

13. ADDITIONAL INFORMATION

13.1 Share Capital

- (a) Save for the issuance of new ordinary shares upon conversion of the ICPS, 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 are two (2) classes of shares in the Company, namely ordinary shares of RM1.00 each and ICPS of RM1.00, all of which rank *pari passu* with one another within the same class.
- (d) Save for the 1,000,000 ordinary shares of RM1.00 each reserved for the eligible directors and employees of the Group pursuant to this Prospectus, there are at present no other schemes involving the employees in the share capital of the Company or its subsidiary.
- (e) As at the date of this Prospectus, none of the share capital of the Company or its subsidiary is under any option or agreed conditionally or unconditionally to be put under any option.
- (f) Save as disclosed in Section 2.2 of this Prospectus, no shares, stocks or debentures in the Company or its subsidiary have been issued or are proposed to be issued as partly or fully paid-up for cash or otherwise within the two (2) years preceding the date of this Prospectus.

13.2 Articles Of Association

The following provisions are reproduced from the Company's Article of Association.

(a) Transfer of Securities

The provisions in the Articles of Association in respect of the arrangements for transfer of the securities and restrictions on their free transferability are as follows:-

Article 29

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

Article 30

The instrument of transfer of any share of the Company shall be executed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered into the Register of Members and / or the Record of Depositors, as the case may be, in respect thereof.

13. ADDITIONAL INFORMATION (Cont'd)

Article 31

Subject to the Rules and Listing Requirements, the transfer of any securities may be suspended at such times and for such periods as the Directors may from time to time determine. Twelve (12) clear market days' notice, or such other period as may from time to time be specified by the Exchange governing the Register concerned, of intention to close the Register shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Exchange. At least three (3) market days prior notice shall be given to the Central Depository to prepare the appropriate Record of Depositors.

Article 32

The Central Depository may refuse to register any transfer of Listed Securities that does not comply with the Central Depositories Act and Rules.

(b) Remuneration of Directors

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

Article 98

The Directors shall be paid by way of fees for their services such fixed sum (if any) as shall from time to time be determined by the Company in general meeting, and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine, Provided Always that:-

- (a) fee payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;
- (b) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover;
- (c) fees payable to Directors 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;
- (d) 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 99

- (1) The Directors shall be paid all their travelling, hotel and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of the Directors or any committee of the Directors of the Company.

13. ADDITIONAL INFORMATION (Cont'd)

- (2) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board provided that in the case of non-executive Directors of the Company, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an Executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors.

Article 126

The remuneration of a Director holding an executive office pursuant to these Articles shall subject to Article 98 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 modes but shall not include a commission on or percentage of turnover.

(c) **Voting and Borrowing Powers of Directors**

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

Article 103

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any unrelated third party.

Article 120

A Director may contract with and be interested in any contract or proposed contract with the Company and shall not be liable to account for any profit made by him by reason of any such contract; PROVIDED ALWAYS THAT the nature of the interest of the Director in any such contract be declared at a meeting of the Directors as required by section 131 of the Act. A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has, directly or indirectly an interest (and if he shall do so his vote shall not be counted), nor shall he be counted for the purpose of any resolution regarding the same, in the quorum present at the meeting.

Article 121

A Director notwithstanding his interest may, provided that none of the other Directors present disagree, be counted in the quorum present at any meeting whereat any decision is taken upon any contract or arrangement in which he is in any way interested PROVIDED ALWAYS that he has complied with Section 131 and all other relevant provisions of the Act and of these Articles.

13. ADDITIONAL INFORMATION (Cont'd)

Article 122

A Director may vote in respect of:-

- (a) any arrangement for giving the Director himself or any other Directors any security or indemnity or any other Directors any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; and
- (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.

Article 123

A Director of the Company may be or become a Director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise or any corporation which is directly and indirectly interested in the Company as shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefit received by him as a Director or officer of, or from his interest in, such corporation unless the Company otherwise directs at the time of his appointment. The Directors may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as Directors of such other corporation, in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the Directors or other officers of such corporation), and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be or is about to be appointed a Director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid.

(d) Changes in Capital or Variation of Class Rights

The provision in the Articles of Association as to the changes in capital or variation of class rights which are not less stringent than those provided in the Act are as follows:

Article 6

Notwithstanding Article 7 hereof, the repayment of preference share capital other than redeemable preference shares, or any alteration of preference shareholder's rights shall only be made pursuant to a special resolution of the preference shareholders concerned 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 preference capital concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

13. ADDITIONAL INFORMATION (Cont'd)

Article 7

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied 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 meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy, one-third 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.

Article 8

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 as regards participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

Article 58

The Company may by ordinary resolution: -

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

Article 59

Subject to and in accordance with the provisions of the Act and the requirements of the Exchange and such other relevant law, regulation or guideline, the Company is allowed and shall have power, to the fullest extent permitted, to purchase its own shares. Any shares in the Company so purchased by the Company shall be dealt with as provided by the Act, the requirements of the Exchange and any other relevant authority.

13. ADDITIONAL INFORMATION (Cont'd)

Article 60

The Company may by the special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any authorization, and consent required by law.

13.3 Directors and Substantial Shareholders

- (a) The names, addresses and occupations of the Directors of the Company are set out under Corporate Information of this Prospectus.
- (b) A Director is not required to hold any qualification shares unless otherwise so fixed by the Company in general meeting.
- (c) None of the existing Directors, key management and technical personnel of the Company has any existing or proposed service contracts with the company or its subsidiaries.
- (d) No option to subscribe for securities of the Company or its subsidiary company was granted to or exercised by any Directors during the last financial year.
- (e) Save as disclosed in Section 3.8 of this Prospectus, the Directors and substantial shareholders of ARB are not aware of any persons who are able, directly or indirectly, jointly or severally, to exercise control over the Group.

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13. ADDITIONAL INFORMATION (Cont'd)

(f) According to the Register of Directors' Shareholdings as at 7 January 2004, the Directors' shareholdings in the Company before and after the Public Issue and after full conversion of the ICPS are as follows:

	Before Public Issue			After Public Issue			Full Conversion of ICPS		
	Direct No. Of Ordinary Shares	Indirect No. Of Ordinary Shares	%	Direct No. Of Ordinary Shares	Indirect No. Of Ordinary Shares	%	Direct No. Of Ordinary Shares	Indirect No. Of Ordinary Shares	%
Abdul Rahman b. Ahmad Mahidin	3,758,823	-	8.82	3,758,823	-	7.36	4,641,176	-	7.60
Datuk Yeo Wang Seng	-	22,564,184 ⁽¹⁾	52.97	50,000*	22,664,184 ⁽¹⁾	44.35	50,000*	27,960,940 ⁽¹⁾	45.76
Yeo Wang Ting	1,000,169	19,468,471 ⁽²⁾	45.70	1,050,169*	19,518,471 ⁽²⁾	38.20	1,284,950*	24,088,534 ⁽²⁾	39.42
Lim Yun Nyen	250,588	-	0.59	300,588*	-	0.59	359,412*	-	-
Yeo Gee Kuan	2,095,544	1,221,868 ⁽³⁾	2.87	2,145,544*	1,271,868 ⁽³⁾	2.49	2,637,456*	1,558,692*	2.55
Tan Choon Hwa (JP)	1,127,647	-	2.65	1,127,647	-	2.21	1,392,353	-	2.28
Wong Nyuk Pin	-	-	-	-	-	-	-	-	-
Kong Sau Kian	-	-	-	-	-	-	-	-	-
Tracy Voo Yun Sim	-	-	-	-	-	-	-	-	-

Notes:-

- (1) Deemed interested through direct shareholdings of his spouse, brother, sister-in-law and son and his substantial shareholdings in Aspirasi Puspita Sdn Bhd and Affinity Gateway Sdn Bhd
- (2) Deemed interested through direct shareholdings of his spouse, brother and sister-in-law and his substantial shareholdings in Aspirasi Puspita Sdn Bhd and Affinity Gateway Sdn Bhd
- (3) Deemed interested through direct shareholdings of his parents
- * The shareholdings includes allocation of 50,000 ARB Shares to the Executive Directors of ARB under employees shares allocation

13. ADDITIONAL INFORMATION (Cont'd)

(g) Based on the Register of Substantial Shareholders as at 7 January 2004, the substantial shareholders (with 5% or more shareholding, direct and indirect) of the Company before and after the Public Issue and after full conversion of the ICPS are as follows::

	Before Public Issue			After Public Issue			Full Conversion of ICPS		
	Direct No. Of Ordinary Shares	Indirect No. Of Ordinary Shares	%	Direct No. Of Ordinary Shares	Indirect No. Of Ordinary Shares	%	Direct No. Of Ordinary Shares	Indirect No. Of Ordinary Shares	%
Datuk Yeo Wang Seng	-	22,564,184 ⁽¹⁾	52.97	50,000 *	22,664,184 ⁽¹⁾	44.35	50,000 *	27,960,940 ⁽¹⁾	45.76
Yeo Wang Ting	1,000,169	19,468,471 ⁽²⁾	45.70	1,050,169 *	19,518,471 ⁽²⁾	38.20	1,284,950 *	24,088,534 ⁽²⁾	39.42
Yeo Gee Kuan	2,095,544	1,221,868 ⁽³⁾	2.87	2,145,544 *	1,271,868 ⁽³⁾	2.49	2,637,456 *	1,558,692 ⁽³⁾	2.55
Datin Yap Que Chun	1,221,868	2,095,544 ⁽⁴⁾	4.92	1,221,868	2,195,544 ⁽⁴⁾	4.30	1,508,692	2,687,456 ⁽⁴⁾	4.40
Aspirasi Puspita Sdn Bhd	11,276,471	-	-	11,276,471	-	-	13,923,530	-	-
Affinity Gateway Sdn Bhd	6,168,250	-	-	6,168,250	-	-	7,616,195	-	-
Abdul Rahman b. Ahmad Mahidin	3,758,823	-	-	3,758,823	-	-	4,641,176	-	-
Datin Fadzilah Binti Saad	5,011,764	-	-	3,457,764	-	-	4,634,234	-	-

Notes:-

- (1) Deemed interested through direct shareholdings of his spouse, brother, sister-in-law and son and his substantial shareholdings in Aspirasi Puspita Sdn Bhd and Affinity Gateway Sdn Bhd
 - (2) Deemed interested through direct shareholdings of his spouse, brother and sister-in-law and his substantial shareholdings in Aspirasi Puspita Sdn Bhd and Affinity Gateway Sdn Bhd
 - (3) Deemed interested through direct shareholdings of his parents
 - (4) Deemed interested through direct shareholdings of her spouse and son
- * The shareholding includes allocation of 50,000 ARB Shares each to the Executive Directors of ARB under employees shares allocation

13. ADDITIONAL INFORMATION (Cont'd)**13.4 General Information**

- (a) The nature of the Group's business is set out in Section 4 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 Section 4.3 of this Prospectus.
- (b) The time of the opening of the Application is set out in Section 14.1 of this Prospectus.
- (c) The amount payable in full on application of the Public Issue and Offer For Sale is RM1.20 per ordinary share.
- (d) As at the date of this Prospectus, save for the ICPS issued pursuant to the Acquisition, 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 Company are set out under Corporate Information of this Prospectus.
- (g)
 - (i) Underwriting commission is payable to the Managing Underwriter and Underwriters at the rate of 2% of the Issue Price of RM1.20 per ordinary share on the ordinary shares being underwritten which form the subject of this Prospectus.
 - (ii) Placement fees shall be payable by the Company to the Placement Agent at the rate of up to 2% of the issue price of RM1.20 for the 1,200,000 Public Issue Shares being placed with the Malaysian private and/or institutional investors.
 - (iii) Brokerage will be paid by the Company at the rate of 1% of the issue price of RM1.20 per ordinary share to the parties in the circumstances specified in Section 2.8 of this Prospectus.
 - (iv) 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 MSEL amounting to approximately RM1.6 million will be borne by the Company. The Company will also bear brokerage and underwriting commission relating to the Public Issue Shares amounting to approximately RM100,000.
- (h) Save for item (g) above, no commission, discounts, brokerage or other special terms has been paid or is payable by the Company or its subsidiary company within the two (2) preceding years in connection with the issue or sale of any capital of the Company or its subsidiaries and no Director or proposed Director or promoter or expert is entitled to receive any such payment.
- (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 dividends paid and any remuneration received in the course of employment.
- (j) The Company has not established a place of business outside Malaysia.

13. ADDITIONAL INFORMATION (Cont'd)

- (k) Save as disclosed in the proforma consolidated profit forecast and assumptions of the Group in relation thereto and Section 3 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 Group.
- (l) The financial conditions and operations of the Company and its subsidiary company are not affected by any of the following:
 - (a) known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in the Company's or the Group's liquidity increasing or decreasing in any material way;
 - (b) material commitments for capital expenditure;
 - (c) unusual or infrequent events or transaction or any significant economic changes that materially affected the amount of reported income from the operations; and
 - (d) known trends or uncertainties that have had or the Company reasonably expects to have a material favourable or unfavourable impact on revenues or operating income.
- (m) During the last financial year and the current financial year, there were no:
 - (a) public take-over offers by third parties in respect of the Company's shares; and
 - (b) public take-over offers by the Company in respect of other company's shares.
- (n) 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 Public Issue Shares.

13.5 Material Contracts

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered in the ordinary course of business) which have been entered into by the Company and its subsidiary company within the two (2) years preceding the date of this Prospectus

- (i) The conditional Sale & Purchase Agreement dated 14 March 2003 entered into between ARB and the Vendors, as set out in Section 4.4.1(b) of this Prospectus, for the acquisition of entire issued and paid-up share capital AHSB for the total consideration of RM60,912,552, which was satisfied by the allotment and issue of 42,559,998 new ordinary shares of RM1.00 each and 12,000,000 new ICPS of RM1.00 each in ARB to the Vendors. Subsequently, ARB and the Vendors had entered into a Supplemental Agreement dated 22 October 2003, supplemental to the abovementioned Sale and Purchase Agreement whereby the parties have agreed to extend the "Stipulation Period" (as defined in the Sale and Purchase Agreement) to 31 December 2003.
- (ii) ARB has entered into an underwriting agreement dated 7 January 2004 with Aseambankers and Mayban Securities Sendirian Berhad whereby Aseambankers and Mayban Securities Sendirian Berhad are to underwrite 1,300,000 Public Issue Shares. As consideration, ARB will pay to Aseambankers and Mayban Securities Sendirian Berhad the underwriting commission of two per cent (2%) of the total value of the shares to be underwritten by them. The summary of the salient terms of the underwriting agreement are provided under section 2.9 of this Prospectus.

13. ADDITIONAL INFORMATION (Cont'd)**13.6 Material Agreements**

Save as disclosed below, there is no material agreements entered into by the Company and its subsidiary company

- (i) AHSB has entered into a Supply Agreement dated 3 May 2002 with Bintang Tawau Sdn Bhd ("BT") whereby BT is to supply ASHB timber and other wood products ("Product") for use in connection with AHSB's business for a period of ten (10) years commencing 1 November 2001 to 30 October 2011. As consideration, ASHB will pay BT in accordance to BT's invoice and the purchase price of the Products supplied by BT shall be at the prevailing market rate of the Products per cubic meter. Both parties also guaranteed each other that they will respectively buy and sell from each other the Product an aggregate volume of not less than 180,000 m³ per annum. Subsequently AHSB and BT had entered into a supplemental agreement dated 22 October 2003, supplemental to the abovementioned Supply Agreement whereby the parties have agreed that AHSB is not obliged to purchase all the amount of Product guaranteed to be supplied by BT pursuant to the said Supply Agreement.
- (ii) AHSB has entered into a Supply Agreement dated 6 May 2002 with Seraya Permai Sdn Bhd ("SP") whereby SP is to supply ASHB all timber logs harvested ("Product") the from a forest area situated at Gunung Lara/Kelabakan/Ulu Segama Forest Reserve ("Concession Area") for a period of three (3) years. As consideration, ASHB will pay SP in accordance to SP's invoice and the purchase price of the Products supplied by SP shall be at the prevailing market price of timber logs calculated on the ex 'pangkalan basis'. SP guarantees to supply to ASHB the minimum of 120,000 m³ of timber logs per annum. Subsequently AHSB and SP had entered into a supplemental agreement dated 22 October 2003, supplemental to the abovementioned Supply Agreement whereby the parties have agreed that AHSB is not obliged to purchase all the amount of Product guaranteed to be supplied by SP pursuant to the said Supply Agreement.
- (iii) Insurance policy as set out below:-

No.	Insurance Company	Policy number	Policy Type/Period of Insurance	Insured Amount	Nature of Assets Insured
AHSB					
1	Allianz General Insurance Malaysia Berhad	3FTW0013 59	Standard Fire (Class II) Insurance from 1 November 2003 to 31 October 2004	RM26,500,000	On the plant, machinery, stock in trade of finished and unfinished timber products (veener, plywood, block board, polyester plywood, container flooring and other downstream products) situated on the land held under CL 105491825 and its adjoining lands about 90 KM to the north west of Tawau Municipal Centre Kalabakan Tawau, Sabah.
2	Allianz General Insurance Malaysia Berhad	04FTW000 132	Fire Insurance from 15 January 2004 to 14 January 2005	RM8,550,000	On the building occupied as Plywood and Veneer Mill (including furnitures & fixtures) on land held under CL105491825 & its adjoining lands, about 90 KM to the North West of Tawau Municipal Centre, Kalabakan, Tawau.

13. ADDITIONAL INFORMATION (Cont'd)

No.	Insurance Company	Policy number	Policy Type/Period of Insurance	Insured Amount	Nature of Assets Insured
3	Allianz General Insurance Malaysia Berhad	04FTW000 133	Fire Insurance from 15 January 2004 to 14 January 2005	RM550,000	On two blocks of double storey building marked Block F & I occupied as Labourers' Quarters and on the eight blocks of low raised - floor buildings marked as Block A, B, C, D, E, G, H and J occupied as Labourers Quarters on land held under CL105491825 & its adjoining lands, about 90 KM to North West of Tawau Municipal Centre, Kalabakan, Tawau.
4	Allianz General Insurance Malaysia Berhad	03FTW001 358	Standard Fire (Class II) Insurance from 1 November 2003 to 31 October 2004	RM6,000,000	Machinery as follows, situated at CL 105491825 and its adjoining land about 90 Km North West of Tawau Municipal Centre Kalabakan, Tawau Sabah.
5	Allianz General Insurance Malaysia Berhad	03FTW001 165	Standard Fire (Class III) Insurance from 1 October 2003 to 30 September 2004	RM4,965,000	<p>(i) On the single storey building marked C & D including fixtures and fittings occupied as sawmill cum saw doctor room;</p> <p>(ii) On the single storey building marked E including fixtures and fittings occupied as Mini-sawmill factory;</p> <p>(iii) On the single storey building marked G including fixtures and fittings occupied as store cum planner shed;</p> <p>(iv) On the single storey double roof span building marked F1 including fixtures and fittings occupied as timber sheds;</p> <p>(v) On the single storey double roof span building marked F2 including fixtures and fittings occupied as timber sheds;</p> <p>(vi) On the single storey triple roof span building marked F3 including fixtures and fittings occupied as timber sheds;</p> <p>(vii) On the double storey building roof span building marked II including fixtures and fittings constructed of timber walls and zinc sheets roof, occupied as workshop cum quarters;</p>

13. ADDITIONAL INFORMATION (Cont'd)

No.	Insurance Company	Policy number	Policy Type/Period of Insurance	Insured Amount	Nature of Assets Insured
					(viii) On the single storey building marked B including fixtures and fittings constructed of concrete/ wire mesh walls and zinc sheets roof, occupied as generator house;
					(ix) On the single storey building marked I including fixtures and fittings constructed of timber walls and zinc sheets roof, occupied as indoor badminton hall;
					(x) On the double storey building marked J including fixtures and fittings constructed of timber walls and zinc sheets roof, occupied as office cum senior staff quarters;
					(xi) On the single storey building marked K including fixtures and fittings constructed of timber walls and zinc sheets roof, occupied as canteen;
					(xii) On the double building marked L including fixtures and fittings, constructed of partly concrete/ partly timber walls and zinc sheets roof, occupied as office cum staff quarters;
					(xiii) On office furniture, fixtures and fittings, plant, equipment and utensils of every description, whilst contained in the buildings marked J & L;
					(xiv) On Plant, machinery and equipment (moveable & Immovable) all other utensils and tools in trade of every description, electrical installation, improvements and betterments therein or thereon; and
					(xv) On stock in trade of finished and unfinished sawntimber and other products of every description including round logs;
					on the land held under CL105477361 & CL 105474557 about 90 KM Kalabakan Tawau.

13. ADDITIONAL INFORMATION (Cont'd)

No.	Insurance Company	Policy number	Policy Type/Period of Insurance	Insured Amount	Nature of Assets Insured
6	Allianz General Insurance Malaysia Berhad	03FTW000 761	Standard Fire (Class I) Insurance from 16 June 2003 to 15 June 2004	RM380,000	The double storey building including renovation and extension but excluding foundation and drains situated at TB 3744 and TB 3745 Taman Sri Aman Light Industrial Estate Batu 3.5 Jalan Apas Tawau.
7	Allianz General Insurance Malaysia Berhad	03WTW000 040	Foreign Workers Compensation Scheme from 24 January 2003 to 23 January 2004	a) repatriation expenses – RM4,800 b) personal accident (off-work hours) i) accidental deaths – RM23,000 ii) permanent total disablement – RM23,000 iii) permanent partial disablement- as per the 1 st schedule of the Workmen's Compensation (Amendment) Act 1996 iv) temporary disablement and medical expenses – as per the Workmen's Compensation Act 1952	Workmen's Compensation, Repatriation Expenses and Personal Accident in respect of 83 foreign workers employed by AHSB.
8	Allianz General Insurance Malaysia Berhad	03WTW000 541	Foreign Workers Compensation Scheme from 26 September 2003 to 25 September 2004	a) repatriation expenses – RM4,800 b) personal accident (off-work hours) i) accidental deaths – RM23,000 ii) permanent total disablement – RM23,000 iii) permanent partial disablement- as per the 1 st schedule of the Workmen's Compensation (Amendment) Act 1996 iv) temporary disablement and medical expenses – as per the Workmen's Compensation Act 1952	Workmen's Compensation, Repatriation Expenses and Personal Accident in respect of 4 foreign workers employed by AHSB.

13. ADDITIONAL INFORMATION (Cont'd)

No.	Insurance Company	Policy number	Policy Type/Period of Insurance	Insured Amount	Nature of Assets Insured
9	Allianz General Insurance Malaysia Berhad	03WTW000 532	Foreign Workers Compensation Scheme from 27 September 2003 to 26 September 2004	a) repatriation expenses – RM4,800 b) personal accident (off-work hours) i) accidental deaths – RM23,000 ii) permanent total disablement – RM23,000 iii) permanent partial disablement- as per the 1 st schedule of the Workmen's Compensation (Amendment) Act 1996 v) temporary disablement and medical expenses – as per the Workmen's Compensation Act 1952	Workmen's Compensation, Repatriation Expenses and Personal Accident in respect of 76 foreign workers employed by AHSB.
10	Allianz General Insurance Malaysia Berhad	03WTW000 445	Foreign Workers Compensation Scheme from 24 August 2003 to 23 August 2004	a) repatriation expenses – RM4,800 b) personal accident (off-work hours) i) accidental deaths – RM23,000 ii) permanent total disablement – RM23,000 iii) permanent partial disablement- as per the 1 st schedule of the Workmen's Compensation (Amendment) Act 1996 iv) temporary disablement and medical expenses – as per the Workmen's Compensation Act 1952	Workmen's Compensation, Repatriation Expenses and Personal Accident in respect of 82 foreign workers employed by AHSB.
11	Allianz General Insurance Malaysia Berhad	03VTW002 741	Commercial Vehicle Insurance from 26 October 2003 to 25 October 2004	Death of or bodily injury to any person – Unlimited Damage to property – RM3,000,000	Third Party Claim in relation to one Toyota Land Cruiser, registration no. ST923F
12	Allianz General Insurance Malaysia Berhad	03VTW003 119	Commercial Vehicle Insurance from 20 December 2003 to 19 December 2004	Death of or bodily injury to any person – Unlimited Damage to property – RM3,000,000	Third Party Claim in relation to one Toyota Land Cruiser, registration no. SU1257A

13. ADDITIONAL INFORMATION (Cont'd)

No.	Insurance Company	Policy number	Policy Type/Period of Insurance	Insured Amount	Nature of Assets Insured
13	Allianz General Insurance Malaysia Berhad	03VTW002 534	Commercial Vehicle Insurance from 27 September 2003 to 26 September 2004	Vehicle – RM60,000.00 Death of or bodily injury to any person (3 rd party claims) – Unlimited Damage to property (3 rd party claims) - RM3,000,000	One Toyota Land Cruiser, registration no. ST257F and third party claim with regards the vehicle
14	Allianz General Insurance Malaysia Berhad	03VTW000 848	Commercial Vehicle Insurance from 1 April 2003 to 31 March 2004	Vehicle – RM90,000 Death of or bodily injury to any person (3 rd party claims) – Unlimited Damage to property (3 rd party claims) - RM3,000,000	One Nissan Tanker Truck, registration no. SA3710T and third party claim with regards the vehicle
15	Allianz General Insurance Malaysia Berhad	03VTW003 076	Commercial Vehicle Insurance from 27 November 2003 to 26 November 2004	Death of or bodily injury to any passenger carried by reason of or in pursuance of contract of employment -Unlimited Damage to property (3 rd party claims) - RM3,000,000	Third party claim in relation to one Toyota Hilux Pick Up, registration no. ST8683D
16	Allianz General Insurance Malaysia Berhad	03VTW001 363	Private Car Insurance from 23 May 2003 to 22 May 2004	Vehicle - RM90,000 Death of or bodily injury to any passenger carried by reason of or in pursuance of contract of employment -Unlimited Damage to property (3 rd party claims) - RM3,000,000	One Toyota Land Cruiser, registration no. ST9123E and third party claim with regards the vehicle
17	Allianz General Insurance Malaysia Berhad	03MTW000 398	Hull and Machinery Insurance from 8 November 2003 to 7 November 2004	RM460,000	On Dumb Barge known as Teck Seng 6 and on Dumb Barge known as Aturmaju No. 1.
18	Allianz General Insurance Malaysia Berhad	03LTW000 009	Public Liability Insurance from 11 February 2003 to 10 February 2004	Any one accident: RM100,000	Any bodily injury or loss of or damage to property caused by all plant and machinery owned and/or operated by AHSB in relation to its plymill operation within their concession situated within the state of Sabah.

13. ADDITIONAL INFORMATION (Cont'd)

No.	Insurance Company	Policy number	Policy Type/Period of Insurance	Insured Amount	Nature of Assets Insured
19	Kurnia Insurance (Malaysia) Berhad	V202H0020 26	Foreign Workers Compensation Scheme from 16 June 2003 to 15 June 2004	a) repatriation expenses: RM4,800.00; b) personal accident (Off Work Hours):- - Accidental death: RM23,000; - Permanent disablement: Up to RM23,000.00 - Temporary disablement: as per the Workmen's Compensation Act 1952; - Medical expenses: as per the Workmen's Compensation Act 1952; c) Workmen's Compensation: As per the Workmen's Compensation Act 1952	Workmen's Compensation, Repatriation Expenses and Personal Accident in respect of 1 foreign worker employed by AHSB.
20	Kurnia Insurance (Malaysia) Berhad	V202H0019 09	Foreign Workers Compensation Scheme from 26 May 2003 to 25 May 2004	a) repatriation expenses: RM4,800.00; b) personal accident (Off Work Hours):- - Accidental death: RM23,000.00; - Permanent disablement: up to RM23,000.00; - Temporary disablement: as per the Workmen's Compensation Act 1952; - Medical expenses: as per the Workmen's Compensation Act 1952; c) Workmen's Compensation: As per the Workmen's Compensation Act 1952	Workmen's Compensation, Repatriation Expenses and Personal Accident in respect of 1 foreign worker employed by AHSB.

13. ADDITIONAL INFORMATION (Cont'd)

No.	Insurance Company	Policy number	Policy Type/Period of Insurance	Insured Amount	Nature of Assets Insured
21	Kurnia Insurance (Malaysia) Berhad	V202H0016 64	Foreign Workers Compensation Scheme from 20 March 2003 to 19 March 2004	a) repatriation expenses: RM4,800.00; b) personal accident (Off Work Hours): - Accidental death: RM23,000.00; - Permanent disablement: RM up to RM23,000.00; - Temporary disablement: as per the Workmen's Compensation Act 1952; - Medical expenses: as per the Workmen's Compensation Act 1952; c) Workmen's Compensation: As per the Workmen's Compensation Act 1952	Workmen's Compensation, Repatriation Expenses and Personal Accident in respect of 27 foreign worker employed by AHSB.
KTBSB					
1	Allianz General Insurance Malaysia Berhad	03MTW000 375	Hull And Machinery from 1 October 2003 to 30 September 2004	RM450,000 RM450,000 RM270,000	On 1 Unit of Dumb Barge (Steel) (Kalabakan No. 1) On 1 Unit of Dumb Barge (Steel) (Kalabakan No. 2) On 1 Unit of Dumb Barge (Steel) (Kalabakan No. 3)
2	Allianz General Insurance Malaysia Berhad	03WTW000 566	Foreign Workers Compensation Scheme from 20 October 2003 to 19 October 2004	a) repatriation expenses - RM4,800 b) personal accident (off-work hours) i) accidental deaths - RM23,000 ii) permanent total disablement - RM23,000 iii) permanent partial disablement- as per the 1 st schedule of the Workmen's Compensation (Amendment) Act 1996 iv) temporary disablement and medical expenses - as per the Workmen's Compensation Act 1952	Workmen's Compensation, Repatriation Expenses and Personal Accident in respect of 13 foreign workers employed by KTBSB.

13. ADDITIONAL INFORMATION (Cont'd)

13.7 Material Litigation

Save as disclosed below, as at 7 January 2004 (being the latest practicable date prior to the printing of this Prospectus), the Company and its subsidiaries are presently not engaged in any litigation whether as plaintiff or defendant which has a material effect on the financial position of the Company or its subsidiary and the Directors do not know of any proceedings whether 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 Company and its subsidiary.

Danaharta Managers Sdn Bhd brought actions against AHSB on 30 January 2002 on the following:-

- (i) as 2nd Defendant to claim for the sum of RM3,856,361.64 (as at 31 October 2001) at the High Court of Sabah and Sarawak under Suit No. T(22) 5 of 2002. The claim is with regards to the corporate guarantee executed by AHSB in favour Miliyakin Sdn Bhd to Danaharta Managers Sdn Bhd.
- (ii) as 2nd Defendant to claim for the sum of RM8,106,924.59 together with interest and penalty interest at the High Court of Sabah and Sarawak under Suit No. T(22) 6 of 2002. The claim is with regards to the corporate guarantee executed by AHSB in favour of Ekarhijau Realty Sdn Bhd to Danaharta Managers Sdn Bhd.

Danaharta Managers Sdn Bhd has vide its letter dated 18 February 2003 agreed to withdraw the abovementioned legal suits and to discharge and replace the said corporate guarantees (executed by AHSB in favour of Miliyakin Sdn Bhd and Ekarhijau Realty Sdn Bhd) with 10,700,000 ARB Shares and 2,200,000 ICPS.

Danaharta Managers Sdn Bhd had vide its solicitors filed a notice of discontinuance with regards the abovementioned legal suits on 8 March 2003.

13.8 Responsibility Statement

- (a) Aseambankers, being the Adviser, Managing Underwriter and Placement Agent, acknowledges that based on all available information and to the best of its knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Public Issue and the Offer for Sale and it is satisfied that the consolidated profit estimate and forecast for the financial year ended/ending 31 December 2003 and 31 December 2004 (for which the Directors of ARB are fully responsible) prepared for inclusion in this Prospectus have been stated by the Directors of the Company after due and careful enquiry and have been duly reviewed by the Reporting Accountants.
- (b) This Prospectus has been seen and approved by the Directors and Promoters of ARB and the Offeror and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all reasonable enquiries, that 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 in this Prospectus false or misleading. The Directors hereby accept full responsibility for the consolidated profit estimate and forecast included in this Prospectus and confirm that the profit estimate and forecast have been prepared based on assumptions made.

13. ADDITIONAL INFORMATION (Cont'd)

13.9 Consents

- (a) The written consents of the Adviser and Managing Underwriter, Underwriters, Placement Agent, Auditors and Reporting Accountants, Company Secretary, Principal Bankers, Solicitors, Issuing House and Registrars 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;
- (b) The written consent of the 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 year ended/ending 31 December 2003 and 31 December 2004 respectively and Proforma Consolidated Balance Sheets as at 31 August 2003 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; and
- (c) The written consent of Independent Market Research Consultants to the inclusion in this Prospectus of its name and the Executive Summary Report in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

13.10 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) Memorandum and Articles of Association of the Company and its subsidiaries;
- (b) Directors' Report and Accountants' Report as included herein;
- (c) Reporting Accountants' Letters relating to the Consolidated Profit Estimate and Forecast for the financial year ended/ending 31 December 2003 and 31 December 2004 and the Proforma Consolidated Balance Sheets as at 31 August 2003 of the Company as included herein;
- (d) Independent Market Research Report;
- (e) Audited accounts of ARB and its subsidiary for the past five (5) years ended 31 December 1998 to 2002 and eight (8) months period ended 31 August 2003;
- (f) Declaration of the Advisers referred to in Section 7.2 above;
- (g) Material contracts referred to in Section 13.5 above;
- (h) Material agreements referred to in Section 13.6 above;
- (i) Writ and relevant cause papers in relation to the material litigations referred to in Section 13.7 above; and
- (j) Letters of consent referred to in Section 13.9 above.