordinary Resolution change its authorised share capital.

Article 6

No shares may be issued by the Directors without the prior approval of the Company by Ordinary Resolution in General Meeting but subject thereto and to the Act and to Article 52, the Directors may issue shares in the Company at such times as they may think fit and any such shares may be issued either at a premium or at par or (subject to the provisions of the Act) at a discount and with such preferred, deferred, or to other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Directors may determine and may give by agreement to any person the right or option of requiring at a future date that an allotment shall be made to him of any shares at part or at such premium as may be agreed.

Article 7

Without prejudice to any special rights previously conferred on the Holders of any existing shares or class of shares, and subject to the provisions of these Articles and the Act and to the provisions of any Resolution of the Company, shares in the Company may be issued by the Directors, who may allot, or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred or other special rights, and subject to such restrictions and at such times as the Directors may determine but the Directors in making any issue of shares shall comply with the following conditions:

- (a) no shares shall be issued at a discount except in compliance with the provisions of Section 59 of the Act;

12. ADDITIONAL INFORMATION (*Cont'd*)

- (b) in the case of shares offered to the public for subscription the amount payable on application on each share shall not be less than five per centum (5%) of the nominal amount of the share;
- (c) in the case of shares, other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles and in the resolution creating the same;
- (d) no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the members of the Company in General Meeting;
- (e) the Company must not cause or authorise its registrars to cause the securities accounts of the allottees to be credited with the additional shares until after the Company has filed with the Exchange an application for listing of such additional shares and been notified by the Exchange that they have been authorised for listing;
- (f) every issue of shares or options to employees and/or Directors of the Company and/or its related Companies shall be approved by the members in General Meeting and no Director shall participate in such issues of shares or option unless:
 - (i) the members in General Meeting have approved of the specific allotment to be made to such Director; and
 - (ii) he holds office in the Company and/or its related companies in an executive capacity provided, however, that a non-executive Director may so participate in an exercise of shares pursuant to a public issue or offer for sale.

Article 12

If any time the share capital is divided into different classes of shares, the rights attached to any class shall be expressed either herein or in the resolution creating the same and may subject to the provisions of the Act whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the Holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate General Meeting of the Holders of the shares of that class. To every such separate General Meetings the quorum shall be two (2) persons at least holding or representing by proxy one-tenth of the issued shares of the class and that any Holder of shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 152 of the Act shall with such adaptations as are necessary apply. Provided always that where the necessary majority for such a special Resolution is not obtained at the meeting, consent in writing if obtained from the Holders of three-fourths of the issued shares of the class concerned within two (2) months of the meeting shall be as valid and effectual as a Special Resolution, carried at the meeting. A resolution in writing signed by all the Holders of a class or if all the shares in a class are held by one sole Holder a resolution in writing signed by such sole Holder shall have the same effect and validity as a Special Resolution of the Holders of the class passed at a separate General Meeting of the Holders of that class duly convened held and constituted and may consist of several documents in the like form each signed by one or more of such Holders and if a Holder is a corporation, then such resolution shall be signed by its representatives.

Article 13

The rights conferred upon the Holders of the shares of any class issued 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 equally therewith.

12. ADDITIONAL INFORMATION (Cont'd)

Transfer of Securities and Transmission of Securities

The provisions in the Articles of Association of the Company, the Second Board Listing Requirements of the KLSE, the Companies Act, 1965 and Rules of the MCD in respect of the transferability of securities and any restrictions on their free transferability are as follows:-

(i) Articles of Association**Article 27**

The instrument of transfer of a share shall be signed by or on behalf of the transferor and transferee. Such persons may be required by the Exchange (subject to the Central Depositories Act and the Rules), to sign an instrument of transfer in respect of which the transferee is the Central Depository, to which the transfer shall be effective although not signed by or on behalf of the Central Depository so long as it has been certified by an authorised depository agent pursuant to Section 18 of the Central Depositories Act. Subject to the Act, the Central Depositories Act and the Rules the transferor shall be deemed to remain the Holder of the share until the name of the transferee is entered in the Register of Members and/or the Record of Depositors as the case may be in respect thereof.

Article 28

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

Article 29

Every instrument of transfer shall be in writing and in the form approved in the Rules and shall be presented to the Central Depository with such evidence (if any) as the Central Depository may require to prove the title of the intending transferor and that the intended transferee is a qualified person.

Article 30

The Central Depository may refuse to register any transfer of deposited security that does not comply with the Central Depositories Act and the Rules. Subject to the Act, the Central Depositories Act and the Rules, no share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

12. ADDITIONAL INFORMATION (Cont'd)

Article 31

The registration of transfer may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year. The Company shall give the Exchange prior written notice and publication in a daily newspaper circulating in Malaysia of the period of the intended suspension or closure and the purposes thereof, which notice shall be twelve (12) market days or such number of days as may be prescribed by the Exchange. In relation to the closure, the Company shall give written notice in accordance with the Rules to the Central Depository to prepare the appropriate Record of Depositors.

Article 34

In case of the death of a Member, the executors or administrators of the deceased shall be the only person recognised by the Company as having any title to his shares. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the Central Depository and subject to the Rules and as hereinafter provided, elect either to transfer the shares to himself or to some other person nominated by him as the transferee. The Central Depository shall, however, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy.

Article 35

Subject to any other provisions of these Articles, if the person becoming entitled pursuant to Article 34 or 36 shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects provided that where the shares is a deposited security and the person becoming entitled elects to have the share transferred to him, the aforesaid notice must be served by him on the Central Depository. If he shall elect to have his nominee registered, he shall testify his election by executing to his nominee a transfer of such share. All the limitations, restrictions and provisions of these Articles and the Central Depository relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member has not occurred and the notice of transfer was a transfer executed by such Member.

Article 36

A person entitled to a share by transmission shall be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of it to receive notice of or to attend or vote at meetings of the Company or, save as aforesaid, to exercise any of the rights or, privileges as a member unless and until he shall become a member in respect of the share.

12. ADDITIONAL INFORMATION (Cont'd)**Article 37**

Where –

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

the Company shall, upon request of a shareholder, permit a transmission of shares held by such shareholder from the register of Holders maintained by the registrar of the Company in 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 shares; and
- (ii) the transmission shall be executed by causing such shares to be credited directly into the Securities Account of such shareholder.

Where (a) and (b) are fulfilled, the Company shall not allow any transmission of shares from the Malaysian Register into the Foreign Register.

(ii) Second Board Listing Requirements of KLSE

The provisions of the Second Board Listing Requirements of the KLSE on the transferability of securities and any restrictions on their free transferability are as follows:-

Section 9.5A - Transfers of Securities

The transfer of any securities or class of securities of the company which have been deposited with the 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 of the Companies Act, 1965, but subject to section 107C of the Companies Act, 1965 and any exemption that may be made from compliance with section 107C of the Companies Act, 1965, the company shall be precluded from registering and effecting any transfer of such securities.

Section 9.5B - Transmission of Securities from Foreign Register

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,

12. ADDITIONAL INFORMATION (Cont'd)

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

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

(iii) Companies Act, 1965

The provisions within the Companies Act, 1965, on the transferability of securities and any restrictions on their free transferability are as follows:

Section 103(1)

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

Section 103(1A)

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

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

Section 107C - Transfer of securities is by way of book entry

- (1) On or after the coming into operation of this section, the transfer of any securities or class of securities of a company whose securities or any class of whose securities have been deposited with a central depository shall be by way of book entry by the central depository in accordance with the rules of the central depository and, notwithstanding sections 103 and 104, such company shall be precluded from registering and effecting any transfer of securities.
- (2) Subsection (1) shall not apply to a transfer of securities to a central depository or its nominee company.

12. ADDITIONAL INFORMATION (Cont'd)

(iv) Rules of MCD

The rules within the MCD on the transferability of securities and any restrictions on their free transferability are as follows:

Rule 8.01(2)

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

Rule 8.05A

Transfers made by the authorized depository agents from the agent's principle or nominee account shall be subject to the Rules of this Chapter.

Rule 9.03(2) - Documents to lodge

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

12. ADDITIONAL INFORMATION (Cont'd)**12.3 Directors and Substantial Shareholders**

- (a) The names, addresses and occupations of the Directors of the Company are set out in Section 1 of this Prospectus.
- (b) Directors are not required to hold any qualification shares in the Company or its subsidiary companies unless otherwise so fixed by the Company in the general meeting.
- (c) According to the Register of Directors' shareholdings as at 17 March 2001 (being the latest practicable date prior to the printing of this Prospectus), the Directors' shareholdings in the Company before and after the Issues are as follows:

Name	Before the Issues				After the Issues			
	Direct No. Of Shares	%	Indirect No. Of Shares	%	Direct No. Of Shares	%	Indirect No. Of Shares	%
Datuk Syed Ahmad Khalid bin Syed Mohammed	2,031,552	6.83	-	-	2,541,552 ⁽⁵⁾	5.72	-	-
Phua Sin Mo	12,040,841	40.48	6,189,792 ⁽¹⁾	20.81	12,050,841 ⁽⁴⁾	27.11	6,209,792 ⁽¹⁾	13.97
Teow Choo Hing	3,692,722	12.42	14,537,911 ⁽²⁾	48.88	3,702,722 ⁽⁴⁾	8.33	14,557,911 ⁽²⁾	32.76
Mohamed Amin bin Mohd Kassim	2,533,826	8.52	-	-	4,099,826 ⁽⁵⁾	9.22	-	-
Jaafar bin Mohamad	766,777	2.58	-	-	2,276,777 ⁽⁵⁾	5.12	-	-
Teow Choo Chuan	2,497,070	8.40	15,733,563 ⁽³⁾	52.90	2,507,070 ⁽⁴⁾	5.64	15,753,563 ⁽³⁾	35.45
Dato' Azhar bin Hashim	-	-	-	-	10,000 ⁽⁴⁾	0.02	-	-
Lee Choon Wan	-	-	-	-	10,000 ⁽⁴⁾	0.02	-	-

Notes:

- (1) Deemed interested through his nephews, Teow Choo Hing and Teow Choo Chuan
- (2) Deemed interested through his uncle (Phua Sin Mo) and his brother (Teow Choo Chuan)
- (3) Deemed interested through his uncle (Phua Sin Mo) and his brother (Teow Choo Hing)
- (4) Including allotment under allocations to eligible Directors and employees of the CLH Group
- (5) Including allotment under allocations for the Special Issue and to eligible Directors and employees of the CLH Group

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12. ADDITIONAL INFORMATION (Cont'd)

- (d) Based on the Register of Substantial Shareholders as at 17 March 2001 (being the latest practicable date prior to the printing of this Prospectus), the substantial shareholders (with 2% or more shareholding, direct and indirect) of the Company before and after the Issues are as follows:

Name	Nationality/ County of Incorporation	<-----Before the Issues----->				<-----After the Issues----->			
		Direct		Indirect		Direct		Indirect	
		No. Of Shares	%	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%
Phua Sin Mo	Malaysian	12,040,841	40.48	6,189,792 ⁽¹⁾	20.81	12,050,841 ⁽⁴⁾	27.11	6,209,792 ⁽¹⁾	13.97
Mohamed Amin bin Mohd Kassim	Malaysian	2,533,826	8.52	-	-	4,099,826 ⁽⁵⁾	9.22	-	-
Lim Seng Chee & Sons Sdn Bhd	Malaysia	3,976,515	13.37	-	-	3,976,515	8.95	-	-
Teow Choo Hing	Malaysian	3,692,722	12.42	14,537,911 ⁽²⁾	48.88	3,702,722 ⁽⁴⁾	8.33	14,557,911 ⁽²⁾	32.76
Datuk Syed Ahmad Khalid bin Syed Mohammed	Malaysian	2,031,552	6.83	-	-	2,541,552 ⁽⁵⁾	5.72	-	-
Teow Choo Chuan	Malaysian	2,497,070	8.40	15,733,563 ⁽³⁾	52.90	2,507,070 ⁽⁴⁾	5.64	15,753,563 ⁽³⁾	35.45
Jaafar bin Mohamad	Malaysian	766,777	2.58	-	-	2,276,777 ⁽⁵⁾	5.12	-	-
Heng Mon Sing	Malaysian	630,000	2.12	-	-	640,000 ⁽⁴⁾	1.44	-	-

Notes:

- (1) Deemed interested through his nephews, Teow Choo Hing and Teow Choo Chuan
(2) Deemed interested through his uncle (Phua Sin Mo) and his brother (Teow Choo Chuan)
(3) Deemed interested through his uncle (Phua Sin Mo) and his brother (Teow Choo Hing)
(4) Including allotment under allocations to eligible Directors and employees of the CLH Group
(5) Including allotment under allocations for the Special Issue and to eligible Directors and employees of the CLH Group

- (e) Save for the Directors and major shareholders who are interested in the Acquisition of BP (please refer to Section 7.1) and the joint and personal guarantees of various directors in relation to certain banking facilities granted to the CLH Group (please refer to Section 4 (p)), none of the other Directors or the major shareholders of CLH and its subsidiaries have any material interests in any contract or arrangement which is significant in relation to the business of the Group and subsisting at the date of this Prospectus.

These banking facilities are for the purposes of, inter alia, the working capital of the CLH Group. It is intended that steps shall be taken as may be necessary to replace these third party securities with securities in the form of the CLH Group's own assets.

- (f) Save as disclosed in Section 12.3 (c) and 12.3 (d) of this Prospectus, the Directors are not aware of any persons who are able, directly or indirectly, jointly or severally, to exercise control over the Company and its subsidiary companies.
- (g) Save as disclosed in Section 5.2, no option to subscribe for securities of the Company or any of its subsidiary companies was granted to or exercised by any Directors during the last financial year/period ended 31 December 1999 and 30 September 2000.

12. ADDITIONAL INFORMATION (Cont'd)

- (h) Save for the Directors and major shareholders who are interested in the Acquisition of BP, further particulars of which are disclosed in Sections 7.1 and 12.5(e), none of the Directors and major shareholders have any interest, whether direct or indirect in the promotion of, or in any material assets within two (2) years preceding the date of the Prospectus, acquired or disposed of by or leased to, the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by or leased to the Company or any of its subsidiaries.

12.4 General Information

- (a) The nature of the Group's business is set out in Section 5 of this Prospectus. The names of all corporations which are deemed to be related to the Company by virtue of Section 6 of the Companies Act, 1965 and their respective principal activities are set out under the same section of this Prospectus.
- (b) The time of the opening and closing of the Application Lists is set out in Section 14.1 of this Prospectus.
- (c) The amount payable in full on application of the Issues Shares is RM1.80 per ordinary share.
- (d) As at the date of this Prospectus, the Company and its subsidiaries do not have any convertible debt securities.
- (e) The manner in which copies of this Prospectus together with the Application Forms and envelopes may be obtained is set out in Section 14.2 of this Prospectus.
- (f) The name and address of the Auditors and Reporting Accountants of the Group are set out in Section 1 of this Prospectus.
- (g)
 - (i) Underwriting commission is payable by the Company to the Managing Underwriter and Underwriters at the rate of 1.5% of the issue price of RM1.80 per ordinary share on the ordinary shares being underwritten which form the subject of this Prospectus;
 - (ii) Brokerage will be paid by the Company at the rate of 1% of the issue price of RM1.80 per ordinary share to the parties in the circumstances specified in Section 3.8 of this Prospectus.
 - (iii) Expenses incidental to the listing of and quotation for the entire enlarged issued and paid-up capital of the Company on the Second Board of the KLSE amounting to approximately RM1.7 million will be borne by the Company.
- (h) Save as disclosed under item (g) above, no commission, discounts, brokerage or other special terms has been paid or is payable by the Company or its subsidiaries within the two (2) years preceding the date of this Prospectus in connection with the issue or sale of any capital of the Company or any of its subsidiaries and no Director or promoter or expert is entitled to receive any such payment.

12. ADDITIONAL INFORMATION (Cont'd)

- (i) No amount or benefit has been paid or given within the two (2) preceding years of the date hereof nor is it intended to be so paid or given, to any promoter, except for the remuneration received in the course of employment.
- (j) The Company and its subsidiaries have not established a place of business outside Malaysia.
- (k) None of the Directors or major shareholders are interested, directly or indirectly, in any business carrying on a similar trade as the Company and its subsidiaries.
- (l) Save as disclosed in the consolidated profit estimate and forecast and assumptions thereon of the Group and the factors as stated in Section 4 of this Prospectus, the Directors 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.
- (m) During the last financial year and the current financial year, there were no:
 - (i) public take-over offers by third parties in respect of the Company's shares; and
 - (ii) public take-over offers by the Company in respect of other company's shares.
- (n) No property has been acquired or is proposed to be acquired by the Company or its subsidiary companies in contemplation of the Issues, save and except for the purchase of the Property.
- (o) 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, except for the Issues Shares.

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12. ADDITIONAL INFORMATION (Cont'd)

12.5 Material Contracts

Save as disclosed below, there are no contracts which are material (not being contracts entered 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 Agreement dated 12 May 1999 between CLS and Ong Wei Jin for the disposal by CLH of 90,002 ordinary shares of RM1.00 each in Seaswift Freight (M) Sdn Bhd, 17,571 ordinary share of RM1.00 each in Seaswift Forwarding and Shipping Sdn Bhd and 40,003 ordinary shares of RM1.00 each in Seaswift Freight System (Penang) Sdn Bhd for a total aggregate purchase consideration of RM650,000;
- (b) Sale and Purchase Agreement dated 19 August 1999 between CLH and [Aminsa @ Sattar](#) bin Amansah for the disposal by CLH of 50,000 ordinary shares of RM1.00 each representing the entire issued and paid-up capital of Kancil Prima Sdn Bhd and 100,000 ordinary shares of RM1.00 each representing the entire issued and paid-up capital of Bina Vista Sdn Bhd for a total aggregate purchase consideration of RM670,000;
- (c) Transfer of registered ownership of 60,000 ordinary shares of RM1.00 each in Damaria Forwarding Sdn Bhd (now known as CD) by CLH to CLS on 15 September 1999 for a cash consideration of RM180,000 which were previously held on trust by CLH for CLS;
- (d) BP has on 20 March 2000 and 8 June 2000 entered into tenancy agreements for the rental of land/premises at the following locations;
 - (i) premises known as Factory A Lot PT 50913, Jalan Banting, Pandamaran N/V, 42000 Port Klang for the duration 1 March 2000 to 31 August 2002; and
 - (ii) premises known as PT 50912, Cempaka Emas Industrial Park, Jalan Pandamaran, 42000 Port Klang for the duration 1 July 2000 to 31 May 2003, with an option to renew for another three years.
- (e) Conditional Sale and Purchase Agreement dated 14 April 2000 between CLH and Phua Sin Mo, Teow Choo Hing, Teow Choo Chuan and Heng Mon Sing for the acquisition of 550,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of BP for a purchase consideration of RM6,300,000 to be satisfied by the issuance of 6,300,000 new ordinary shares in CLH at an issue price of RM1.00 each;
- (f) CLJ has on 7 June 2000 entered into a tenancy agreement for the rental of office premises at Lot No. 19-05A, Level 19, Menara Landmark, Johor with a total area of 1,894 square feet for the duration 4 May 1999 to 3 May 2001 with an option to renew for another two years;
- (g) Sale and Purchase Agreement dated 13 November 2000 entered into between CLH and PKPS Agro Industries Sdn Bhd for the proposed acquisition of 2 ordinary shares of RM1.00 each representing the entire issued and paid up share capital of BH for a cash consideration of RM481,024. Subsequently, on 16 November 2000, BH entered into a Conditional Sale and Purchase Agreement with PKNS-Federal Furniture International (M) Sdn Bhd for the proposed acquisition by BH of the Property for a cash consideration of RM8,968,976; and

12. ADDITIONAL INFORMATION (*Cont'd*)

- (h) Underwriting Agreement dated 15 February 2001 between CLH Group and the Underwriters for the underwriting of 4,700,000 ordinary shares of RM1.00 each and 1,000,000 ordinary shares of RM1.00 each allocated to the eligible employees and Directors of the Group under the Public Issue for an underwriting commission of 1.5% of the issue price of RM1.80 per ordinary share.

12.6 Material Agreements

- (a) CLS has on 18 January 2000, 14 September 2000, 1 August 2000 and 29 December 2000 entered into tenancy agreements for the rental of land/premises at the following locations:
 - (i) land held under HS(M) 1396 PT No. 14793, HS(M) PT No 13794 and LM545 Lot 9055 Mukim of Klang, District of Klang for the duration 1 July 1999 to 30 June 2002;
 - (ii) premises known as Lot 13, Solok Hishamuddin 4, North Klang Straits, 42000 Port Klang for the duration 1 September 2000 to 31 August 2001, with an option to renew for another one year;
 - (iii) premises known as Lot 5, Solok Hishamuddin 3, North Klang Straits, Port Klang for the duration 1 August 2000 to 31 July 2002, with an option to renew for another one year; and
 - (iv) premises known as TH (Gudang) Lot 11, Linkaran Sultan Hishamuddin, Kawasan Perusahaan Selat Klang Utara for the duration 1 June 2000 to 31 May 2003, with an option to renew for another six years.
- (b) SM has on 28 April 2000 and 3 July 2000 entered into tenancy agreements for the rental of land/premises at the following locations:
 - (i) premises known as Lot 7, Jalan Hishamuddin 2, Kawasan 20, Perusahaan Selat Klang Utara, Port Klang for the duration 1 August 2000 to 31 July 2003, with an option to renew for another 3 years; and
 - (ii) premises known as Warehouse E, Conventional Terminal, Westport for the duration 15 July 2000 to 14 June 2001.
- (c) By a letter dated 28 April 2000 from Nestle Products addressed to CD, Nestle Products, confirmed the appointment of CD as the official freight forwarder to total logistics services for products shipped out to East Malaysia and Brunei with effect from 1 April 2000.
- (d) Logistics Agreement dated 1 May 1998 between CLS and NEC Sales (Malaysia) Sdn Bhd (*now known as NEC Malaysia Sdn Bhd*) for the provision of total logistics management services by CLS which includes the collection of products from any port, the storage and warehousing of goods and the delivery of the same to end-customers which would be undertaken by CLS and the provision of air freight services by CFS at varying rates, rental and charges as agreed upon depending on the type of services rendered.

12. ADDITIONAL INFORMATION (Cont'd)

- (e) Transport Agreement dated 11 April 2000 between CLS and Nestle Products Sdn Bhd ("the Hirer") which takes effect from 16 September 1999 whereby CLS undertakes to provide transportation services for the delivery of goods from the Hirer's associated factories and warehouses in Klang Valley to Singapore and from Singapore to the Hirer's factories and warehouses in Klang Valley and/or Rembau, Negeri Sembilan at agreed rates.
- (f) Transport Agreement dated 11 April 2000 between CD and Nestle Products Sdn Bhd ("the Hirer") which takes effect from 1 January 2000 whereby CD undertakes to provide transportation services for the delivery of the Hirer's goods from the Hirer's associated factories and warehouses in West Malaysia or third party warehouse to the Hirer's distributors, agents and warehouses in West Malaysia in accordance with the instruction appearing on the Hirer's authorized delivery documents established by the Hirer for CD at agreed rates.
- (g) Agency Agreement dated 16th March 2001 between Titan Oil Pte. Ltd. ("Titan") and CLJ whereby Titan appointed CLJ to be its sole agent for the operation of a floating storage (Ship to Ship Transfer Operations) at a location within the Johore Port limits as designated by the Malaysian authorities, and to provide such services stipulated in the agreement for this purpose, at agreed rates.
- (h) Salient terms of all subsisting material insurance policies taken up by the CLH Group:

NO.	INSURANCE COMPANY	POLICY NUMBER	TYPE OF POLICY/ PERIOD OF INSURANCE	ANNUAL PREMIUM (RM)	TOTAL AMOUNT OF COVER (RM)	COVERAGE/ ASSET COVERED
1.	Malaysia British Assurance Berhad, Klang	00FKG003360	Standard Fire (Class I) 05.07.2000 to 04.07.2001 (both dates inclusive)	26,617.50	10,000,000	Building and general merchandise goods at SM at Lot 1, Lingkaran 2, Kawasan, Perusahaan Bandar Sultan Sulaiman, Selat Klang Utara, 42000 Port Klang and on KPCT Container Freight Station 1, Off Jalan Tamban North Port, 42005 Port Klang
		Renewed by cover note KGN 006423	04.03.2001 to 03.03.2002	*	10,000,000	
2.	Malaysia British Assurance Berhad, Klang	OOFKG001531	Consequential Loss/Loss of Profits (Class I) 04.03.2000 to 03.03.2001 (both dates inclusive)	5,863.17	1,030,000	On gross profit and auditors' fees of SR at Lot 1, Lingkaran Sultan Mohamed 2, Kawasan Perusahaan Selat Klang Utara, 42000 Port Klang
		Renewed by cover note KGN 006424	04.03.2001 to 03.03.2002	*	1,030,000	
3.	Malaysia British Assurance Berhad, Klang	OOFKG001429	Consequential Loss/Loss of Profits (Class I) 04.03.2000 to 03.03.2001 (both dates inclusive)	5,331.28	1,030,000	On gross profit and auditors' fees of SM at Lot 7, Jalan Hishamuddin 2, Kawasan. 20, Bandar Sultan Sulaiman, Selat Klang Utara, 42000 Port Klang
		Renewed by cover note KGN 006425	04.03.2001 to 03.03.2002	*	1,030,000	

12. ADDITIONAL INFORMATION (Cont'd)

NO.	INSURANCE COMPANY	POLICY NUMBER	TYPE OF POLICY/ PERIOD OF INSURANCE	ANNUAL PREMIUM (RM)	TOTAL AMOUNT OF COVER (RM)	COVERAGE/ ASSET COVERED
4.	Malaysia British Assurance Berhad, Klang	OOFKG001363 Renewed by cover note KGN 006237	Consequential Loss/Loss of Profits (Class I) 05.04.2000 to 04.04.2001 (both dates inclusive) 04.03.2001 to 03.03.2002	5,977.40 *	1,430,000 1,430,000	On gross profit and auditors' fees of CLS at Lot 4, Solok Sultan Hishamuddin 8, Kawasan 20, Perusahaan Selat Kelang Utara, 42000 Port Klang
5.	Malaysia British Assurance Berhad, Klang	OOMKG000785	Marine Open Cover	Premium payable only for cover note issued per shipment basis	2,000,000 per vessel, 1,000,000 per land conveyance	CLS &/or their various importers and exporters for the respective rights and interests ("FTRR&I")
6.	Malaysia British Assurance Berhad, Klang	OOAKG000306 Renewed by cover note KGN 006239	Burglary 04.03.2000 to 03.03.2001 04.03.2001 to 03.03.2002	17,875.00 *	3,500,000 3,500,000	General cargoes of CLH and its group of companies, FTRR&I. at locations in Port Klang, Johor and Penang
7.	Malaysia British Assurance Berhad, Klang	OOFKG001079 Renewed by cover note KGN 006421 and cover note KGN 006422	Standard Fire (Class I) 04.03.2000 to 03.03.2001 (both dates inclusive) 04.03.2001 to 03.03.2002	34,064.87 *	10,300,000 20,640,000	CLH and its group of companies, FTRR&I at locations in Port Klang, Johor and Penang
8.	Malaysia British Assurance Berhad, Klang	OOFKG001080 Renewed by cover note KGN 006240	Standard Fire (Class I) (The Pacific Bank Berhad as chargee) 04.03.2000 to 03.03.2001 (both dates inclusive) 04.03.2001 to 03.03.2002	45,267.38 *	10,000,000 10,000,000	SR at Lot 1, Lingkaran Sultan Mohamed 2, Kawasan Perusahaan Selat Klang Utara, 42000 Port Klang
9.	Malaysia British Assurance Berhad, Klang	OOLKG000045 Renewed by cover note KGN 006236	Public Liability 04.03.2000 to 03.03.2001 04.03.2001 to 03.03.2002	700.00 *	500,000 500,000	CLH and its group of companies, FTRR&I at locations in Port Klang, Johor and Penang

12. ADDITIONAL INFORMATION (Cont'd)

NO.	INSURANCE COMPANY	POLICY NUMBER	TYPE OF POLICY/ PERIOD OF INSURANCE	ANNUAL PREMIUM (RM)	TOTAL AMOUNT OF COVER (RM)	COVERAGE/ ASSET COVERED
10.	Malaysia British Assurance Berhad, Klang	OOFKG000812	Standard Fire (Class I) 17.01.2000 to 16.01.2001 (renewed to 03.03.2001)	189,440.00	40,000,000	Furniture and fittings, equipment and general merchandise goods held in trust (including duties) at SM at Lot 7, Jalan Hishamuddin 2, Kawasan 20, Bandar Sultan Sulaiman, Selat Klang Utara, 42000 Port Klang
		Renewed by cover note KGN 006425	04.03.2001 to 03.03.2002	*	38,000,000	
11	Malaysia British Assurance Berhad, Klang	00LKG000112	Bailee Liability 05.04.2000 to 04.04.2001	24,000	100,000	CLH and its group of Companies
		Renewed by cover note KGN 006426	04.03.2001 to 03.03.2002	*	200,000	

*Note: * The insurance premium under the renewed policies have not been fixed by the insurance company, Malaysia British Assurance Berhad. The CLH Group does not however expect the annual premiums payable to be materially different from the previous premiums paid.*

12.7 Material Litigation

Save as disclosed below, the CLH Group is presently not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the business/financial position of the CLH 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 adversely affect the position or business of CLH and its subsidiaries:

- (i) Kuala Lumpur High Court Suit No: D2-22-3318-99 by one Irene Foo Yew Lee (Plaintiff) against CFS (Defendant) for RM449,912-66, being a claim for commission payable to her during the course of her employment as sales manager, and for an order to provide her with the accounts and particulars in respect thereof. By a letter dated 5 March 2001, the Defendant's solicitors have opined that the Defendant has a good and valid defence. The Defendant's solicitors has vide their letter dated 5 March 2001, confirmed that their earlier opinion stands.
- (ii) Shah Alam High Court Suit No: MT4-22-203-99 by one Lau Mooi Khuan (sole proprietor of A-Point Promotion) (Plaintiff) against CLS (Defendant) for RM231,276.00, being a claim for damages for breach of a contract dated 19 September 1998 for the timely delivery of the plaintiff's goods at a designated place by the defendant. By a letter dated 17 January 2001, the Defendant's solicitors have opined that it is highly probable that the case will be struck out.

12. ADDITIONAL INFORMATION (Cont'd)

12.8 Consents

- (i) The written consents of the Adviser and Managing Underwriter, Underwriters, Auditors and Reporting Accountants, Company Secretary, Principal Bankers, Solicitors for the Issues, Share Registrars, Market Research Consultant, Valuers and Issuing House to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn; and
- (ii) The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their Accountants' Report and their letters relating to the Consolidated Profit Estimate and Forecast for the financial years ended/ending 31 December 2000 and 2001 and Proforma Consolidated Balance Sheets as at 30 September 2000 in the manner and form in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

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13. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company during normal business hours for a period of twelve (12) months from the date of this Prospectus:

- (a) The Memorandum and Articles of Association of the Company and its subsidiary companies;
- (b) The Directors' existing service contracts with the Company or any of its subsidiary companies;
- (c) The material contracts and agreements referred to in Section 12.5 and 12.6 above;
- (d) The writ and relevant cause papers in respect of all material litigation referred to in Section 12.7 above;
- (e) Directors' Report and Accountants' Report as included herein;
- (f) The Reporting Accountants' letters relating to the consolidated profit estimate and forecast and the proforma consolidated balance sheets as included herein;
- (g) The audited accounts of CLH and its subsidiary companies for the past five (5) years ended 31 December 1999 (or since incorporation, if later) and nine (9) months period ended 30 September 2000;
- (h) The letters of consent referred to under Section 12.8 above;
- (i) The consolidated profit estimate and forecast and proforma consolidated balance sheets as included herein; and
- (j) The Taylor Nelson Report dated 14 April 2000.

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14. APPLICATION FOR SECURITIES

14.1 Opening and Closing of Application Lists

The Application Lists will open at 10.00 a.m. on 13 April 2001 and will remain open until 8.00 p.m. on the same day or for such further period or periods as the Directors of CLH in their absolute discretion may decide. Late applications will not be accepted.

14.2 Application Forms

Application for the Issues Shares must be made on the Application Form issued together with this Prospectus and must be completed in accordance with the Notes and Instructions printed on the reverse side of the Application Form. In accordance with Section 41 of the Securities Commission Act, 1993, the Application Form together with the Notes and Instructions printed therein shall constitute an integral part of this Prospectus. Applications, which do not STRICTLY conform to the terms of this Prospectus or Application Form or Notes and Instructions, printed therein or which are illegible will not be accepted.

Only one application can be made by each applicant. Multiple applications will not be accepted.

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

Employees of MIDFCCS and their immediate family are strictly prohibited from applying for the Public Issue Shares.

14.3 Procedure For Application

(i) Application by the Malaysian public

Applications for the 4,700,000 Public Issue Shares made available for application by the Malaysian Public must be made on the **“White”** Application Forms provided.

(ii) Application by the eligible employees and Directors of the Group

Applications for the 2,000,000 Public Issue Shares reserved for the eligible employees and suppliers of the CLH Group must be made on the special **“Pink”** Application Forms provided.

Only one application form from each applicant will be considered and applications must be for 1,000 ordinary shares or multiples thereof. **MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED.** The amount payable in full on application is RM1.80 per ordinary share.

14. APPLICATION FOR SECURITIES (Cont'd)

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

- (1) BANKER'S DRAFT OR CASHIER'S ORDER PURCHASED WITHIN MALAYSIA ONLY AND DRAWN ON A BANK IN KUALA LUMPUR (DIFFERENTIATED BY A SPECIAL RED BAND FOR BUMIPUTERA APPLICANTS); OR
- (2) MONEY ORDER OR POSTAL ORDER (FOR APPLICANTS FROM SABAH AND SARAWAK ONLY); OR
- (3) GUARANTEED GIRO ORDER ("GGO") FROM BANK SIMPANAN NASIONAL MALAYSIA (DIFFERENTIATED BY A SPECIAL RED BAND FOR BUMIPUTERA APPLICANTS); OR
- (4) ATM STATEMENT OBTAINED ONLY FROM ANY OF THE FOLLOWING:
 - Arab-Malaysian Bank Berhad (295576-U);
 - Arab-Malaysian Finance Berhad (5493-X);
 - Asia Commercial Finance (M) Berhad (6251-U);
 - Bumiputra Commerce Bank Berhad (13491-P);
 - Bank Utama (Malaysia) Berhad (27714-A);
 - EON Bank Berhad (92351-V);
 - EON Finance Berhad (9692-K);
 - Hock Hua Bank Berhad (111501-D);
 - Hong Leong Bank Berhad (97141-X);
 - Hong Leong Finance Berhad (7797-V);
 - Malayan Banking Berhad (3813-K);
 - Mayban Finance Berhad (3905-T);
 - MBf Finance Berhad (8515-D);
 - Alliance Bank Malaysia Berhad (88103-W);
 - Public Bank Berhad (6463-H);
 - Public Finance Berhad (6471-U);
 - RHB Bank Berhad (6171-M);
 - Southern Bank Berhad (5303-W); or
 - United Merchant Finance Bhd (3838-T)

AND MUST BE MADE OUT IN FAVOUR OF **"MIDF SHARE ISSUE ACCOUNT NO. 513 "** AND CROSSED **"A/C PAYEE ONLY"** (EXCLUDING ATM STATEMENTS) AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND ADDRESS OF THE APPLICANT (AS EXACTLY STATED ON THE APPLICATION FORM).

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

14. APPLICATION FOR SECURITIES (Cont'd)

APPLICATIONS ACCOMPANIED BY ANY MODE OF PAYMENT OTHER THAN THOSE STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCE OR INAPPROPRIATE BANKER'S DRAFTS/CASHIER'S ORDERS/MONEY ORDERS/GGO WILL NOT BE ACCEPTED. DETAILS OF REMITTANCE MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE APPLICATION FORM.

Directors and employees of MIDFCCS and their immediate family are strictly prohibited from applying for the shares.

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

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

so as to arrive not later than **8.00 p.m.** on **13 April 2001** or delivered **BY HAND** to EON Bank Berhad branches based on the following addresses:

- | | |
|---|--|
| 1. Klang Branch
2, Jalan Kapar
41400 Klang | 2. Kepong Branch
60, Jalan 2
52100 Kuala Lumpur |
| 3. Kuala Lumpur Main Branch
Bangunan Oriental Bank
1, Jalan Hang Lekiu
50100 Kuala Lumpur | 4. Selayang Branch
141-143, Jalan 2/3A
Kompleks Pasar Borong Selayang
68100 Kuala Lumpur |
| 5. Taman Sungai Besi Branch
38, Jalan 7/108C
Jalan Sungei Besi
68100 Kuala Lumpur | 6. Bukit Bintang Branch
Ground Floor, Wisma KLIH
126, Jalan Bukit Bintang
55100 Kuala Lumpur |
| 7. Wangsa Maju Branch
10, Jalan 1/27B
Bandar Baru Wangsa Maju
53300 Kuala Lumpur | 8. Balakong Branch
S-7, Jalan 1/6, Taman Indah
Batu 11, Jalan Balakong
43200 Cheras |
| 9. Segambut Branch
36-38, Jalan Segambut Utara
51200 Kuala Lumpur | 10. SS2 Branch
No. 20, Jalan SS2/61
47300 Petaling Jaya |
| 11. Bandar Park Branch
152, Jalan Mega Mendung
Kompleks Bandar
Batu 5, Jalan Klang Lama
58000 Kuala Lumpur | |

during banking hours (9.30 a.m. to 3.30 p.m. from Monday to Friday and 9.30 a.m. to 12.00 p.m. on Saturday) only.

No acknowledgement of the receipt of Application Forms or application monies will be made by the Company. Copies of this Prospectus together with White Application Forms may be obtained, subject to availability, from Aseambankers Malaysia Berhad, member companies of the KLSE, members of the Association of Banks in Malaysia, members of Association of the Merchant Banks in Malaysia and MIDFCCS.

14. APPLICATION FOR SECURITIES (Cont'd)

14.4 Applications And Acceptances

The Directors of CLH reserve the right to reject any application or to accept any application in part only without assigning any reason thereof. The submission of an Application Form does not necessarily mean that the application will be successful.

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

In the event of an over-subscription, acceptance of applications may be subject to ballot to be conducted in the manner as approved by the Directors. Due consideration will be given to the desirability of distributing the ordinary shares to a reasonable number of applicants with a view to broadening the shareholding base of the Company and establishing an adequate market in the ordinary shares of the Company. The final allocation to any single applicant will be made to ensure that the Company complies with the SC's shareholding spread requirement that at least 25% of the issued and paid-up share capital of the Company is in the hands of a minimum number of 750 shareholders holdings not less than 1,000 shares each. However, in the event that the above requirement is not met, the Company may not be allowed to proceed with its listing. Applicants will be selected in a manner to be determined by the Directors of CLH.

In the event of an under-subscription by the Malaysian public, all the Public Issue shares not applied for will be made available for subscription proportionately by the Underwriters in the proportions specified in the underwriting agreement dated 15 February 2001.

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN TWENTY-ONE (21) DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS BY ORDINARY POST OR REGISTERED POST RESPECTIVELY AT THE ADDRESS SHOWN ON THE APPLICATION FORM AT THE APPLICANT'S OWN RISK.

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

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

14. APPLICATION FOR SECURITIES (Cont'd)

14.5 CDS Account

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

An applicant should state his CDS Account number in the space provided in the Application Form if he presently has such account. Where an applicant does not presently have a CDS Account, he should state in the Application Form his preferred ADA Code. A list of the ADA Codes is given below. Where an applicant already has a CDS Account, he **should not** complete the preferred ADA Code. If a successful applicant fails to state either his CDS Account number or the preferred ADA Code, the Company may in the exercise of its absolute discretion instruct its Issuing House to insert a preferred ADA Code on the Application Form and further instruct the MCD to open a CDS Account on his behalf at the specified ADA and credit the shares allotted to him into his CDS Account.

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

14.6 Notice of Allotment

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

14.7 Formalising Of CDS Account

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

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14. APPLICATION FOR SECURITIES (Cont'd)**14.8 List of Authorised Depository Agents**

The list of ADA (Broker) Codes is as follows:

Name	Address And Telephone Number	Broker Code	Name	Address And Telephone Number	Broker Code
KUALA LUMPUR			KUALA LUMPUR (Cont'd)		
ARAB-MALAYSIAN SECURITIES SDN BHD (92977-U)	15th Floor, Bangunan Arab-Malaysian 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No. 03-2382788	086-001	KUALA LUMPUR CITY SECURITIES SDN BHD (95060-A)	Lot 3.07, Level 3 Bangunan Angkasaraya Jalan Ampang 50450 Kuala Lumpur Tel No. 03-2449322	076-001
AFFIN-UOB SECURITIES SDN BHD (431338-P)	Level 3, Menara Keck Seng 203, Jalan Bukit Bintang 55100 Kuala Lumpur Tel No. 03-2438668	028-001	K & N KENANGA SDN BHD (15678-H)	8th Floor, Pemas International Building 801, Jalan Sultan Ismail 50250 Kuala Lumpur Tel No. 03-2613066	073-001
BBMB SECURITIES SDN BHD (164534-K)	Level 2, 3, 4 & 17 Letter Box No.2 Menara Olympia 8 Jalan Raja Chulan 50200 Kuala Lumpur Tel No. 03-2088800	099-001	LEONG & CO SDN BHD (8789-P)	Level 18, Wisma Cyclecarri 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No. 03-2928899	061-001
BIMB SECURITIES SDN BHD (290163-X)	1st & 2nd Floors Podium Block, Bangunan AMDB No. 1 Jalan Lumut 50350 Kuala Lumpur Tel No. 03-4433533	024-001	MAYBAN SECURITIES SDN BHD (165630-M)	30th Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel No. 03-2323822	098-001
FIMA SECURITIES SDN BHD (2910959-K)	Level 1 & 2, Block G (Central) Pusat Bandar Damansara 50490 Kuala Lumpur Tel No. 03-2549966	018-001	MIDF SISMA SECURITIES SDN BHD (423833-U)	17 & 18 Floor Empire Tower 182, Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-266888	026-001
CIMB SECURITIES SDN BHD (163712-V)	9th Floor, Commerce Square Jalan Semantan Damansara Heights 50490 Kuala Lumpur Tel No. 03-2532288	065-001	MGI SECURITIES SDNBHD (formerly known as Charles & Bradburne & Co. (1930) Sdn Bhd (682-X))	1st & 2nd Floor Wisma MGIC 38, Jalan Dang Wangi 50100 Kuala Lumpur Tel No.: 03-2911889	052-001
HLG SECURITIES SDN BHD (12855-D)	21st Floor, Wisma HLA Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2452998	066-001	OSK SECURITIES BERHAD (14152-V)	10th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No. 03-2624388	056-001
INTER-PACIFIC SECURITIES SDN BHD (12738-U)	Level 7, Shahzan-Insas Tower 30, Jalan Sultan Ismail 50250 Kuala Lumpur Tel No. 03-2441888	054-001	PB SECURITIES SDN BHD ((20027-W))	27th Floor, Bangunan Public Bank No.6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No. 03-2013011	051-001
JUPITER SECURITIES SDN BHD (48703-W)	Lot 7th - 9th Floor Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No. 03-2041888	055-001	PM SECURITIES SDN BHD (66299-A)	Ground, Mezzanine & 1st Floor Menara Pengkalen 2, Jalan Changkat Ceylon, 50200 Kuala Lumpur Tel No. 03-2448055	064-001

14. APPLICATION FOR SECURITIES (Cont'd)

Name	Address And Telephone Number	Broker Code	Name	Address And Telephone Number	Broker Code
KUALA LUMPUR (Cont'd)			SELANGOR DARUL EHSAN (Cont'd)		
RASHID HUSSAIN SECURITIES SDN BHD (95060-A)	Level 1, 2, 3 & 5 Tower One, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel No. 03-9852233	087-001	MOHAIYANI SECURITIES SDN BHD (140238-A)	2nd & 3rd Floor Plaza Damansara Utama 2, Jalan SS21/60 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No. 03-7197345	095-001
KAF-SEAGROATT & CAMPBELL SDN BHD (134631-V)	26th - 30th Floor The Weld Tower 76, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2081600	053-001	SJ SECURITIES SDN BHD (141671-T)	Level 3, Holiday Villa 9, Jalan SS12/1, Subang Jaya 47500 Petaling Jaya Selangor Darul Ehsan Tel No. 03-7340202	096-001
			MALACCA		
SIME SECURITIES SDN BHD (165878-V)	21st Floor, Bangunan Sime Bank Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No. 03-2749288	097-001	MALACCA SECURITIES SDN BHD (16121-H)	No.1, 3 & 5, Jalan PPM9, Plaza Pandan Malim (Business Park) Balai Panjang P.O Box. 248 75750 Melaka Tel No. 06-3371533	012-001
TA SECURITIES BERHAD (16029-V)	34th Floor, Menara TA One 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No. 03-2321277	074-001	OCBC SECURITIES (MELAKA) SDN BHD (18884-P)	579, 579A & 579B, Taman Melaka Raya 75000 Melaka Tel No. 06-2825211	072-001
SELANGOR DARUL EHSAN					
AMSTEEL SECURITIES (M) SDN BHD (51253-A)	No. 1, Lintang Pekan Baru (2nd, 3rd and 4th Floor) Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No. 03-3439999	080-001	STRAITS SECURITIES SDN BHD (74070-T)	Lot 9 & 10, 1st Floor Bangunan Tabung Haji Jalan Bandar Kaba P.O. Box 209 75740 Melaka Tel No. 06-2833622	011-001
			PENANG		
HALIM SECURITIES SDN BHD (107442-X)	68, Jalan 52/4 New Town Centre P.O. Box 561 46770 Petaling Jaya Selangor Darul Ehsan Tel No. 03-7555777	091-001	A.A. ANTHONY & COMPANY SDN BHD (13622-K)	No 41-1-1 & 41-2-1 Jalan Cantonment 10250 Pulau Pinang Tel No. 04-2299318	014-001
HWANG-DBS SECURITIES SDN BHD (14389-U)	Tingkat 18-20, Plaza Masalam 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 41000 Shah Alam Selangor Darul Ehsan Tel No. 03-5533288	068-002	HWANG-DBS SECURITIES SDN BHD (14389-U)	Level 2, 3, 4, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No. 04-2636996	068-001
JF APEX SECURITIES SDN BHD (47680-X)	3rd Floor, Wisma Apex 145A-C, Jalan Bukit P.O.Box 16 43007 Kajang Selangor Darul Ehsan Tel No. 03-8361118	079-001	KE-ZAN SECURITIES SDN BHD (89986-P)	2nd, 3rd and 4th Floors Wisma KE-ZAN 64, Bishop Street 10200 Pulau Pinang Tel No. 04-2634222	085-001

14. APPLICATION FOR SECURITIES (Cont'd)

Name	Address And Telephone Number	Broker Code	Name	Address And Telephone Number	Broker Code
PENANG (Cont'd)			PERAK DARUL RIDZUAN (Cont'd)		
MERCURY SECURITIES SDN BHD (113193-W)	2nd Floor, Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Pulau Pinang Tel No. 04-3322123	093-001	M&A SECURITIES SDN BHD (14782-V)	Bangunan Chinese Chamber of Commerce 37, Jalan Tun Sambanthan 30000 Ipoh Perak Darul Ridzuan Tel No. 05-2559500	057-001
SMITH ZAIN SECURITIES SDN BHD (13901-H)	7th & 8th Floor, Wisma PSCI 39 Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No. 04-2283355	016-001	PHILEO ALLIED SECURITIES SDN BHD (25397-M)	62, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No. 05-2558233	071-001
SOON THEAM SECURITIES SDN BHD (14147-K)	No.111, Jalan Macalister 10400 Pulau Pinang Tel No. 04-2281868	060-001	SBB SECURITIES SDN BHD (100518-M)	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No. 05-2530888	090-001
THONG & KAY HIAN SECURITIES SDN BHD (14592-P)	Level 5 & 6, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No. 04-2635481	070-001	TAIPING SECURITIES SDN BHD (<i>formerly known as Nadzri & Ng Securities Sdn Bhd</i>) (113521-K)	21 Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel No. 05-8060888	092-001
UT SECURITIES SDN BHD (<i>formerly known as United Traders Securities Sdn Bhd</i>) (20710-W)	12th Floor, Bangunan Mayban Trust 3, Penang Street 10200 Pulau Pinang Tel No. 04-2626644	059-001	OSK SECURITIES SDN BHD (Ipoh Branch) (14152-V)	Wisma Premier Capital 21-25 Jalan Seenivasagam 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2415100	056-002
PERAK DARUL RIDZUAN			NEGERI SEMBILAN DARUL KHUSUS		
BOTLY SECURITIES SDN BHD (14948-M)	1st Floor, Plaza Teh Teng Seng 227, Jalan Kampar 30250 Ipoh Perak Darul Ridzuan Tel No. 05-2531313	058-001	PAN MALAYSIA EQUITIES SDN BHD (228587-U)	2nd, 9th & 10th Floor, Bangunan Yayasan Negeri Sembilan Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No. 06-7638999	084-001
KIN KHOON & CO. SDN BHD (17816-P)	23 & 25, Wisma Kota Emas Jalan Dato' Tahwil Azar P.O. Box 421 30910 Ipoh Perak Darul Ridzuan Tel No. 05-2543311	017-001	MALPAC SECURITIES SDN BHD (<i>formerly known as Seremban Securities Sdn Bhd</i>) (159143-V))	1st, 2nd & 3rd Floors 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No. 06-7623131/34	063-001
			PAHANG DARUL MAKMUR		
MBF NORTHERN SECURITIES SDN BHD (14782-V)	No.71, Jalan Lim Bo Seng 30300 Ipoh Perak Darul Ridzuan Tel No. 05-2548999	067-001	KL CITY SECURITIES SDN BHD (Kuantan Branch) (126994-W)	A-397, A-399 & A-401 Taman Sri Kuantan III Jalan Berserah 25300 Kuantan Pahang Darul Makmur Tel No. 09-5660800	076-002

14. APPLICATION FOR SECURITIES (Cont'd)

Name	Address And Telephone Number	Broker Code	Name	Address And Telephone Number	Broker Code
JOHOR DARUL TAKZIM			TERENGGANU DARUL IMAN		
ENG SECURITIES SDN BHD (53333-T)	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No. 07-2231211	081-001	FA SECURITIES SDN BHD (251711-V)	3rd Floor, Wisma UMNO Jalan Masjid Abidin 20100 Kuala Terengganu Terengganu Darul Iman Tel No. 09-6238128	021-001
JB SECURITIES SDN BHD (17812-U)	Suite 7.1 & 7.2, Level 7, Menara Pelangi 2, Jalan Kuning Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No. 07-3332800	078-001	PTB SECURITIES SDN BHD (425317-T)	1st, 2nd & 3rd Floor No.61, Jalan Sultan Ismail, Peti Surat 151 Pejabat Pos Besar 20700 Kuala Terengganu Terengganu Darul Iman Tel No. 09-6235546	025-001
KESTREL SECURITIES SDN BHD (formerly known as MBf Securities Sdn Bhd) (97150-A)			KELANTAN DARUL NAIM		
KESTREL SECURITIES SDN BHD (formerly known as MBf Securities Sdn Bhd) (97150-A)	No.57, 59 & 61 Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9532222	088-001	KOTA BHARU SECURITIES SDN BHD (15629-M)	298 Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No. 09-7482798	075-001
PENINSULA SECURITIES SDN BHD (57258-V)			SABAH		
PENINSULA SECURITIES SDN BHD (57258-V)	Level 2, Menara Pelangi Jalan Kuning Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No. 07-3333600	077-001	INNOSABAH SECURITIES SDN BHD (194990-K)	11, Equity House Block K, Kompleks Sadong Jaya Karamunsing 88100 Kota Kinabalu Sabah Tel No. 088-234099	020-001
PJB-OUB SECURITIES SDN BHD (430550-H)			SARAWAK		
PJB-OUB SECURITIES SDN BHD (430550-H)	Podium 2A & 3 Menara Ansar 65, Jalan Trus 80000 Johor Bahru Johor Darul takzim Tel No.: 07-2222692/ 2765201	027-001	BORNEO SECURITIES SDN BHD (432200-A)	12 G, Jalan Kampung Datu 96000 Sibul Sarawak Tel No. 084 - 319998	030-001
SOUTH JOHORE SECURITIES SDN BHD (53647-D)			SARAWAK SECURITIES SDN BHD (219322-W)		
SOUTH JOHORE SECURITIES SDN BHD (53647-D)	3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No. 07-4342282	069-001	SARAWAK SECURITIES SDN BHD (219322-W)	Wisma Mahmud Jalan Sungai Kuching 93100 Kuching Sarawak Tel No. 082-338000	019-001
KEDAH DARUL AMAN			SARAWAK SECURITIES SDN BHD (219322-W)		
ALOR SETAR SECURITIES SDN BHD (123654-H)	Lot T-30, 2nd Floor Wisma PKNK Jalan Suktan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No. 04-7317088	094-001	SARAWAK SECURITIES SDN BHD (219322-W)	Lot 2465, Jalan Boulevard Boulevard Commercial Centre 98000 Miri, Sarawak Tel No.. 085-435577	029-002
PERLIS INDRA KAYANGAN			WILAYAH PERSEKUTUAN LABUAN		
UPEN SECURITIES SDN BHD (254920-D)	2nd Floor, Podium Block, Bangunan KWSP 01000 Kangar Perlis Indra Kayangan Tel No. 04-9765299	023-001	LABUAN SECURITIES SDN BHD (239683-W)	Level 2, Wisma Oceanic Jalan OKK Awang Besar 87007 Wilayah Persekutuan Labuan Tel No. 087-410621	022-001